THE ROLE OF COMMUNITY DEVELOPMENT AND CITIZEN ENGAGEMENT ACTIVITIES IN STRENGTHENING CIVIC ENGAGEMENT AND GOVERNMENT RESPONSIVENESS IN SERBIA

Ex-Post Evaluation - Final Report

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Ex-Post Evaluation - Final Report
SeConS   Development Initiative Group

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ACRONYMS

ACDI/VOCA	Agricultural Cooperative Development International and Volunteers in Overseas Cooperative Assistance
ADF	America's Development Foundation
BCIF (TRAG)	Balkan Community Initiative Fund
BID	Business Improvement District
CAB	Community Enterprise Citizen Advisory Boards
CAC	Citizen Assistance Centers
CARDS	Community Assistance for Reconstruction, Development and Stabilization
CC	Community Committee
CDG	Community Development Group
CHF	Cooperative Housing Foundation
CRDA	Community Revitalization through Democratic Action
CRDA-E	Community Revitalization through Democratic Action – Economy
CRTA	Center for Research, Transparency and Accountability
CSAI	Civil Society Advocacy Initiative
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
DAI	Development Alternatives Incorporated
EU	European Union
FGD	Focus Group Discussion
ICT	Information and Communication Technology
IDPs	Internally displaced persons
IRD	International Relief and Development, Inc.
ISC	Institute for Sustainable Communities
LTI	Local Government Transparency Index
MC	Mercy Corps
MP	Member of Parliament
MZ	Mesna Zajednica / Local Community
NGO	Non-Governmental Organization
OSPCs	One-stop Permitting Centers
RH	Reproductive Health
SLGRP	Serbian Local Government Reform Program
USAID	United States Agency for International Development
YUCOM	Lawyers' Committee for Human Rights

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EXECUTIVE SUMMARY

This assignment was initiated by USAID/Serbia, to address the role of community development and citizen engagement activities in strengthening civic engagement and government responsiveness in Serbia, defined in a Statement of Work issued in late 2016. The Statement of Work defined two evaluation questions: *Which approaches have had positive sustainable effects on civic participation, and which did not? Which approaches have had positive, sustainable effects on government responsiveness, and which did not?*

THE PROGRAMS

The evaluation encompassed **three USAID-funded programs (CRDA, SLGRP and CSAI)** implemented in Serbia during the period 2001-2011. Each of these programs focused on responsive government and civic participation, although CRDA and SLGRP were coordinated, while CSAI was a standalone initiative.

The Serbian Local Government Reform Program (SLGRP) was a $30 million program that ran from 2001 to 2006 and was active in 90 municipalities throughout Serbia. The program included training for over 20,000 local government staff in local government management (financial management, public services management, information technology applications, and citizen participation). Transparent and accountable budgeting and financing systems were established, as were public/private partnerships, citizen assistance centers and one-stop permitting centers.

The Community Development through Democratic Action (CRDA) Program was a $200 million program that ran from 2001 to 2006, covering all of Serbia except for metropolitan Belgrade. The program implemented over 5000 projects in civic participation, income generation, environmental protection, and infrastructure improvements, making use of community development activities to build trust between different ethnic and religious groups, to demonstrate the value of citizen participation, to support grassroots democratic action and to bring immediate improvement in people's living conditions.

The Civil Society Advocacy Initiative (CSAI) was initiated as a 5-year, $12 million program that was extended ultimately to seven years, with a total expenditure of $27.5 million. The Civil Society Advocacy Initiative promoted civil society advocacy through grants, training and tailored technical assistance to develop individual, project and/or institutional capacity to exert influence and represent constituency interests.

THE ASSIGNMENT

The assignment consisted of three main components:

- Initial research on the programming approaches.

- Mapping the sustainable effects of the programs on government responsiveness and citizen participation.

- A more detailed analysis of 4 selected areas of interest. These include: Complex Interventions Targeting Multiple Stakeholders and Sectors vs. Simple Interventions; Participatory Budgeting; The Evolution of Citizen Participation; and Fund for Support to Grassroots Initiatives

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KEY FINDINGS

There remains a legacy of USAID interventions implemented through SLGRP and CRDA. Mechanisms that were established with the aim of **improving government responsiveness**, such as Citizens Assistance Centers, One-stop Permitting Centers, Annual Budget Letters and Public Budget Hearings still exist in a number of municipalities. Formal mechanisms of government responsiveness were more sustainable, while more advanced democratic instruments to ensure citizen participation in local policy making had a much lower 'survival rate'. For example, budget letters that were formalized, and backed by national legislation, exist in 93% of municipalities included in the mapping survey, while informal mechanisms of citizen participation such as cluster committees can be found today in only 16% of municipalities. A key factor in relation to this appears to be the awareness and commitment of local politicians and capacities and enthusiasm of community leaders. The importance of individual actors is predominant in the absence of the strong formal institutions. There are a number of visible initiatives that are products of specific mayors, or municipal council members, a number of whom were civil society activists.
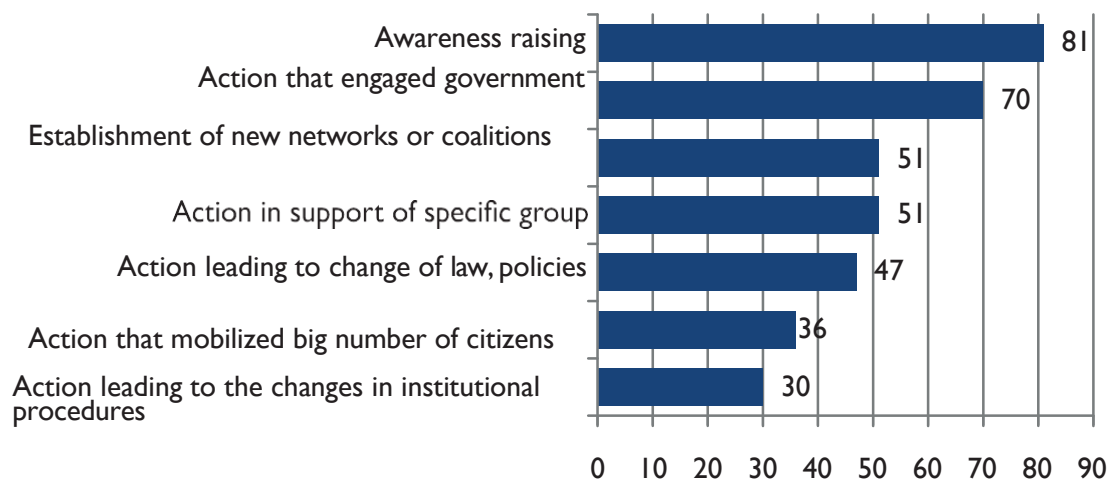
Presence of various mechanisms of government responsiveness and citizens' participation in municipalities in Serbia
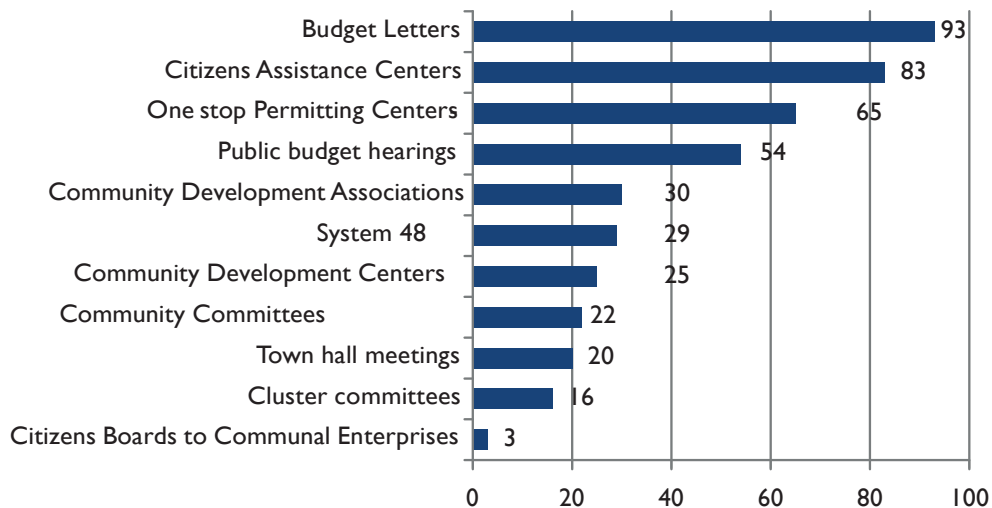
In terms of **grass roots civic participation activities** that were funded through the CSAI program the research indicates a high level of sustainability of the funded initiatives (which responded to the survey – 40 of 93 organizations), in a number of areas related to the environment and in social support to vulnerable groups. Sustainability in this context means different things – sometimes very concrete legislative changes, services or mechanisms and sometimes less tangible results such as increased awareness and capacities.

For those civil society organizations awarded funds for advocacy, lobbying and social corporate responsibility, all organizations that participated in the survey (47 of the 126 organizations contacted) are still active and reported on sustainable civic participation in the area of their engagement. The most frequent actions conducted after the projects ended were a variety of awareness-raising campaigns, followed by engagement actions, which included representatives of government. Half of the organizations surveyed participate in networks and coalitions, which is a positive sign for the development of social capital within civil society.

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Type of actions organizations have conducted after the project period

Action	Value
Awareness raising	81
Action that engaged government	70
Establishment of new networks or coalitions	51
Action in support of specific group	51
Action leading to change of law, policies	47
Action that mobilized big number of citizens	36
Action leading to the changes in institutional procedures	30

The impact of programs on **local gender regimes** is also visible. During implementation gender regimes were still dominantly patriarchal, particularly in rural areas, excluding women from participation in public decision-making. Interventions implemented through CRDA programs, with prescriptions to include at least 30% of women in local commune councils, brought change in these gender patterns in participation. Various testimonies from the survey indicated that women-led initiatives were often more engaged. Programs also enabled higher activism of women in areas with a long tradition of women's grassroots initiatives (i.e. Vojvodina).

The study found that various aspects of the **approach and methodology of the three programs** contributed to the success and sustainability of effects. Key components of success were:

- The allocation of significant professional resources (permanently available leaders, experts, mentors) which work closely in the communities and know the communities well

- The applied methods for increasing citizen knowledge and skills for participation (particularly 'learning by doing').

- Broad participation and consultations in preparation of decisions, including assigning new responsibility to citizens which increased their motivation to participate.

- The focus on visible impact, during early stages of program implementation, which additionally increased motivation to participate.

- Careful selection of local communities as units of intervention.

- The strengthening the role of community leaders.

Some aspects of the approach and methodology detracted from the results of the programs. These include:

- The lack of a comprehensive approach, focusing only on one stakeholder in the policy cycle (either local government or citizens) instead of multiple stakeholders

- The lack of continuous oversight or monitoring mechanisms after the program implementation period, for tracking and understanding outcomes.

- The lack of timely planning of sustainability of mechanisms for civic participation.

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KEY LESSONS LEARNED AND RECOMMENDATIONS FOR FUTURE PROGRAMMING

A synthesis of all lessons learned and recommendations that were detailed in the 4 in-depth studies and two illustrative studies suggest a number of learning points that should be considered:

1. Sustainability of democratic processes requires systemic changes and interventions that address all components, elements and stakeholders in the policy cycle. It also requires a change of knowledge, attitude and behavior on all sides. Therefore *any future program* aimed at strengthening democratic processes should target, at the same time, the government, private and civil sectors, in a well-coordinated manner, as well as during all phases and with all stakeholders of the policy cycle.

2. Sustainability of change requires systematic *oversight* of policy and budget making processes, to avoid *pro forma* processes. These mechanisms need to be established within the public administration system, but it is also of the utmost importance to establish independent mechanisms with active participation of CSOs and citizens. Currently most CSOs have very limited influence on local government budget allocations, mainly through applying for budget support for their project activities. Therefore any future programming should emphasize this role while having *realistic expectations of capacities and political context* possibilities amongst CSOs and citizens.

3. Citizen participation depends primarily on the awareness and commitment of local politicians to engaging citizens and capacities and the enthusiasm of community leaders. The importance of individual actors is predominant in the absence of the strong institutions (legal, administrative, political, economic etc.) that generate a predictable and unified behavior as an outcome. Therefore a key focus of future efforts should be raising the awareness of and building the capacities of Mayors, their teams and members of local councils to embrace and support participatory processes and understand the benefits it brings - on strengthening the knowledge and skills of current leadership.

4. A tailor-made, well-designed and expertly implemented *local* grant scheme can assist the translation of project ideas that tackle specific local concerns or problems into sustainable interventions that have an impact on people's lives. The process helps small organizations to overcome their capacity gaps, as well as organizations with a medium level capacity to develop and sustain their professional and organizational skills and knowledge and to improve their advocacy strategies. It can also revive the sense, among citizens, that they can have an impact in their community, which is critical to any re-establishment of participatory processes. Therefore future efforts should be modelled on the best practices of a local grant scheme that has flexibility and close collaboration with the communities.

5. Support provided for strengthening organizational capacities and improving policy-focused advocacy strategy can result in legislative changes in specific issue areas, as has been the case in regulating protection from and prevention of domestic violence and introducing needed services. This is a legacy of the program intervention that is difficult to undo in the future. Furthermore, it motivates citizens to participate in building a democratic society from the local level up as the effects of their action were visible and immediate. Therefore any future efforts should consider the extent to which legislative changes are of interest to all sides and can be prioritized in specific issue areas.

6. CSO sustainability and the sustainability of their initiatives show creative ways that local organizations have persevered from social enterprise creation to technical assistance provision. Therefore any future effort should keep in mind the variety of forms sustainability can take, and support innovative approaches to fostering both organizational and issue sustainability.

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INTRODUCTION

ASSIGNMENT BACKGROUND, CONTEXT

This assignment was initiated by USAID/Serbia,[1] to address the role of community development and citizen engagement activities in strengthening civic engagement and government responsiveness in Serbia, defined in a Statement of Work issued in late 2016. SeConS Development Initiative Group (hereinafter SeConS) responded to the RFP and was awarded the contract to undertake this Ex-post Evaluation.

PURPOSE AND STANDARDS OF THE REPORT

Per the Task Order for the assignment, the 'purpose of the evaluation is to determine how past USAID interventions (the Community Development through Democratic Action (CRDA) Program; the Serbian Local Government Reform Program (SLGRP) and the Civil Society Advocacy Initiative (CSAI)) have contributed to sustainably increasing citizen engagement in public policy and government oversight.'[2]

The evaluation report has been prepared in line with USAID's Evaluation Policy criteria

EVALUATION METHODOLOGY

SCOPE OF THE EVALUATION

The evaluation encompasses the three overlapping USAID-funded programs focused on responsive government and civic participation that were delivered in Serbia during the period 2001-2011.

OBJECTIVES

The Statement of Work defines two evaluation questions:

1. Which approaches have had positive sustainable effects on civic participation, and which did not? Why?

2. Which approaches have had positive, sustainable effects on government responsiveness, and which did not? Why?

KEY DEFINITIONS

Definitions are based on the three programs, developed by the evaluation team and adopted by USAID during initial consultations.

Responsive government denotes institutional mechanisms, practices and procedures that bring more accountable government actions. These mechanisms take into account the needs and interests of citizens during policy-making and implementation, as well as in the delivery of services.

Civic participation denotes diverse practices of active citizen engagement in the community and society, including engagement in policy-making that influences decisions on infrastructure and economic investments. This citizen engagement also includes self-help grassroots actions aiming at improvement to a variety of aspects of social life, advocacy, philanthropy and other similar activities that enable the better shaping of community and society in line citizen needs and interests.

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1   In a request for proposals (RFP SOL-169-16- 000006)

2   Ex-post Evaluation Statement of Work. USAID/Serbia.

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Sustainable effects on civic participation and government responsiveness can be defined in several ways, representing different 'layers' or forms of sustainability, depending on the level of formalization and type of agents who 'carry' the action or practice:

1. Institutions and practices of cooperation between civil society and government that are formalized in legal norms of the municipality or budgets.

2. Institutionalized or formalized standards of public services in line with good governance, responsive to citizen needs.

3. Formalization of civic participation through associations, NGOs, networks, active in the area of community development.

4. Action potential - Occasional informal mobilization of citizens in the area of their interests, pressure on government.

EVALUATION METHODOLOGY

The evaluation consists of three main components:

- **Initial research on the programming approaches** – a desk review of more than 100 programming documents and other relevant reports and studies (Annex 1); interviews with key informants (Annex 2); reconstruction of the overall Theory of Change for the three programs; development of research questions and hypotheses.

- **Mapping sustainable effects of the programs on government responsiveness and citizen participation** – identification of practices and mechanisms of citizen participation and government responsiveness that have been sustained over time, based on interviews with key informants, a phone survey with municipalities, a phone survey with grassroots initiatives/ CSAI grantees and an online survey with CSOs/ CSAI grantees.

- **A more detailed analysis of selected areas of interest** based on semi-structured interviews with key informants (program staff, implementing agencies, local stakeholders), group interviews and focused group discussions in local communities (Annex 3). Based on findings, 4 areas of interest were selected for in-depth analysis and two for the purpose of illustrations of certain aspects of interventions. Selection was done with collaboration between the evaluation team and the USAID team, including support from a methodologist from the USAID Office in Washington DC. This in-depth analysis forms the basis of this report.

METHODOLOGICAL LIMITATIONS

Methodological limitations were mainly grounded in the time distance from the implementation of the programs. In many cases it was difficult to find the best informant in local government - it was needed to gather information from several informants, each of whom had only some knowledge on elements of programs, or some mechanisms of government responsiveness and civic participation. Some participants, in the implementation of the three programs, could not remember all aspects of the programs. In some cases, respondents could not remember on whose initiative a local mechanism was established, so it is possible that the role of USAID has been underestimated in these cases. There is a separate set of limitations, related to the civil society organizations that were in focus, particularly in the CSAI component of the program: many have ceased to exist, changed contact information or staff. New representatives are not well informed about the projects implemented with CSAI support.

SOCIAL, POLITICAL AND ECONOMIC CONTEXT OF THE INTERVENTION

The period during which the SLGRP and CRDA programs were being implemented in Serbia (CSAI came later) can be labeled as a 'unique historical moment'. This period promised democratic developments after the decade of blocked post-socialist transformation during the 1990s, a period marked by authoritarian rule, a lack of economic, political and social reforms, war, and isolation from the international community. Moreover, this period was preceded by half a century of a socialist system, meaning that the development of democratic institutions, specific for political pluralism and correspondent forms of civic participation, did not have historical roots in Serbia (although other forms of participation through a self-management system existed during the socialist period).

After this difficult period, the early 2000s were marked by a high level of political enthusiasm. Historical elections, through which the authoritarian Milosevic regime was dismantled, included a very high election turnout (74.68%), demonstrating the willingness of citizens to take decisive steps toward reform. This level of turnout has not been reached again during any later elections.[3] The political scene in Serbia during a major part of the decade 2000-2010 was marked by political instability with premature elections, frequent changes of government, the shifting of coalitions between political parties and leaders at national and local levels and changes in the balance of power in parliament and government. Consequently, this period featured an absence of any clear development strategy resulting from a compromise between coalition partners in power[4].

During this period a process of decentralization began. The new Constitution and legal reforms enabled the transfer of certain types of power and responsibilities to local authorities (i.e. taxation, some fiscal prerogatives, economic and social policies and services, etc.), which encouraged the increased importance of local political actors and structures, but also of civic participation related to local policies and initiatives.

In relation to economic features, and trends of the 'unblocked transformation' period, two distinctive stages can be identified:

- A period of economic stabilization and growth between 2001–2008,

- A period, after the outbreak of the international economic crisis in 2008 that was marked by recession cycles and stagnation.

Civil society began to develop after the introduction of political pluralism, and experienced a transformation along the described developmental paths. During the 1990s, new, organizations emerged, such as human rights activist groups and anti-war organizations, which articulated the political interests of a variety of groups. After 2000, and in particular since the assassination of Prime Minister Djindjic in 2003, civil society has been transformed. Organizations with a more political agenda have lost their activist strength, and an orientation toward service provision has increased. The civil sector has failed to impose itself as an unavoidable partner for government and to establish cooperation at all levels in the interests of citizens.[5] The activities of NGOs dealing with government accountability and rule of law have been limited by the socio-political context[6].

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ASSISTING DEVELOPMENT OF DEMOCRACY IN SERBIA – THE LOGIC OF INTERVENTIONS AND APPROACHES

THEORY OF CHANGE RECONSTRUCTED

The following table provides a graphical representation of an overall, reconstructed Theory of Change for the three programs. As will be seen in the table, outputs are defined based on the intervention types of each program, and intermediate outcomes are defined against the intentions of civic participation and government responsiveness. The overall goal comes from the evaluation's statement of work.

3   Ibid

4   Tomanovic, S, Stanojevic, D. (2015) *Young People in Serbia 2015. Situation, perceptions, believes and hopes.* Friedrich Ebert Stiftung, Belgrade.

5   Cvejic, S, Babovic, M, Pudar, G. (2011) Human Development Serbia 2010: Drivers and Outcomes of Social Exclusion, UNDP, Belgrade, pp.: 67.

6   Vukovic, D. (2015) The Role of Civil Society in Fostering Government Accountability in Contemporary Serbia: on the Limits of Depoliticized Social Activism, *Sociologija,* Vol. LVII, No. 4: 644.

Figure 1: Umbrella theory of change for three programs

Outputs	Intermediate Outcomes	Longer-term Goal
Citizen Assistance Centers (CAC).		
One-stop Permitting Centers (OSPCs).	Responsiveness of government improved through the strengthening of democratic structures	
Annual Municipal Budget Letters.		
System 48.		Contribute to sustainably increasing citizen engagement in public policy and government oversight.
More conducive legal and institutional environment.		
Strengthening grassroots civic participation (BCIF grants).		
Building capacities for advocacy of CSOs.		
Strengthening local philanthropy and CSR.		
Budget public hearings.	Civic participation increased through better informed citizen participation in political and economic decision-making.	
Community Enterprise Citizen Advisory Boards (CAB).		
Town hall meetings.		
Community Committees.		
Cluster Committees.		
Community Development Centers.		
Community Development Associations.		

SLGRP

The Serbian Local Government Reform Program (SLGRP). SLGRP (2001 to 2006) was a $30 million program active in 90 municipalities throughout Serbia. The combined population of

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these participating municipalities accounted for more than 80 percent of the total population of Serbia. Training sessions attended by more than 20,000 participants were held to improve the management capacities of local government staff. More than half of these participants were women, reflecting the important role that they played in local government administration. The training focused on financial management, public services management, information technology applications, and citizen participation. As a result of these efforts, transparent and accountable budgeting and financing systems were established in 70 municipalities and 65 participating towns held public budget hearings for the first time in Serbia. Public-private partnerships that created business improvement districts (BID zones) were introduced for the first time in Serbia. Citizen assistance centers and/or one stop permitting centers were set up in 30 municipalities.

CRDA

The Community Development through Democratic Action (CRDA) Program. CRDA (2001 to 2006) was a five-year, $200 million program covering all of Serbia except for metropolitan Belgrade. It was a civil society program that used community development activities to build trust between different ethnic and religious groups, to demonstrate the value of citizen participation, to support grass roots democratic action and to bring immediate improvement in people's living conditions. During implementation (2001 to 2006), CRDA implemented over 5,000 projects throughout Serbia. Local communities contributed with almost 45% in matching funds or in-kind contributions. The CRDA portfolio included activities targeting four main pillars: civic participation, income generation, environmental protection, and infrastructure improvements with two special earmarks for reproductive health (RH) and assistance to refugee/IDP populations.

CSAI

The Civil Society Advocacy Initiative (CSAI). In 2006, USAID initiated CSAI, a $12 million, five-year program to help civil society organizations better represent citizen needs, and for civil society to become a more influential and trusted partner of business and government. After three additional ceiling increases during 2008-10 and an extension of two years, the program ended in May 2013 as a seven-year, $27.5 million initiative. CSAI's theory of change was that fundamental cultural and political change results from both citizens who are empowered to act and organizations that are capable of leading them. CSAI promoted civil society advocacy through grants, training and tailored technical assistance to develop individual, project and/ or institutional capacity to exert influence and represent constituency interests. CSAI also undertook efforts to strengthen the civil society sector by removing obstacles in the operating environment and helping NGO coalitions to improve their effectiveness.

WHAT IS THE LEGACY OF THREE PROGRAMS?

Sustainable effects on government responsiveness and civic participation are mapped through quantitative surveys. Findings presented in this chapter reveal what is present legacy of three USAID programs. They partly reveal also factors of sustainability, both in terms of (supportive and restraining factors) as perceived by respondents. However, more detailed exploration of factors was conducted within the qualitative, in-debt thematic research.

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SUSTAINABLE EFFECTS ON GOVERNMENT RESPONSIVENESS AND CIVIC PARTICIPATION IN MUNICIPALITIES – MAPPING FINDINGS

Of the 133 municipalities in which SLGRP and/or CRDA were implemented,[9] and which were included in the mapping survey, 111 responded positively and answered the questionnaire, while 22 remained unresponsive after several attempts to organize an interview. (A more detailed presentation of findings can be found in Annex 4).

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BRIEF DESCRIPTION OF MECHANISMS

Citizens Assistance Centers are places in the municipal building where citizens can get all necessary information on the competencies and work of local, provincial and national governments. Centers serve as resource to help citizens solve problems related to the services provided by local government, to file complaints, and to provide comments and suggestions for the improvement of local governance and public services.

One-stop permitting centers (OSPC) are offices in which citizens and legal entities can submit their building permit applications and obtain all needed permits in one place. OSPCs promote quicker, more efficient and predictable procedures to provide effective services to customers.

'System 48' is a municipal service to which citizens can submit information of certain communal problems and to get answers within 48 hours.

Public Budget Hearings were mechanisms introduced through SLGRP by which local budgets were planned in consultation with citizens.

Annual Municipal Budget Letters were introduced by SLGRP to enable municipalities to show citizens, in a clear and easily understandable format, the financial aspects of municipal activities and plans, and to report on the current status of citizen initiatives.

Citizens Advisory Boards to Communal Enterprises were established in 12 municipalities in order to introduce citizen participation concepts and practices to municipal service providers and public utility companies.

Community committees/boards were established through CRDA as mechanisms of citizen participation in decision-making related to local development priorities, investments and projects.

Cluster committees were clusters of CCs organized either by thematic or regional focus.

Town hall meetings were established during the programs as a regular practice of meetings between citizens and municipal authorities on local priorities, problems.

Community Development Centers were offices equipped and allocated to the citizens for the purpose of active participation in local policy making and development projects.

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The mapping findings indicate that despite the limited scope and often unfavorable circumstances that occurred after program implementation, there remains a legacy of USAID interventions implemented through SLGRP and CRDA. Mechanisms that were established with the aim of improving government responsiveness, such as **Citizens Assistance Centers,** still exist and are functional in the vast majority of municipalities (83%), while **One-stop Permitting Centers** exist in 65% of municipalities. **'System 48',** initially introduced through SLGRP in only 12 municipalities (inspired by the system implemented firstly in Baltimore), can today be found in 29% of municipalities, among which some established this service due to the positive influence of municipalities who were pioneers in the mechanism during the SLGRP program. **Annual Budget Letters** are present in 93% of municipalities, supported by public

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7   Information based on programming documentation

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administration reforms (new legal obligations of local governments), while **Public Budget Hearings** are present in 54% of municipalities.

Figure 2: Presence of various mechanisms of government responsiveness and citizens' participation in municipalities in Serbia (% of responds[10])
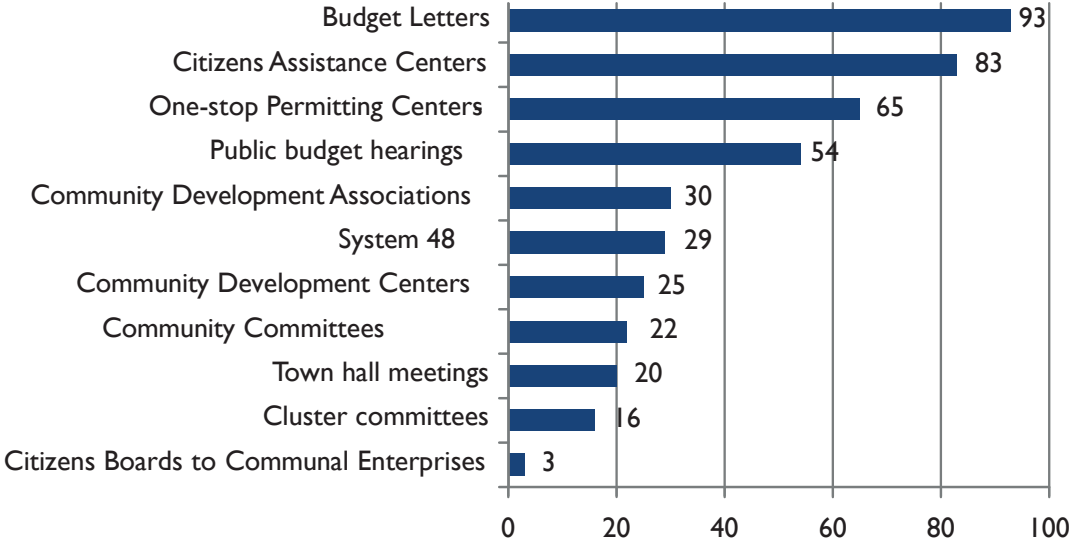
Mapping findings leave the impression that some formal mechanisms of government responsiveness, related to more technical services for citizens, were more sustainable and were even expanded during the period after implementation of the programs being reviewed. Some more advanced democratic instruments that ensure citizens participation in local policy making, such as public budget hearings, had a much lower 'survival rate'. Respondents from local government provide the following key reasons for this lower sustainability of Public Budget Hearings:

- Lack of initiative on both sides - local government and citizens.

- Change of political climate, this was a practice introduced by previous local authorities.

- There is no direct participation of citizens, but only participation of budget beneficiaries who report on spending and propose allocations for the next cycle.

- Late instructions on budget planning by the Ministry of Finance in the previous few years have prevented the timely organization of consultations with citizens.

- The present 'budget calendar' is not favorable for the organization of a participatory process.

NARRATIVES FROM THE FIELD

'This process (local budget planning) *is always covered by the veil of secrecy! There is no interest in making it different.'*

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8   It is important to notice that this is percentage of responds which means that missing answers (which were relatively numerous in regard to certain mechanisms) were not calculated. If missing answers were calculated, the prevalence of mechanisms would be lower, except in the case of Citizens Assistance Centers.

Community committees/boards were established through CRDA as mechanisms of citizen participation in decision-making related to local development priorities, investments and projects. Mapping found that these mechanisms survived in more or less their original form in 22 municipalities; they are still as active as previously in 14 municipalities, while in the remaining 8 municipalities, according to information provided by respondents, they are not as active as before. Respondents from municipalities in which CCs were not active, or were disbanded, indicated the following as the main reasons for the inactivity or cancellation:

- They were not meant to be sustainable after the program; they served only for the purpose of development of strategies.

- Lacks of trust - citizens do not believe that they can influence policies.

- Lacks of interest – citizens are not interested in active participation in local committees and advisory bodies.

- Lack of the concrete local developmental project, which motivated citizens to participate during USAID programs, because they could see more direct influence on priority selection.

- Change of local authorities and political will.

- Citizens find it more productive to participate through 'Mesne zajednice' and NGOs.

- Priority selection is conducted through strategic planning, development of local strategies to which citizens are invited to provide opinions during the drafting of strategic document.

In some cases CCs have transformed into other forms of civic participation. As well as the Community Development Associations, which were planned as a strategy to provide sustainability to citizen participation after the programs (they still exist in 29 municipalities), and establishment of NGOs from members of CCs (NGOs with a CC legacy are still found in 23 municipalities), there are other, less common forms:

- Citizen advisory boards in local assemblies (i.e. Advisory board for development of tourism, Advisory board for development of agriculture), which influence selection of priorities in these policy areas.

- Working groups made of citizens and engaged in public debates on priorities and policies.

- Public consultations with citizens organized in MZs.

- Public consultations with NGOs.

The mapping evidence clearly indicates that there is still a significant legacy of the SLGRP and CRDA programs, and their contribution to the development of mechanisms of government responsiveness and civic participation at the local level cannot be doubted. The highest impact of the programs is found in the regular services provided to citizens, such as Citizens Assistance Centers and One-stop Permitting Centers, as well as in transparency of budgeting which was later supported through national public administration reforms. A significant legacy in civic participation is evident in the form of Citizens Boards, Associations for Community Development and other diverse forms of civic participation that still remain, with variable success and degrees of activity, across local communities in Serbia.

SUSTAINABLE EFFECTS ON GRASSROOTS CIVIC PARTICIPATION

Mapping of grassroots initiatives included all those implemented by 93 NGOs who were awarded a total of 158 grants during the CSAI program (informal associations have not been

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taken into account). The mapping of these grassroots initiatives faced a very low response rate due to a variety of factors: the lack of appropriate contact details, some organizations have become inactive, respondents claimed they did not remember the project, organization staff has changed, or organizations were unwilling to respond for other reasons. The lower response rate in comparison to the mapping of municipalities was surprising, as it was expected that contacts with civil society organizations and activists would be much easier to establish than with representatives of local governments. In the end, 40 organizations responded, and participated in the survey.

Among initiatives covered by the mapping, the most numerous were those focused on environmental objectives (improvement of waste management, recycling practices, raising awareness on a variety of aspects of environmental protection, etc.). Subsequent to this were initiatives focused on social support to vulnerable groups (particularly women exposed to violence, persons with disabilities, children), followed by advocacy and lobbying initiatives that implemented various actions of pressure on local government (related to budget, policies) and then a few initiatives related to improvements in local infrastructure and in human rights.

Figure 3: Objectives and thematic focus of grass roots initiatives
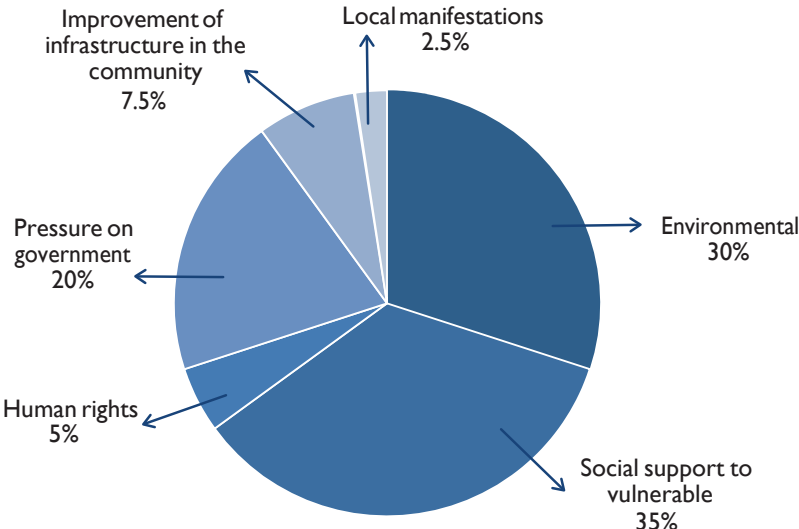
Of the 40 organizations that conducted projects and responded to the survey, 37 (92.5%) reported that the results of their initiatives are still sustained. Among the remaining 3, which reported that results are no longer present, one was focused on affirmation of the creative potential of high school students, one on combating violence against women and one on the establishment of a counseling service for rural development.

Respondents indicated as the main factors contributing to the sustainability of results:

• The capacity of the implementing organization and its ability to mobilize citizens.

• Well-disseminated information about the initiative.

• Increased awareness about the problem.

• Building partnerships with local companies.

• Continuation of financial support by government.

- Cooperation among different CSOs.

- Volunteering.

- Formalization of practices, procedures.

Among factors of failure, most often mentioned is a lack of willingness on the part of local authorities to support the initiative.
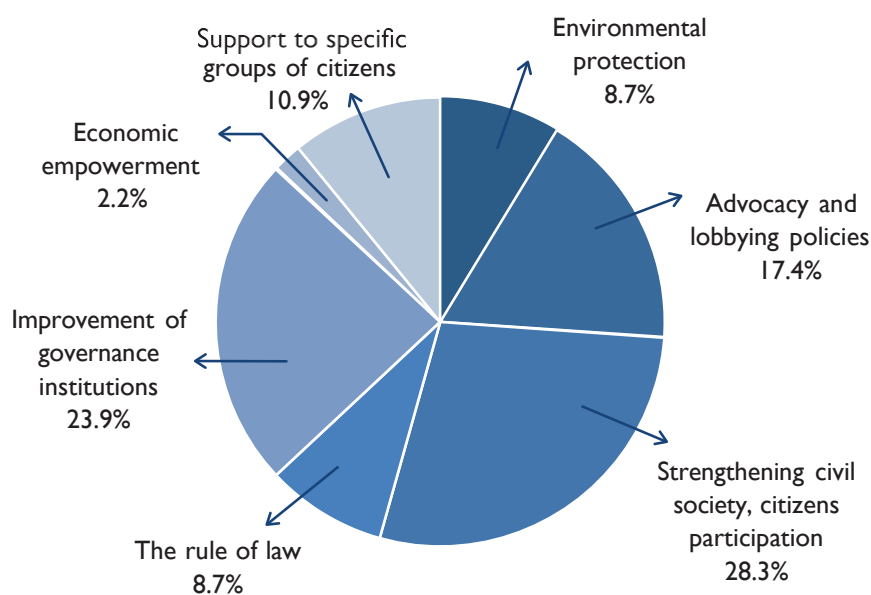
Cooperation with Balkan Community Initiative Fund (BCIF) presently transformed in Trag Foundation (henceforth Trag) was very positively evaluated (4.89 on scale 1-5). The majority of respondents (84%) reported that contracting procedures were not at all complicated and 92% of grantees indicated that the existence of such a fund is of particular importance for grassroots initiatives as they have limited access to other funds.

SUSTAINABLE EFFECTS ON CIVIL SOCIETY ORGANIZATIONS ENGAGED IN ADVOCACY, LOBBYING, CORPORATE SOCIAL RESPONSIBILITY

Through the CSAI program, 236 grants were awarded to 133 NGOs. An invitation to participate in an online survey was sent to 126 organizations whose contacts were valid, and 47 organizations completed the questionnaire. Detailed results can be found in the annex 5.

The thematic focus of organizations was diverse, although the survey records the highest share of organizations as those that used the funding for the enhancement of civil society and citizen participation, followed by organizations who implemented activities related to the improvement of governance institutions and then by organizations who used grants for a variety of advocacy and lobbying activities. Among organizations that participated in the survey, a much lower share of organizations is recorded which used the funding for environmental protection, economic empowerment, and support to specific groups.

Figure 4: Thematic focus of NGO initiatives supported through CSAI grants

Support to specific groups of citizens 10.9%

Environmental protection 8.7%

Economic empowerment 2.2%

Advocacy and lobbying policies 17.4%

Improvement of governance institutions 23.9%

Strengthening civil society, citizens participation 28.3%

The rule of law 8.7%

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Grantees improved various aspects of their internal organization and their capacity to advocate, to mobilize citizens and to act in various ways. Respondents estimated the highest effects of the grants to be the improved outreach of organizations, the building of partnerships with other actors, and the development of organizational capacity in advocacy and lobbying. To a somewhat lesser extent, organizations evaluated the effect on the level of activity in local communities, the development of networks and coalitions, improvements to internal organization, cooperation with government and impact on concrete legal and institutional reforms. Impact on the improvement of cooperation between CSOs and the private sector was least noted, but it was not in focus for the majority of supported initiatives.
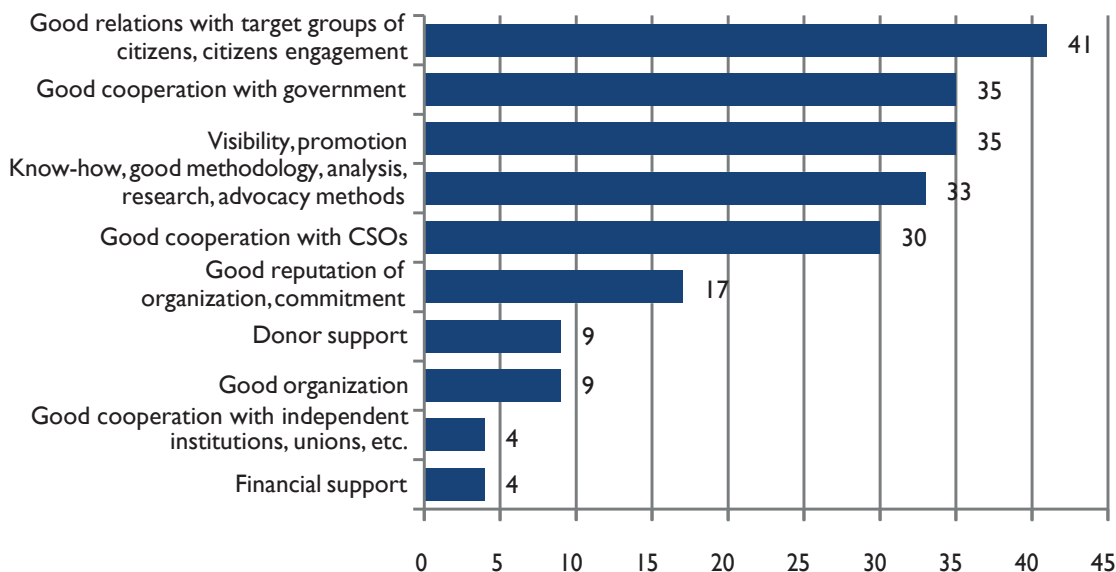
Figure 5: Average marks assigned to effects grants had on various aspects of organizations and their engagement (1-poor, 5-excellent)
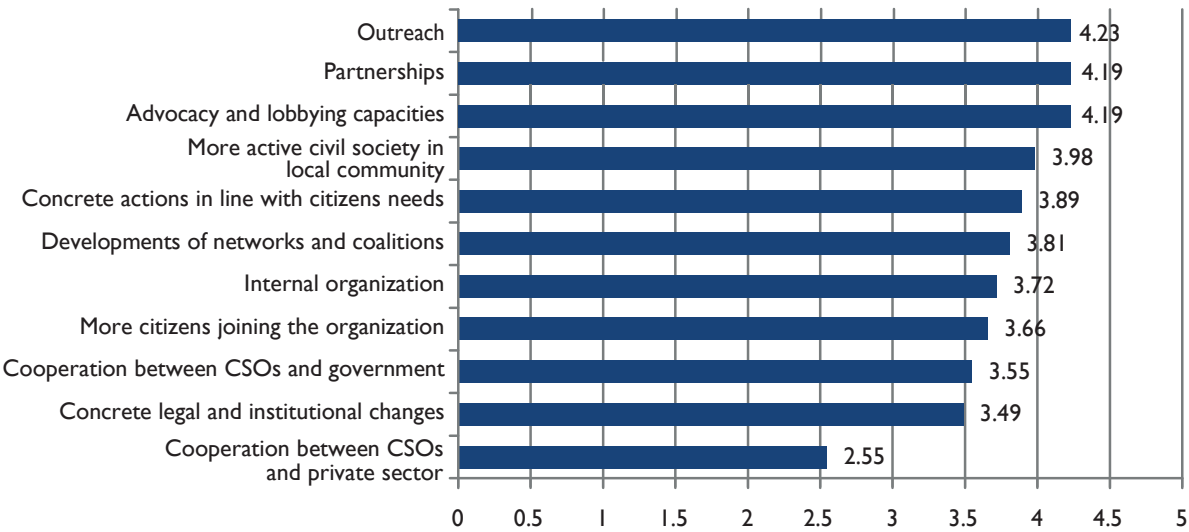
The majority of respondents indicated that the results of the projects supported through CSAI were partially sustainable, while for 43% of organizations, results have been fully sustained over time, and only 4% were not sustainable. Sustainability in this context means different things – sometimes very concrete legislative changes, services or mechanisms and sometimes less tangible results such as increased awareness, capacities and skills.

In terms of the most important factors of sustainability of their results, representatives of CSOs indicate the good relationships they had with target groups of citizens (their good knowledge of their needs, knowing how to approach them, knowing how to motivate them to ensure their participation), a strong engagement of citizens; good cooperation with government at different levels, visibility of the activities and media promotion, high competences and skills of implementing organizations, whether they are related to the quality analysis and evidence or advocacy approaches or implementation methodology. Cooperation with partner organizations or other CSOs who were not directly involved as partners in the project was highly emphasized.
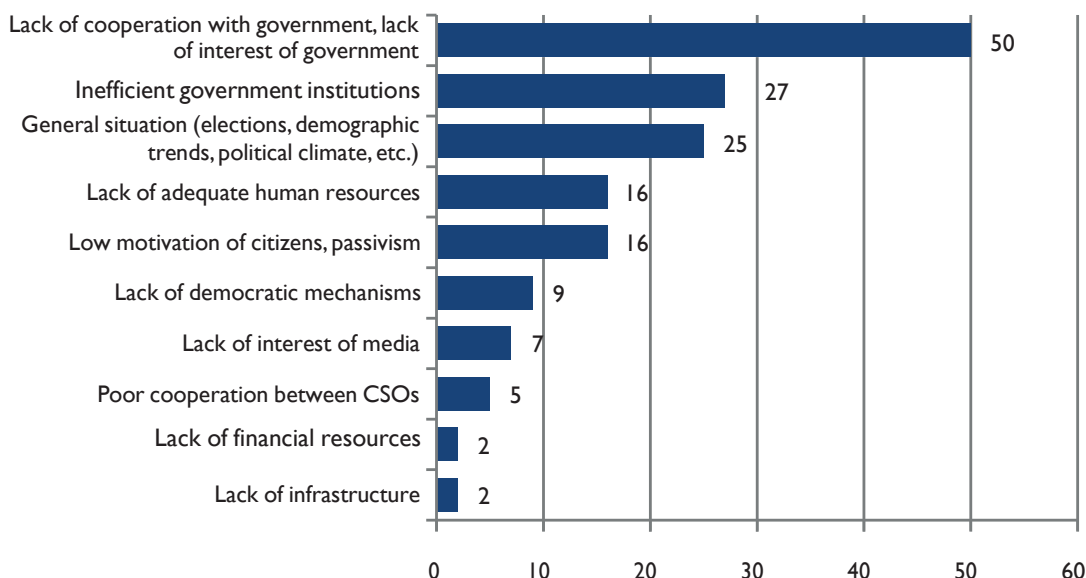
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Figure 6: Factors of project success and sustainability of results (% of organizations[11])

Factor	%
Good relations with target groups of citizens, citizens engagement	41
Good cooperation with government	35
Visibility, promotion	35
Know-how, good methodology, analysis, research, advocacy methods	33
Good cooperation with CSOs	30
Good reputation of organization, commitment	17
Donor support	9
Good organization	9
Good cooperation with independent institutions, unions, etc.	4
Financial support	4

The expressed view of the main obstacle to sustainability of project results, emphasized by half of respondent organizations, is the lack of cooperation with government (whether at national, regional or local levels), and inefficient government institutions which are the target of project activities or were needed for cooperation in order to achieve planned results.

More than half of organizations stated that a major obstacle to citizen mobilization during the project was a lack of motivation of citizens to actively participate in project activities, while 57% of organizations claimed that the main obstacle was a lack of interest and motivation on the part of government representatives to participate in the project activities.
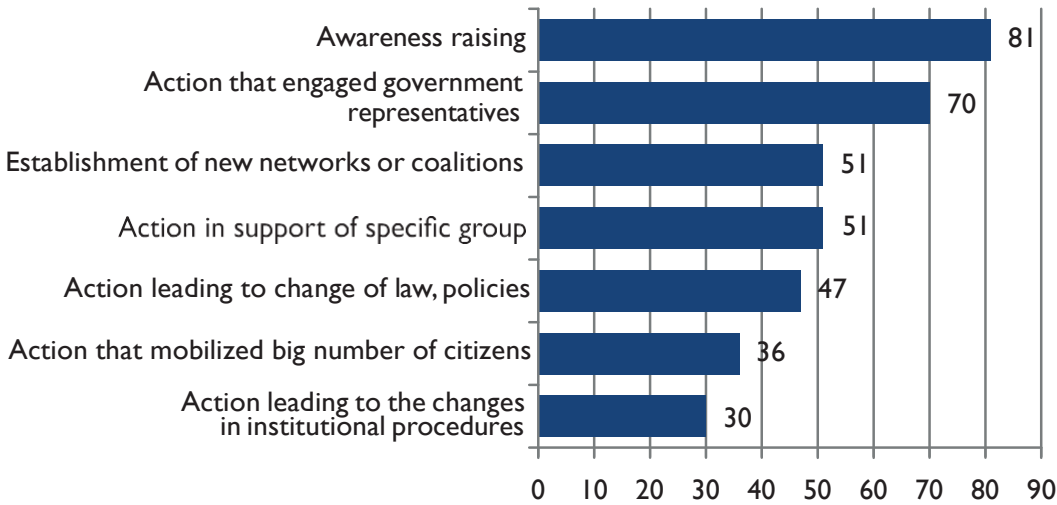
Figure 7: Obstacles to sustainability of project results (% of organizations)

Obstacle	%
Lack of cooperation with government, lack of interest of government	50
Inefficient government institutions	27
General situation (elections, demographic trends, political climate, etc.)	25
Lack of adequate human resources	16
Low motivation of citizens, passivism	16
Lack of democratic mechanisms	9
Lack of interest of media	7
Poor cooperation between CSOs	5
Lack of financial resources	2
Lack of infrastructure	2

All organizations that participated in the survey are still active and reported on sustainable civic participation in the area of their engagement. The most frequent actions were a variety of awareness-raising campaigns, followed by actions, which included representatives of government.

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9   Due to the possibility to note multiple factors, total percentage is above 100%.

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Figure 5: Type of actions organizations have conducted after the project period

As is described in more detail in Annex 10, Smart Kolektiv, as an implementing partner within the CSAI program, demonstrated the significance CSAI had on introducing and fostering two new forms of civic engagement: social entrepreneurship and new forms of linkages between economic and social objectives, merged on the border between business and the civic sector in corporate social responsibility.

In addition to this, the survey indicated a significant impact of the CSAI program on networking between civil society organizations, and their greater readiness to participate in interest-based coalitions. Half of the organizations who participated in the survey are presently active in networks and coalitions, a positive sign for the development of social capital within civil society. Analysis of the 'Open Parliament' and 'Crno na belo' coalitions reveals CSO networks that are more sustainable, that have stronger mobilization power, and that demonstrate a greater advocacy effect. These organizations, when they are effectively and professionally managed, when they are gathered around concrete objectives, and when they are closely connected to target groups and beneficiaries, demonstrate outcomes of strong, grassroots activism of cooperating organizations. (More detail on this discussion can be found in Annex 11).

Mapping results indicate significant impact from the CSAI grants on civic participation and the sustainability of organizations, their initiatives and results after project implementation. As a result of CSAI support, CSOs have managed to significantly improve their internal capacities, to connect better with other stakeholders, to mobilize citizens more effectively, to develop new partnerships, networks and coalitions among CSOs, which contribute to the overall social capital of civil society. The organizations are still active and after project implementation - they implemented diverse actions, indicating dynamic civic engagement.

Two key factors that can endanger the sustainability of their results and undermine citizen participation are the lack of trust and the lack of motivation to participate, on both sides – government and citizens. CSOs are bridging actors between government and citizens, and their effectiveness in establishing relations (critical or cooperative) with government and in mobilizing citizens, requires support, in line with the current, changed context. This changed

context is marked by a higher level of mistrust and by a drop in the level of motivation for political mobilization, which demands from CSOs that they learn new approaches to mobilizing citizens, approaches that are better suited to this new, changed context.

Interviews with key informants, complementing the survey data, indicated some limitations to the CSAI program. According to these testimonies, the program was more focused on 'soft skills', than on developing essential knowledge about democratic systems and processes, and role of civil society organizations in these processes. For example, citizens do not know how the budgeting process works nor what should be their role in budget design and oversight.

AREAS OF IN-DEPTH FOCUS

The following narrative summarizes the full reports of each of the detailed studies found in Annexes 6-10. The narrative below is particularly focused on key findings from these studies. The full reports on the in-depth studies also include lessons learned and recommendations from each study. These lessons learned and recommendations have been synthesized into a single set of lessons learned and recommendations, which is found at Chapter 6.2.

In addition to four detailed studies, there are two illustrative cases that describe achievements of CSAI program in the area of developing corporate social responsibility in Serbia and building networks and coalitions as means to increase strength of civil society (presented in the annexes 11 and 12).

DETAILED STUDY 1: COMPLEX VERSUS SIMPLE INTERVENTION

OBJECTIVE, HYPOTHESIS AND METHOD

The objective: to compare the effects of complex interventions, which simultaneously and in continuity, during a longer period of time, target different parts of the local development process (decision making, investments, implementation of various developmental projects), and involve multiple stakeholders from different sectors, with simple interventions where only parts of the local system and community are targeted.

Preliminary Hypothesis: *Complex interventions which simultaneously target different stakeholders and elements of the local decision-making process, and do this over a longer period, have stronger impact on the sustainability of different forms of government responsiveness and citizen participation, contributing thus to a more developed local democracy.*

Unit of the analysis, sample and rationale: Three municipalities which are examples of different types of interventions:

1. Bačka Topola - targeted by all three programs (SLGRP, CRDA, CSAI), is an example of a complex intervention.

2. Apatin - targeted only by SLGRP, meaning that the intervention was mainly focused on government responsiveness.

3. Mali Idjos - targeted only by CSAI, meaning that the intervention was mainly focused on support to grassroots initiatives.

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As Apatin represents the only municipality in Serbia that participated in SLGRP but not in the other two programs, Bačka was defined as the region to be targeted for this case study. The three municipalities were selected within the same region in order to ensure control of certain common factors: all three municipalities pertain to the same region of Vojvodina, with similar historical and cultural heritage; they are multi-ethnic municipalities, with similar demographic and social factors as shown in Table 1 below. In addition, the CRDA program was implemented by the same implementing partner, America's Development Foundation (ADF), which eliminated differences in "modus operandi".

Data collection methods: individual interviews with key stakeholders who participated in the implementation of activities of the three programs; individual and group interviews with representatives of local government (current and at the time of the program implementation); focus group discussions with representatives of local civil society organizations and legacy organizations; desk research of municipal strategic documents and web presentations.

Informants: 13 individual interviews and 32 participants in focus group discussions with representatives of 1) implementing agencies, 2) local government and local administration and 3) civil society organizations. The multi-ethnic composition of local communities was reflected in respondents.

SUSTAINABLE EFFECTS ON GOVERNMENT RESPONSIVENESS AND CITIZENS PARTICIPATION

Based on the triangulation of results from the mapping of existing instruments, through the phone survey, interviews and focus groups discussions and study of available documents and web-sites, there is evidence that the following mechanisms and procedures are currently in use:

Mechanism/ process	Apatin	Bačka Topola	Mali Idjos
GOVERNMENT RESPONSIVNESS			
Citizens Assistance Centre (including One-Stop Permitting Centre)	√ (not introduced by SLGRP)	√ established on the municipality's own initiative with Provincial Government support	√ (not introduced by SLGRP)
System 48	√ (not introduced by SLGRP)	√ established on the municipality's own initiative with Provincial Government support but not functioning well any more	Not established
Annual budget presentation (letter)	√	√	√ (not introduced by SLGRP or CRDA)

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CITIZENS PARTICIPATION			
Public budget hearing	Not established	√	√ (not introduced by SLGRP or CRDA)
Community Enterprise Citizen Advisory Boards	Not established	Not established	Not established
Open citizens meetings	Not established	√	√ (not introduced by SLGRP or CRDA)
Community Development Groups and Cluster Committees	Not established	Established – not meant to be sustainable – institutionalized through Development Associations	Not established
Development Association or other legacy CSO (from CDGs)	Not established	√	Established in 2005 under CRDA influence (Bačka Topola) - not functioning any more
Centre for municipal development (CSO hub)	Not established	√	Not established

It is worth noting that current legislation[12] obliges municipalities to publish their annual budget on the municipal website. As a result, many municipalities consider this a legacy process of the annual budget letter. However, this public presentation is not adapted for citizens to get a better understanding of the budget, does not automatically provide a summary of how community needs were prioritized; nor does it report on citizen initiatives included in the final budget.

BAČKA TOPOLA

Government responsiveness

The Citizens Assistance Centre (CAC) including One-Stop Permitting Centre (OSPC) is still fully functional and all respondents were quite satisfied with the quality and efficiency of this service.

System 48, although it existed at the municipality website for a period of time, is currently not accessible and does not function well.

The Annual Budget has been regularly published since 2005 and was accompanied by a presentation of community priorities and citizen initiatives that were included in the final budget until 2015.

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12   Budget System Law, Article 45 (*"Official Gazette RS", No. 54/2009, 73/2010, 101/2010, 101/2011, 93/2012, 62/2013, 63/2013 - am., 108/2013, 142/2014, 68/2015 - 103/2015 i 99/2016)*

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Citizen participation

Public budget hearings were regularly organized, publicly announced in the media and held in local communities (as stipulated in the MZ statute) until the end of 2014, and mayors regularly attended these hearings. Prior to budget drafting, all direct and indirect budget beneficiaries were supposed to send their plans/priority proposals, and then the budget limit was presented to the citizens and priorities defined. Bačka Topola has established a separate fund for funding development projects, available for CSOs and local community development projects. Since 2016 there is only a public announcement on the municipality website, and one, central, public budget hearing, which is assessed as "more of a formality than true participatory public budget hearing, attended mostly by budget beneficiaries"?

Town hall meetings/open citizens' meetings survived in the larger local communities where citizens decide on MZ priorities to be funded from the MZ self-contribution (3% of individual net income and 1% of net pension). Until recently, the practice was that the MZ would submit their plans/proposals for the use of self-contribution funds and each MZ could count on the actual amount collected within that MZ. However, it seems that lately community councils (saveti MZ) do not have the possibility of influencing the allocation of these funds, as they are part of the municipal budget and the municipality decides on priorities to be funded. This is not the case only in Bačka Topola but in all three municipalities.

The Community Development Centre is still fully functional, serves as a hub for CSOs and houses the Development Association of Bačka Topola, the legacy organization established from the 3 CDGs that existed during the CRDA program.

The Development Association is one of the few surviving Associations out of 51 established during CRDA. They provide support to CSOs and the municipality in strategic planning, advocacy and inter-sectoral communication and writing project proposals. They provide pro bono services to farmers (registration of farms - attracting a variety of subsidies for them, advice to the administration, etc.), perform operational and financial management of various projects on behalf of the municipality, provide support and mentoring for CSO establishment, organizational development, accounting, training for CSOs and MZs, etc. The municipality pays for the salaries of 5 employees. The Association plays the role of Local Economic Development Office.

All informants stated that CSOs in Bačka Topola are generally better capacitated than they were in the early 2000s, particularly to advocate for the rights of the interest groups they represent and to influence local policy and budgets, to attract donor funds into their municipality/local community and provide services, especially in the field of social care. The number of CSOs has almost doubled in comparison to the 1990s (around 130 currently). CSOs receive annual support from the local budget and claim that this support is comparatively bigger than in other municipalities, although they must still look for additional funds from the Provincial Government and national ministries, as well as donors, as there is very little support from local businesses. There are no CSOs that regularly monitor local policy and budget realization. CSOs actively participate in developing key strategic documents and respective action plans in Bačka Topola, mainly due to the active role of the Development Association that coordinates these processes and provides support to smaller CSOs.

These findings indicate that good practice has a higher likelihood of sustainability and development in a more favorable environment (e.g. a more positive political climate, a higher

level of economic development, a more developed social capital). The same example provides evidence in the opposite direction - that negative trends can undermine the potential of democratic mechanisms.

According to the Local Self-Government Transparency Index (LTI) from 2015, Bačka Topola was in third place with an LTI score of 62.[13]

APATIN

Government responsiveness

The Citizens Assistance Centre and System 48 were established after the end of SLGRP with the support of the Provincial Government and are still functioning. The majority of respondents were very negative about the efficiency of these mechanisms, although during the phone survey with municipalities System 48 scored 4/5 by the representative of the local self-government, which indicates the contrasting perceptions of citizens and government officials. A quick analysis of the System 48 website showed that there are some citizen complaints that must wait for a response for much longer than 48 hours.

Apatin municipality regularly publishes their annual budget on the municipal website.

Citizen participation

Currently there are no citizen participation mechanisms in use. In spite of the training received during SLGRP, public budget hearings were not established as a regular practice. Apparently, in the period 2013-2016, the municipality organized public consultations with the business sector, CSOs and MZs regarding economic development priorities and even initiated establishment of local action groups (LAGs) that were intended to support development of local strategies, support stakeholder networking, and support the appraisal and approval of individual projects in the field of sustainable development. However, most respondents, as well as LTI findings, indicate there is no regular practice of public budget hearings neither at the municipal nor MZ level.

The CSO sector is not well developed in Apatin. There has been very little investment in CSO capacity and institutional development and the first call for proposals for CSO funding was announced in 2016. CSOs report that they have much better cooperation with the Provincial government and national ministries than with their local government. CSOs mostly depend on local donors (e.g. the TRAG foundation) and to a lesser degree on international donors. Just a few count on municipal support. Although this kind of support increases CSO possibilities for introducing sustainable services, their space for maneuvering, for putting pressure on local government for the improvement of local policies and services, is limited, due to this financial dependency. CSOs are not generally included in strategy and policy-making/dialogue and/or identification of local community needs, unless they initiate such a dialogue and request municipal support. In the past, there were sporadic cases of cooperation with some public institutions in preparation of individual projects. Citizens are generally not informed about the role of CSOs.

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13   Transparency Serbia 2015 research evaluated transparency of 145 LSGs based on more than 87 transparency indicators. The average score was 40. There were 32 LSGs who scored over 50, 8 LSGs scored over 60, while only Paracin had a rating higher than 70. http://transparentnost.org.rs/LTI/

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According to the Local Self-Government Transparency Index (LTI) from 2015, Apatin shared 33rd place with an LTI score of 49, which is a little above the national average.

Government responsiveness

The Citizens Assistance Centre is still functional and was qualified as very useful and efficient both through the phone survey and by interview respondents.

The Municipal budget is published on the Municipality website.

Citizen participation

Public budget hearings and open citizen meetings are still held regularly, although the announcement is posted only on the information board in the Town Hall and not on the Municipal website. Both initiatives were initiated by the previous mayor, who had been a civil society activist prior to becoming mayor. Currently, these activities are strongly supported by members of the municipal council who also used to be CSO activists and still have strong connections with CSOs.

The Association for the Development of Mali Idjos (ARO-MI) was founded in June 2005 to support economic, social and cultural development of the municipality and had activists from all three settlements. It served as a link between the registered non-governmental organizations, the local government, other NGOs from Serbia and organizations from neighboring countries. Its tasks were to inform CSOs about potential projects, support preparation of project proposals and the realization of projects, organize training initiatives and education for volunteers, etc. After its founder moved to England the Association did not continue with its activities.

CSOs are very active in Mali Idjos and are proud of their good cooperation with local authorities. Many activists are at the same time also on the municipal council or some other public institution. Although CSO members are not regularly and formally engaged in developing policy documents, the CSO voice is indirectly heard through these people with double roles. Interlocutors state that this is the reason why the local government understands the challenges faced by CSOs, and better addresses their needs and the needs of the interest groups they represent.

According to the Local Self-Government Transparency Index (LTI) from 2015, Mali Idjos shared 113th place with an LTI score of 30, which is below the national average. Although this may look like a discrepancy, in relation to the findings above, it is important to have in mind that the LTI comprises more than 80 factors, among which many are related to the availability of information on municipal decisions on official websites, which is often not a developed form of communication in small and rural municipalities.

KEY FINDINGS

Comparative analysis of these three municipalities has proven the hypothesis that complex interventions, which simultaneously target different stakeholders and elements of the local decision-making process, over a longer period of time, have stronger impact on the sustainability of different forms of government responsiveness and citizen participation.

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The Municipality of Apatin participated only for a short period in the SLGRP project at regionally organized training in finance management, targeting only local administration staff. Citizens and CSO organizations were not provided any support by USAID. Currently, none of the participatory processes initiated by USAID are in place. The existing mechanisms: Citizens Assistance Centre and System 48 were established long after the end of SLGRP within the Provincial Government initiative and publishing of the annual budget is a legal obligation. The current situation is that there are no participatory policy and budget making processes in place, no budget hearing and the budget is simply published on the website without any guidelines for citizens. The civil sector is very frail, and generally there isn't good inter-sectoral cooperation established.

Mali Idjos received CSAI support for CSO advocacy, which continued with occasional TRAG support after the end of the project. Prior to CSAI, the neighboring Bačka Topola supported establishment of the Mali Idjos Development Association and generally contributed to the spillover effect of the CRDA program, supporting creation of strong CSO and local leaders – many of whom became politically engaged and began introducing participatory processes in the local administration, based on their own civil sector experience. It is clear that the support CSOs received over a long period of time resulted in strengthening the civil sector and enhancing good cooperation with the local government and support for their activities from local, provincial and national governments. CSOs have executed positive influence on local government participatory processes. However, without investing in local government capacity building, these processes are not sustainable and their quality depends on the willingness of the local government. In fact, CSOs report that they influence the local budget more through former CSO activists who are now members of the local council than directly through the public budget hearings. The low LTI ranking from 2015 supports this analysis.

Bačka Topola represents the best example of success of a complex intervention. All key stakeholders in the policy development process were targeted, and over a long period of time (with CARDS and EXCHANGE projects continuing CRDA and SLGRP steps, and continuous support to CSOs from various sources after CSAI). The Development Association still plays important role in Bačka Topola and the region and has survived various "shocks", including the end of CRDA, the outbreak of the economic crisis and political changes. Having a coordinating role in many policy development processes, the Development Association ensures wide participation from various stakeholders based on their expertise and invites participants from all 3 sectors, regardless of their political affiliation. According to informants, this is one of the key factors of sustainability of strategic and policy directions in Bačka Topola: those who are currently in power used to be the members of the working groups preparing the strategies – hence, they have the feeling of ownership. Participatory budget processes, open citizen meetings in MZ and public budget hearings have survived because they were introduced through extensive training processes and were in practice through several annual cycles, both with local administration and local government staff, as well as with the CDGs and citizens (both CRDA and SLGRP). Mentoring support was provided over a long period of time by well qualified CRDA staff, who were well aware of the local conditions and who applied a tailor-made approach adapted to these conditions and needs. This complex intervention had the longest lasting effects on the belief of individual citizens that they can do something about the problems in their community - that they can change their own living conditions.

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CONCLUSIONS

Based on this in-depth study, the following conclusions should be taken into account for any future programming:

- Sustainability of democratic processes requires systemic changes and interventions that address all components, elements and stakeholders in the policy cycle, i.e. actors from all three sectors.

- Sustainability requires systematic oversight of policy and budget making processes, to avoid *pro forma* processes. These mechanisms need to be established within the public administration system, but it is also of the utmost importance to establish independent mechanisms with active participation of CSOs and citizens.

- Systemic changes that require a change of knowledge, attitude and behavior, and the establishment of new, participatory and democratic processes, require long-term interventions.

- The negative influence of political changes can be diminished where adequate legislative frameworks are in place, and with change in the attitudes of participants in policy and budget processes.

- At the historic moment when CRDA was established, it was beneficial to work with parallel informal structures such as community committees. However, the situation has changed and public administration reform has established structures and mechanisms that should ensure CSO and citizens participation.

- A tailor-made approach, mentoring throughout an entire policy process and learning by doing are important factors for the sustainability of civic participation and government responsiveness.

- The current lack of initiative on both sides - local government and citizens – seriously threatens democratic processes. The revival of the sense, among citizens, that they can have an impact/ do something/ change something in their community is critical to any re-establishment of participatory processes.

DETAILED STUDY 2: PARTICIPATORY BUDGETING

OBJECTIVE, HYPOTHESIS AND METHOD

The objective: To identify factors that have contributed to the sustainability of participatory budgeting process in local communities, as well as factors that undermine development or sustainability of these mechanisms.

Preliminary Hypothesis: *The sustainability and effectiveness of the participatory budgeting process, initiated with USAID support, depended on sets of factors at the central and local levels: legal norms, a degree of formalization of participatory practices, the strength of civil society engaged in the planning process and the existence of watchdog oversight mechanisms.*

Unit of the analysis, sample and rationale:

Initially, three municipalities were chosen to be in the focus of research, with each representing different outcomes of the participatory budgeting process interventions:

1. an example of good practice, a sustainable participatory budgeting process in which citizens participate in budget planning,

2. a municipality in which the process is not present (no public consultations or transparent budget letter), and

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3. A municipality in which the process has been captured by local government – participatory practices are formalistic, consultations with citizens exist, but budgetary systems, and the final budget itself, do not clearly demonstrate a reflection of the interests of citizens, but only government (witnessed by organizations who participated in the process and who confirm that budget plan has changed from agreed).

The Municipality of Paraćin is the example of the first group of municipalities; Apatin is the second, while Leskovac fits the third type of municipality.

Data collection methods: ten interviews with key stakeholders and three focused group discussions with representatives of local civil society organizations.

SUSTAINABLE EFFECTS ON GOVERNMENT RESPONSIVENESS AND CITIZENS PARTICIPATION

LESKOVAC

Interviews conducted in the city of Leskovac indicate diverse opinions of representatives of local self-government and NGOs. While representatives of local self-government were very positive about citizen participation in various policy making processes at the local level, representatives of CSO were more critical.

The legacy of USAID funded projects is visible in terms of infrastructure work carried out, which is highly praised by the local community. However, the legacy related to citizen participation is barely visible.

The City of Leskovac is presently engaged in a project implemented in partnership with the "Belgrade Fund for Political Excellence" and Leskovac, based on the NGO "Narodni parliament" that deals with participatory budgeting. It is called "Participative budgeting – active inclusion of citizens in the budget process". The project is focused on social welfare issues, that is, on the inclusion of citizens in decision making in this area The project itself started in February 2017 and will last for two budget years.

According to respondents from local self-government, throughout the previous period the local administration and "Narodni parlament" were carrying out public opinion polls and educating citizens on the structure and nomenclature of the budget. They have concluded that citizens are not well informed about the budget making process, and the benefits they may have from a given budget item. As a result, the municipal administration has received a list of recommendations for certain expenditures to be included in the budget during the rebalancing process that is currently underway. However, the general conclusion of our respondents is that citizens are not well informed about the budget itself, nor about the budget-making process.

There was what appears to be an indirect mechanism for receiving inputs from citizens, whereby the Directorate for social issues within the local administration holds regular meetings and communication with NGOs and public social welfare institutions (the Residential Institution for the Elderly and the Center for Social Work) as well as individual citizens who present their requests by email or directly to local administration employees. However, it remains unclear to what extent these requests were incorporated in the budget.

The same mechanism is identified within the process of budget rebalance. When a surplus of funds is identified and a certain amount is directed to, for example, health care or social

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welfare, then the local administration organizes a call for proposals to fund certain projects, and CSOs are proposing projects that reflect citizen needs and interests.

Public consultations on the budget were introduced through an EU Progress funded project implemented by the Balkan Investigative Reporting Network – BIRN. Within the framework of this project, a *Citizens guide through the budget* for 2013 was prepared. Regular consultations with citizens are taking place within MZs from September, and are attended by representatives of various local directorates. Councils of Local Communes (Serb. *Savet mesne zajednice*) are organizing these events and inviting citizens to attend meetings. The councils are then sending these requests to the local administration.

Local self-government is organizing public discussions during the process of preparation of the budget. Only a few representatives of CSOs attend these discussions. The draft of the budget can also be found on the city website and it is presented at a meeting in town hall. Representatives of local self-government claim that there is a severe financial limitation to meet all citizen and CSO requests.

It is important to emphasize that local NGOs do not perceive this participatory budgeting process as a true opportunity for citizens and CSOs to influence policy making. It has been frequently repeated that this is only a "quasi-public consultation" or "a simulation". The public consultations are held at the end of the budgetary process, "on 20 December they hold public consultations and the next day they adopt it. The budget is actually adopted months before the public consultations" emphasized interview respondents. CSO representatives complain that the process is not institutionalized and that it doesn't provide strict guidelines for local political actors.

CSO representatives state that the budget is agreed at a meeting of the coalition that forms the majority in the local parliament. Then it is sent to local self-government for adoption and then to public consultation. "Everything that happens after the coalition meeting is unimportant" as one participant in the focus group discussion in Leskovac noted. By the time the consultations regarding the budget proposal are held, the budget is adopted. They claim that it is futile to attend meetings in Leskovac as well as in other parts of Serbia.

Two times a week, representatives of local self-government hold meetings with citizens, recording their needs and grievances and providing them with advice as to how to resolve a particular issue they are faced with. We were not able to record comments from CSOs on this practice.

In addition to these mechanisms of direct participation and consultation with citizens, the mayor has a regular monthly meeting with prominent businesspersons.

As in other local communities, citizens also present their individual requests. These are most often concerned with certain infrastructure problems in the community. Usually, they are informed that it is legally possible to implement a certain intervention, but there is no project for it, or they are advised to send their request to the Council of the Local Commune, as an elected body of all citizens, which is in charge of setting up priorities.

Both representatives of local self-government and CSO representatives testify that CSOs are participating in local policy making, particularly when it comes to designing strategies and

action plans (e.g. Youth strategy, Development strategy etc.). However, local CSOs do not consider them as important or influential documents, but rather a wish list.

PARAĆIN

In the present analysis, particular importance is given to the case of Paraćin due to the specific political situation in this town. For almost a decade and a half, Mr. Saša Paunović is the dominant local political figure and head of the municipality. He was specifically acknowledged as a leader in fostering citizen participation in the pre-assessment phase of this research, and the municipality of Paraćin has been identified as a leader in responsiveness, civic participation and transparency. These circumstances provide an unusual opportunity to analyze the influence of other factors, apart from the widely quoted "political will", on establishing and maintaining various mechanisms that ensure government responsiveness and citizen participation in local decision making.

Some of the practices established under previous USAID funded projects still exist. Local authorities are still organizing meetings with citizens when there are local issues to be resolved. Citizens elect their own representatives, with whom the municipality then works on a particular issue. They need not deal solely with the preparation of the local budget, but may be engaged on a variety of local issues, predominantly related to infrastructure.

Under the CRDA program, citizens' boards were designed to make decisions with regards to the disbursement of project funds. This institutional setup was appropriate for a situation when non-budgetary funds were disbursed. These citizens' boards ceased when the program ended. However, these boards cannot be used for disbursement of municipal budget funds. In the present institutional setup, Councils of local communes are bodies that are designed to deal with local issues and research respondents recognize them as important resources for future work in the areas of government responsiveness and citizen participation.

Paraćin municipal authorities regularly organize public events with citizens that aim at enabling their participation in decision making, particularly in the budget making process. Respondents mainly attribute the existence of this practice to SLGRP. The process is undertaken two times a year. In addition, there is also a person in the local administration in charge of cooperation with civil society.

According to respondents, it sometimes happens that an unusual priority will emerge. In recent years, there has been a proliferation of cultural and art associations that gather youth (Serb. *kulturno umetnička društva*) and help them stay in local communities.

Local municipal leaders testify that it is sometimes difficult to hold numerous, successive meetings with citizens because, as they say, "citizens do not come because they are happy but because they are dissatisfied. They have a problem they want to resolve and when they resolve it, they don't come to the next meeting to praise local authorities, they stay at home". However, regular meetings with citizens are important because the municipality can prioritize projects and budgets and can prepare election campaigns.

Once again the research was faced with contradicting perceptions from representatives of local authorities and civil society. While representatives of local government expressed their conviction that citizen influence on local policies is increasing, local representatives of civil

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society clearly indicated that policy-making is still reserved mainly for the narrow political circles.

However, respondents insist that citizens do not understand the budget and all the technical issues surrounding it. The expressed view is that citizens are not willing to invest time and effort to understand the budget. In their own words: "They are interested in concrete problems. For example, citizens are interested to know if their street is reconstructed and if it is not, when it will be reconstructed. They are not interested in the costs of reconstruction; they are only interested in whether or not it will happen."

The main concerns of citizens are infrastructure and communal problems (roads, floods, cleaning etc.). Public meetings devoted to infrastructure issues are attended by the largest numbers of citizens. On the other hand, participation in public meetings with local authorities helps citizens to understand the process of local priority making and planning. When citizens and their particular concerns and grievances are confronted with others, they are willing to agree that some issues, such as floods and drainage, are of the higher or utmost priority for local self-government and citizens.

Interviews indicate that only a fraction of citizens are coming to meetings and public events with local self-government. Those are individuals and groups personally or directly interested in a particular issue, mainly those that want to raise a particular grievance, or pensioners. Respondents also indicated that residents of rural areas are more willing to participate in public meetings than residents of urban areas. For these reasons, local authorities have introduced a practice of holding separate meetings with various potentially interested groups, such as, for example youth.

The research noted an interesting experiment in the Paraćin municipality with regards to citizen participation in decision-making and information sharing. After the introduction of new tax legislation, citizens in rural areas were obliged to pay a property tax. The municipality initiated a series of public meetings to explain the measure and to popularize its potential beneficial consequences. The municipality has, according to research feedback from local leadership, conducted a cost-benefit analysis, through which it is demonstrated that the overall tax income in a particular village would be smaller than the amount needed to pay for the electricity for public lighting in that village. As it took some time to understand the benefits of paying for taxes, local leadership then requested that citizens nominate priorities to be addressed with the funds collected through the local property tax: "We asked them, if we can collect 1 million dinars, we can asphalt a third of a street. Which street would you choose?" This has helped us educate people who attend public meetings.

APATIN

None of the interviewed CSO representatives in Apatin were aware of the SLGRP program. However, some aspects of SLGRP did not really leave a clear trail. The research was not able to find any functional practice of public consultation in preparing local budgets, that is, a participatory budget process. On the other hand, the municipality apparently has a System 48, although it is not fully functional.

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Fieldwork in the first two municipalities was carried out smoothly and with only minor and quite usual logistical challenges. However, this was not the case with Apatin municipality. In Apatin, the research team was denied access to representatives of local self-government. In several cases, potential respondents refused to participate in an interview, claiming they had no authorization or that they were not sure they were appropriate interlocutors or that they had no knowledge of local issues. Some of these potential interviewees indicated that things had changed in their municipality, and that it was not easy for them to speak openly. Respondents from the civil sector also stated that things have changed as a result of the political changes since the 2016 local elections. Although the research team insisted that it was dealing with politically non-sensitive issues, the team was unsuccessful in approaching these individuals.

With those interviewees with whom the research team was successful, there was a clear reluctance to talk, and an obvious fear of taking part in the research. There was only one respondent from the local administration who was willing to participate in the research, and only under conditions that their name was not mentioned, that the interview was not recorded and that notes were not taken. Having all this in mind, it is noted that the majority of findings from Apatin are based on interviews with local CSOs.

Representatives of CSOs from Apatin are not taking part in the public consultations in the process of preparation of local budget. They note that consultations take place, but are purely formal, with no real impact on the content of the local budget. However, there is a certain level of financial transparency as the local budget is publicly available on the website of the municipality.

As with the other two municipalities, CSO representatives confirm a low level of civic activism in Apatin. Citizens themselves are not interested in civic activism on politically sensitive issues. Even worse, they are not particularly active even when it comes to less contested issues, such as those related to culture or social welfare. For example, CSOs regularly organize activities and manifestations, but citizens tend to show a low level of interest in these activities. The situation with CSOs seems not to be better - there are well established NGOs but they are most often a "one man show" – typically they don't have employees or regular funding.

CSOs do have a limited role in the processes of local policy making, particularly in designing local strategies and action plans. Some of these processes are not fully transparent, while many of the participatory processes are reported as purely formal. When it takes place, participation seems to be highly dependent on two factors: the local political situation and the level of organizational initiative on behalf of CSOs. Their ability to participate in local policymaking depends on their personal initiative. In general, the ability of CSOs to influence local policymaking is low and cooperation with local self-government is largely reduced to local funding for CSOs.

Civil society cooperates with local self-government, but these are CSOs that do not rely on local funding. Recently, local self-government has introduced public calls for disbursement of local funds for civil society. Previously, the funds were disbursed based on personal contacts with representatives of local self-government and were typically earmarked for a particular event or activity. These processes have all been taking place on a purely informal basis, with no formal procedures established. Upon the introduction of a municipal call for proposals for funding of CSOs, the procedure was formalized.

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Respondents indicate that political affiliation is becoming more important in local civil society. Some confirm that becoming a member of a political party is a key to achieving greater local visibility and the ability to secure local funds.

KEY FINDINGS

The initial hypothesis was partly confirmed, and needs to be refined. The most important factor that sustains participatory budgeting practices is the presence of strong political leadership committed to participatory policymaking. This appears to be essential in establishing sustainable and robust local participatory regimes. The Paraćin case clearly demonstrates that having local leadership committed to participation, accountability and transparency is essential. This is particularly true when other factors, most notably legal and institutional, are absent and in a situation marked by deterioration of economic conditions, which decrease local funds and motivation of citizens to participate in the budgeting processes.

The research findings are more consistent in pointing out factors that are missing than to the factors of sustainability. Factors that might have contributed to the sustainability and effectiveness of the participatory budgeting process, but are obviously missing, are:

- Legal codification and institutionalization of the process.

- Creating an enabling environment in which municipalities compete to introduce and institutionalize such mechanisms, including in the form of systems of honor and reward for successful municipalities.

- Regular oversight of budgetary processes by a competent and active civil society engaged in the planning and oversight.

- A political system that is inclusive of other societal and political actors, instead of reinforcing the importance of political party structures, at the expense of other societal and political actors.

Citizen participation in the budget making process is not institutionalized, that is, it is not codified by legal norms or official procedures. In such a situation, the overall process depends on the motivation, initiative and discretionary power of local leadership. Being non-prescribed and formalized, participation easily becomes formal and not substantial. It does take place but in a way that decreases the ability of interested parties to influence the budget: it starts late, inputs are not recorded, or are recorded but not implemented, there is no reporting or feedback mechanism etc. This hampers participation and leads the "form over substance" trap or even the "hijacking" of the whole participation process by local elites.

Citizens are not willing or prepared to participate in budget making process. They lack the necessary technical knowledge and expertise in technical issues to fully participate in administrative procedures. CSOs seem to be only marginally better equipped for this process. Some CSOs, particularly membership based CSOs that are budget beneficiaries, are prepared and do take part in discussions on the budget. This takes place through "indirect consultations", for example, when direct budget beneficiaries collect inputs.

There is a clear lack of oversight mechanisms for the overall process. Research fieldwork was not able to identify any such mechanisms. The existence of such mechanisms might have contributed to sustainability of the process. The majority of local CSOs is dependent on local budgets, and so cannot put pressure and "name and blame" local authorities and,

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in this sense, they do not represent efficient monitoring and oversight potential or practice. The practice of distributing local funds to as many interested organizations and initiatives as possible, and widening networks of political support correspond to this. There are, however, donor funded projects that deal with participatory budgeting - the idea does not seem to have been abandoned.

Finally, interviews consistently confirmed the importance of a political system that reinforces the strength and importance of political parties as places where the majority of the most important decisions are made.

CONCLUSIONS

Based on this in-depth study, the following conclusions should be taken into account for any future programming:

- **System of honors and rewards**: There was a lack of systems of honors and rewards and successful municipalities and political leaders in general public and professional communities. According to our respondents, had such a system been established it would have contributed to increasing the political benefits politicians enjoy where they successfully implement a participation mechanism.

- **A monitoring and evaluation system that will enable continuous oversight**: The research was not able to find any monitoring and evaluation system that was established, implemented or taken over by local or national institutions after the end of the program. Had such a system been established it would have also contributed to the sustainability of procedures and institutions established under the USAID initiatives.

- **Institutionalization of participation procedures**: Institutionalization of participation procedures (that is, their legal codification) is perceived as a tool for improving their effectiveness. Otherwise, participation falls into the "form over substance" trap and is transformed into an empty shell of participation.

- **Using existing institutions**: Using existing, not creating parallel institutions, is perceived as a good strategy in establishing sustainable participatory mechanisms. The Council of local communes (Serb. Saveti mesnih zajednica), as opposed to community participation councils, is a good example. It would appear from the research that the legacy of community participation councils is primarily seen in Councils as tools for local citizens' participation in budget and policymaking.

- **Technical vs. political issues**: The research indicates there is a lack of knowledge about budget making procedures. It is highly unlikely that such knowledge would be acquired by ordinary citizens and even CSOs. However, there is knowledge of local policy making procedures, particularly strategies and action plans. Experience in such endeavors, and a willingness to participate in them exists (although they are often described as whish-lists and less important documents). "Translating" budgets into more easily understandable concepts like in the Paraćin case might be a useful approach. This actually could invigorate local priority setting and participatory budgeting.

- **Local leaders as drivers of change**: The importance of individual actors is predominant in the absence of the strong institutions (legal, administrative, political, economic etc.) that generate a predictable and unified behavior as an outcome.

- **Economic deterioration**: An unfavorable economic situation decreases the potential for civic activism, both on behalf of individual citizens and CSOs. This is reflected in the lack of individual resources for volunteering and activism on one hand, and the lack of funds for organizational work on the other. This is an aggravating factor that should be kept in mind.

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DETAILED STUDY 3: THE EVOLUTION OF CITIZEN PARTICIPATION

The objective: to learn which factors have contributed to a more effective 'evolution' of civic participation from the initial forms (community committees/boards, cluster committees, and similar) established during the implementation of the CRDA program. Here, the focus is on the distinctive characteristics of implementing approaches, while other local factors are also taken into account.

Hypothesis: *The development and evolution of particular forms of civic participation (i.e. community development associations, NGOs registered among citizen participating in community committees) was dependent on a variety of factors (such as local civic legacy, social capital, political landscape, economic development and living conditions of citizens), but particularly on the specific approaches and* mode operandi *of the different implementing agencies.*

Unit of analysis, sample and rationale: Five municipalities, each of which was targeted by different CRDA partners:

4. Bačka Topola - targeted by ADF;

5. Ivanjica – targeted by Mercy Corps;

6. Leskovac – targeted by CHF;

7. Paraćin – targeted by ACDI/VOCA;

8. Užice – targeted by IRD;

The sample municipalities represent a mix of towns and municipalities with different socio-economic characteristics and different rates of success in maintaining mechanisms and processes of citizen participation and government responsiveness.

Data collection methods: individual interviews with key stakeholders who participated in the implementation of program activities (CRDA implementing partners and members of community committees); individual and group interviews with representatives of local government (current and those serving at the time of the program implementation); focus group discussions with representatives of local civil society organizations and legacy organizations; desk research of municipal strategic documents, web presentations, statistical data and other relevant documents.

Informants: 29 individual interviews and over 30 participants in focus group discussions with representatives of 1) CRDA implementing agencies, 2) local government and local administration (current and previous – at the time of CRDA implementation) 3) members of the CRDA Community Committees and 4) civil society organizations. The multi-ethnic composition of communities was reflected in respective municipalities, which enabled insights in sustainability factors related to this aspect.

The research shows that in all five municipalities, public budget hearings and open citizen meetings in local communities are still regularly organized. Community committees and other

forms of informal citizen organization no longer exist. In some cases, they were transformed and institutionalized through the establishment of:

- Community Development Association (Bačka Topola).
- Citizen advisory boards in local assemblies (Užice).
- NGO (Center for Sustainable Development, Paraćin).
- Thematic working groups - especially in the strategy development phase (Paraćin, Leskovac).
- Public consultations with CSOs (all five municipalities).
- Public consultations with citizens organized in MZs (all five municipalities).

The following table provides an overview of CRDA's citizen participation mechanisms, and processes that still exist in 2017.

Table 2. Mechanisms and processes of citizen existing as of 2017

Mechanism/process	Bačka Topola	Ivanjica	Leskovac	Paraćin	**Užice**
Public budget hearing	√	√ (not established by USAID)	√ (not established by USAID)	√	√
Open citizens meetings (in MZ)	√	√	√	√	√
Community Committees and/or Cluster Committees	X	X	X	√	X
Legacy Organizations	√ Development Association Active community leaders	X Municipal economic council was established – does not exist any more	X People in some Local community councils and active local leaders and MPs	X Center for Sustainable Development – does not exist anymore	X Local parliament advisory boards
Centre for municipal development (CSO hub)	√	Not established	Not established	Not established	Not established

The following narrative addresses citizen participation mechanisms currently in place, and explains the specific context influencing sustainability, in each town or municipality.

BAČKA TOPOLA

According to the Local Self-Government Transparency Index (LTI) from 2015, Bačka Topola was in third place with an LTI score of 62.[14] Key informants confirm that it has maintained high level of citizen participation:

- The Annual Budget is regularly published, is accompanied by a presentation of community priorities and citizen initiatives that were included in the final budget, until 2015.

- Public budget hearings are regularly organized- until the end of 2014 publicly announced in the media and held in local communities, and regularly attended by mayors. Since 2016, there is only a public announcement on the municipality web-site, and one, central, public budget hearing, which is assessed as "more of a formality than true participatory public budget hearing, attended mostly by budget beneficiaries".

- Bačka Topola has established a separate development fund available for CSOs and MZs.

- MZs organize open citizen meetings, where citizens decide on MZ priorities to be funded from the MZ self-contribution (3% of individual net income and 1% of net pension).

- The Community Development Centre, established by CRDA, serves as a hub for CSOs.

- The Development Association of Bačka Topola, the legacy organization established by ADF from the three CDGs that existed during the CRDA program, provides support to CSOs and the municipality in strategic planning, advocacy and inter-sectoral communication, project proposal writing, pro bono services to farmers, operational and financial management of projects on behalf of the municipality, support and mentoring for CSO establishment, organizational development, accounting, training for CSOs and MZs, etc. The municipality pays for the salaries of 5 employees. The Association plays the role of Local Economic Development Office.

According to the research and interviews, Bačka Topola is a municipality characterized by strong historical legacy of civic activism and democratic political leadership during Milosevic's regime that continues until today. CSOs stress that a succession of ambitious and pro-democratic mayors (some with a CSO background) supported citizen participation after the end of CRDA. CSOs actively participate in developing key strategic documents and respective action plans in Bačka Topola, mainly due to the active role of the Development Association. However, some respondents noted a decline in the quality of participatory processes due to lack of support from the political leadership.

IVANJICA

The research identified that Ivanjica is the least successful among the five municipalities with regards to citizen participation. According to the LTI research, public budget hearings were organized in Ivanjica in 2015. However, interviewed respondents state that currently there is no practice of public budget hearings and that even when they did exist; they were a pro forma procedure. The annual budget is published regularly on the municipal website. One local administration representative stated during the mapping process that there are regular open citizen meetings organized in local communities, however interviewed CSOs did not confirm this. There are no community committee legacy organizations.

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14   Transparency Serbia 2015 research evaluated transparency of 145 LSGs based on more than 87 transparency indicators. The average score was 40. There were 32 LSGs who scored over 50, 8 LSGs scored over 60, while only Paraćin had a rating higher than 70. http://transparentnost.org.rs/LTI/

Interlocutors identified several factors restraining citizen participation. First of all, Ivanjica has scattered settlements (some as far as 40km from the center) with more and more older people living alone in rural areas brings a general feeling of apathy, and diminishes their interested in getting mobilized. As one CSO representative stated: "it is not a question of money any more – people feel they cannot do or change anything in the current, highly centralized, way of making decisions". Additionally, CSOs state that in small communities' people fear confrontation, especially with those in power. At the other hand, there is no real interest from the local government to engage citizens in policy dialogue. There are only a few active CSOs and the sector is generally weak and without capacity to influence local policies. The low level of economic development and the economic crisis have only exacerbated problems.

LESKOVAC

According to the LTI research from 2015 and 2017, Leskovac is in fourth place in the LTI rank (with a slight decrease in the score related to participatory budgeting), which confirms the statements from local administration representatives that the local government supports participatory processes:

- Public budget hearings are regularly organized and publicly announced. However, interviewed citizens and CSO representatives state that the public budget hearings are organized in the center of Leskovac, which is not very convenient for many of the 144 Leskovac settlements. Additionally, they claim that the draft budget is published very late so that citizens cannot properly prepare for the public hearing and that they have lost interest in participating in public budget hearings.

- Open citizen meetings are regularly organized in local communities (MZ) and these priorities are included in draft budgets and in budget rebalance.

- The Mayor and his deputy have regular "open hours" to listen to citizen requests twice a week. Leskovac used to have a CSO coordinator.

- According to local administration representatives, CSOs are involved in drafting local strategies and action plans.

- Most interlocutors believe that the legacy of CRDA can be found in current local community councils and people who remained there to advocate for the interest of their communities, with the knowledge gained through CRDA.

According to local government representatives, Leskovac continuously invests in improving participatory budgeting and has mainstreamed participatory budgeting in regular local administration procedures. However, several interlocutors stated that both citizens and local government lack understanding of the benefits of participatory processes. Except for several active CSOs with strong capacities, the civil sector in Leskovac is "slowly dying", according to CSOs. Most CSOs only have a couple of enthusiastic members, many are not active any more, and, as interlocutors in FGD stated,

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some were only established by local politicians and ceased to exist after the change of the ruling part.

PARAĆIN

This is one of the municipalities that have maintained a high level of citizen participation in policy and budget making processes. Paraćin was the highest rated municipality in Serbia in LTI 2015. LTI 2017 registered a drop in general scoring – although not in the sphere of budget and government responsiveness to citizen needs:

- Open citizen meetings are organized regularly in local communities (MZ), where citizens discuss their problems, mainly related to infrastructure and utility services and cultural and sports initiatives.

- The mayor regularly attends public budget hearings in each MZ organized twice a year (announced in media and also in a bulletin delivered to each household).

- Paraćin also used to prepare citizen budget guidelines, the so-called "Citizens' budget", but they currently lack enough human resources to do so, according to the local government representatives.

- The mayor is of the opinion that citizens' monitoring of policy and budget implementation should be strengthened and that CSOs should play a stronger role in that process.

- Citizens and CSOs participate in the policy making process and local government representatives emphasize that this is equally if not more important than participation in public budget hearings.

- Special attention is paid to engaging young people in municipal affairs: in addition to the Youth office, there is a Youth council and a Local Youth Action Plan adopted in 2016.

- Interlocutors believe that a legacy of committee practice can be found in consultations with citizens and NGOs, working groups established for the purpose of local policy drafting and participatory public budget hearings.

Paraćin is one of the rare municipalities in Serbia with a stable political situation, and with the same mayor since 2004, which has enabled continuity of participatory processes because it allowed establishment of a core team of skilled, experienced and highly motivated staff in the local administration, committed to democratic processes, high level of budget discipline and insisting on participatory budget procedures, led by the mayor himself, who believes in direct and open communication with citizens and stated that "Investing in capacity building and professional development of employees, in citizen awareness raising and particularly in youth mobilization, contributes to better understanding of democratic processes".

At the very end of CRDA, ACDI/VOCA supported establishment of the Centre for Sustainable Development, as a legacy organization formed from the CRDA community boards. This organization was, among other things, supposed to provide support and coordination for local CSOs in the policy processes. However, the organization did not succeed in getting enough projects to establish itself as an important player and it ceased to exist. The civil sector in Paraćin is still not strong enough, according to the local government and some CSOs: there are several active CSOs, but most of them have very small constituencies and depend on 2-3 enthusiastic volunteers. On the positive side, there are several CSOs who are proactive and who have managed to obtain support from the local companies. General impression is

that CSOs lack skills and knowledge (primarily in advocacy, fundraising and public awareness campaigns) and need better coordination.

Of the five selected local self-governments, Užice is the town with the highest level of economic development, the lowest level of unemployment and the highest level of education attainment, and yet it had the lowest LTI score in 2015:

- Public budget hearings are regularly organized but, according to the representatives, they bring no benefit to the participants (neither the local administration nor the citizens).

- Currently, the budgets for 2017 are not available on the towns' websites; nor are any of the local strategic documents. However, there is evidence in local media that the last public hearing was organized in December 2016 to discuss the annual budget for 2017

- All of the informants agree that the legacy of CRDA community committees can be found in the local assembly councils: for health, employment, social protection, environmental protection, etc. Since they are advisory bodies their influence is limited and their activity depends on the members.

Local government attitude towards citizen participation is not supportive enough, according to the interlocutors, which was confirmed by the LTI research. Town management believes that "leaving decision to the elected members of the town council and the mayor and his team would be much more efficient and effective way to work – representative democracy works better that direct democracy". On the positive side, they think that citizens and CSOs should be involved in monitoring and controlling policy and budget implementation, not in all phases of the budget cycle. According to them, local community councils (saveti MZ) and local institutions should be the ones assessing local needs and priorities. Some of the interlocutors believe that Užice has a long tradition of organizing self-help groups and engaging in voluntary work called "kuluk", and it still boasts with strong civil society mainly in urban areas. CSOs state that due to outdated strategies, priorities are defined arbitrarily by the town political leadership, and new strategies are not being drafted.

THE APPROACHES AND EFFECTS OF IMPLEMENTING PARTNER'S MODUS OPERANDI

Although USAID encouraged CRDA implementing partners to be creative in applying different approaches to community mobilization, the research concluded that there are many common characteristics in CRDA partners' approach as well as several crucial differences.

COMMON FACTORS CONTRIBUTING TO SUSTAINABILITY

In addition to the above listed approach-specific factors, interlocutors stressed a number of common aspects of CRDA implementation that had positive effects on citizen participation and government responsiveness:

- Focus on behavioral change and change of misconceptions about individual inability to influence policy and dependence on government support.

- High level of professionalism.

- Frequent and continuous work with community committees.

- Participatory processes.

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- Learning by doing.

- Assigning new responsibility to citizens.

- Quick and tangible results.

- Strengthening the role of community leaders.

- Focus on results.

Approach-specific factors contributing to sustainability

Based on the research and interviews there were only a few approach-specific factors contributing to sustainability of civic participation:

- Unit of intervention – local community (MZ) or cluster of MZ – breadth vs. depth which both had advantages and disadvantages, although evidence from the research tends more in favor of the in-depth approach.

- Embeddedness of implementing staff in local communities.

- Approach to CC capacity building. Partners who built CCs capacities for strategic planning and not only for project proposal writing and management ensured long-term effects because it helped MZ and citizens to develop capacities for strategic thinking and planning.

- Competition. A competitive approach in project selection stimulated communities to work together to produce the best proposals.

- Simultaneous support to citizens and local government.

COMMON FACTORS RESTRAINING SUSTAINABILITY

Research discovered several common restraining factors in partners' approaches:

- Establishment of parallel informal structures (CCs) and lack of in-depth analysis of the existing system and historical legacy.

- Lack of mechanisms for monitoring government policy and budget processes after the program. CRDA did not work on establishing oversight mechanisms for monitoring government policy and budget processes.

- Focusing only on one stakeholder in the policy cycle (citizens or local governments).

- Lack of focus on establishing supportive legal framework: CRDA did not focus on changing the respective legislative frameworks or working with the national government to ensure a supportive legislative framework.

- Little or no focus on CSO institutional development (capacity building for advocacy and sustain-ability.

- The shift from CRDA to CRDA-E brought a decline of civic participation as it was not a participatory decision, and was opposed to the whole logic of the program, which fostered citizen participation. With shifting the focus completely to economic empowerment, commune councils lost their importance, and were replaced or partially absorbed by local economic development offices.

- CC focus on project proposals rather than budget oversight. CCs were mainly trained to identify local community priorities and prepare good project proposals – not overseeing implementation of the municipal budget other than within the sphere of their own priorities.

- Obligatory co-financing for municipalities. This motivated local government to include citizens, but it did not establish real partnership and ownership of the participatory process as local governments often abandoned the participatory approach when donor support ended.

Approach-specific factors restraining sustainability

Finally, there were modus operandi factors that made individual partner's approach less effective and sustainable:

- **Length of the process.** CRDA ended activities supporting citizen participation too soon and too abruptly, without proper follow-up.

- **Planning for sustainability of civic participation mechanisms** There were no sustainability strategies from the start of the program. They were tailored towards the end of the programs with different approaches and successes.

KEY FINDINGS

Comparative analysis of these five municipalities provides strong support to the hypothesis that the development and evolution of particular forms of civic participation was dependent on a variety of historical, political, economic, social and cultural factors, but *particularly* on the specific approaches and 'modus operandi' of the different implementing agencies.

The most important **municipal/ community factors that were supportive of sustainability** were:

- Pro-democratic and ambitious political leaders or political leaders with a civil society background.

- Presence of strong local community leaders.

- A legacy of civic participation.

- (To a certain degree) the legislative framework regulating budgetary procedures that ensured sustainability, but not the quality, of some mechanisms.

The key **municipal/ community factors restraining sustainability** were:

- Political factors: discontinuity of participatory processes after local elections, party interests come before citizens' and community interests, authoritarian decision-making, political divisions which prevent cooperation.

- Institutional factors: the legislative and institutional framework does not sufficiently institutionalize new, participatory mechanisms and processes, including delayed and inconsistent decentralization, local communities (MZ) losing autonomy and decision-making powers and human resource management at the local government level.

- The economic crisis and the poverty level of individual citizens.

- Declining civil society capacities and civic activism.

- Lack of knowledge of citizens' rights and obligations and general low level and value of education.

The most important **factors in the CRDA approach that were supportive of sustainability** were:

- Focus on attitude change and change of misconceptions about the ability of individuals to influence government policy

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- Strengthening the role of local community leaders.

- Learning by doing: CRDA provided models of consensus building and actual practice in consensual decision-making processes.

- Assigning new responsibilities to citizens brought a high level of motivation.

- A project management approach: focus on results and flexible, tailor-made approaches; a high level of team professionalism and adequate allocation of resources.

- Frequent and continuous work with community committees, participatory consultative processes with a wide range of stakeholders in all phases.

- Some partners provided coordinated support to both citizens and local government

The **key CRDA approach factors restraining sustainability of participative processes** were:

- Sustainability of civic participation mechanisms was not planned from the start (some partners started addressing this issue more or less successfully in the last phase of project implementation).

- Establishment of parallel informal structures (CCs) and a lack of in-depth analysis of the existing system and historical legacy.

- Lack of established mechanisms for monitoring government policy and budget processes.

- Focusing only on one stakeholder in the policy cycle (citizens).

- Lack of focus on establishing a supportive legal framework.

- Little or no focus on CSO institutional development.

- Abrupt and premature end of support to participatory process without ensuring their main-streaming and follow-up.

- CC focus on project proposals rather than budget oversight diminished their capacities to perform oversight function after the end of CRDA.

CONCLUSIONS

Based on this in-depth study, the following conclusions should be taken into account for any future programming:

- Citizen participation depends primarily on the awareness and commitment of local politicians and capacities and enthusiasm of community leaders. Improving the demand and supply side of the process is crucial to its sustainability.

- Using parallel systems and establishing informal citizen groups may be a good vehicle for citizen mobilization, but it does not ensure sustainability of participatory processes beyond the intervention.

- Targeting only certain stakeholders in the policy process, or targeting them independently and in an uncoordinated manner, does not have a positive effect on participatory processes.

- The unfavorable legislative and institutional framework, which does not stipulate formal participatory processes and procedures, threatens the quality and sustainability of the already established participatory processes.

- The current electoral system provides space for party interest led decision-making processes that disregard the interest of citizens and local communities.

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- Civil society organizations should play a more active role in policy dialogue, oversight of policy and budget implementation, advocacy and citizen mobilization. Currently most CSOs have very limited influence on local government budget allocations, mainly through applying for budget support for their project activities. Strong CSOs can positively influence participatory processes and government responsiveness.

- The key strengths of the CRDA program were its focus on long term objectives, its flexible and tailor-made approach, its high level of professional expertise, its use of local expertise and local activists for community mobilization, its grassroots work with citizens, its participatory consultative processes with a wide range of stakeholders in all phases of the project, and its capacity building that included training, mentoring and learning by doing.

- Citizens are not aware of their rights and obligations; there is a general lack of awareness of the values of philanthropy, participation, accountability and responsibility, transparency, low level and value of education, hidden and open discrimination.

DETAILED STUDY 4 – FUND FOR SUPPORT TO GRASSROOTS INITIATIVES

OBJECTIVE, HYPOTHESIS AND METHOD

The objective: to explore what the effects were of the small, grassroots grants, provided by BCIF/Trag, on the sustainability of local civic initiatives and citizen mobilization in local communities. This research aims at exploring and explaining how the simultaneous impact and sustainability of BCIF/Trag, as a mechanism for support to grassroots forms of citizen participation, and the impact and sustainability of these grassroots forms in local communities are interrelated, reinforcing each other and providing a complex form of intervention in fostering citizen engagement.

Hypothesis: A fund specifically dedicated to support small, civic grassroots initiatives for local, development-related actions is of particular significance to civic participation. This significance is due to:

- The otherwise greater difficulties found in approaching more complex funding sources.

- The focus of these smaller, civic, grassroots initiatives on implementation of changes tailored to the interests and needs of citizens.

- The greater potential for sustainability due to local ownership.

Unit of the analysis, sample and rationale: In line with objectives and hypothesis, this research was conducted on two types of units of analysis:

1. the BCIF/Trag Foundation for support to grassroots initiatives **as single mechanism** of support to citizens participation,

2. Set of grassroots initiatives (5) that represent small-scale mechanisms of citizens' participation in various forms: citizen mobilization and advocacy, protection of human rights of different groups, improvements to social services, environmental initiatives, and local manifestations.

BCIF (today the Trag Foundation) is a fund that was an implementing partner in CSAI for funding grassroots initiatives through five different programs between 2006 and 2013. A phone survey was conducted with the objective of mapping grassroots initiatives and identifying the

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effects, several years after the CSAI program, of the small grant support initiatives received. BCIF supported 158 initiatives (one organization could have more initiatives or projects). 37 organizations responded to the survey, of which five were selected for an in-depth study. Selection of the initiatives was informed by the responses obtained in the mapping survey, according to the criteria of thematic and geographical diversity, although it is noted that more organizations were approached with a request to be interviewed, and five did not respond. The organizations that were interviewed present a mix, in terms of the themes of their activities, the number and complexity of initiatives, the level of success of the initiatives, the sources of funding and the current situation.

Data collection methods: interviews with members of BCIF/Trag Foundation; five phone (of which one Skype) interviews with representatives of grassroots initiatives who were awarded BCIF grants.

Informants:

- 3 representatives of BCIF/Trag Foundation.

- 37 local organizations whose initiatives were supported by BCIF grants.

- 5 representatives of local organizations whose initiatives were supported by BCIF grants.

The organizations that were included in the case study are local organizations (Velika Plana, Sabac, Priboj, Zagubica, Cajetina) that received grants from BCIF programs, as well as other grants under CSAI. Of the five organizations studied, three can be considered to be a medium to larger organizations, one is still a small local initiative, active in the environmental field and one organization has not succeeded in accessing sustainable funding and is struggling to remain active.

SUSTAINABILITY OF GRASSROOTS INITIATIVES

How the different impacts described have been sustained is the key focus of this in-depth study.

The general data from the survey suggests very positive results. Overall, of the 37 organizations that implemented projects, 34 (92%) reported that the results of their initiatives are still sustained. Among the remaining three, one was focused on affirmation of the creative potential of high school students, one on setting up a center for combating violence against women and one on the establishment of a publicly-funded counseling service for rural development.

These positive results, however, require some contextualization. In a closer look at five very different organizations, we first see what was achieved at the end of the grants and then we look at what is still present. From this we see that sustainability is manifested in different ways.

Women in Action from Velika Plana was established in 1999, inspired by changes in the political environment. After registering as an NGO, they started with small-scale activities, advancing gender equality, not even sure what activism was possible in a community of 50,000 people where there was very little citizen participation. In its long history of work, the organization has had numerous funding supports but mostly small scale. It has worked

with various organizations such as Civic Initiatives, was a member of the Astra network for providing support to victims of trafficking in women, were funded by the Open Society and ECHO to provide psychosocial support to refugees and also worked with the Reconstruction Women's Fund for gender-based violence and with the Friedrich Herbert Foundation for establishing referral mechanisms at the local level to respond to gender-based violence.

The funding from BCIF was valuable and was received under more than one call. It fitted their needs and there was no conditioning as to the type of projects, but rather the funding supported their work and contributed to overcoming gaps in their capacities. The funding opportunity was visible and accessible as the information was available on all networks and in printed media. The project implemented under the BCIF grant assisted in improving the functioning of the SOS help line, offering direct support to women victims of gender-based violence through legal and psychological counseling, self-help groups and creative workshops. It is noted that the local Municipal Council had only male members, and the SOS help line was the first project addressing gender-based violence and gender equality, as well as building awareness on the need for an SOS help line. The SOS help line was provided, as an additional service at the local level, by this Municipal Council. This initiative and consequent advocacy also contributed to the establishment of a Gender Equality Commission, as well as ensuring that this commission be part of the local governance system. The last project was indeed the most ambitious and financially the largest, aiming to establish a center for support to victims (of violence, reintegration, etc.). Although the center did not succeed in becoming sustainable after the project ended, results of the projects are visible as it has influenced changes to the legislation providing for prosecution of perpetrator of domestic violence or provision of basic services.

The Rainbow Association from Sabac was officially established in June, 2004, first as an enterprise, and then in November 2009, re-registered under the new law on registration of citizen associations. *Rainbow* was founded by LGBTI persons to improve the quality of life for the LGBTI population. After five years of work, and with increases in their capacities, Rainbow entered into service provision, in addition to being active in the policy arena. After the re-registration, they changed their approach towards more programmatic work in several sectors, with an overall focus on supporting the LGBTI community in achieving their rights and accessing needed services. The Rainbow Association has a president of the Assembly, 5 members of the Managing Board, 5 coordinators of program boards, 8 external co-workers and 39 members. Its first programs focused on work directly with the LGBTI community, providing health and social services and reducing discrimination and violence against individuals. Most of these programs are still ongoing. Rainbow is active in Sabac, as well as in surrounding municipalities. Aside from the local funding from the municipality where they work, Rainbow has managed to access some of the large UN global funds, such as the Global Fund to Fight AIDS, Tuberculosis and Malaria (GF), their largest project support, to set up drop-in centers in four communities.

The BCIF grant supported advocacy for respect of the human rights of the LGBTI population, provided training and capacity-building for social entrepreneurship, and indirectly led to accreditation of their social program. This helped the organization to gain recognition in the community and more widely. Today they are able to sustain their work by having funding from different sources, while 50% of the income generated by the hostel they run is invested in the Association's prevention services related to HIV. Rainbow has found its specific niche,

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become a significant player locally and nationally for the LGBTI community, and for HIV and Aids prevention. Rainbow has certainly created a platform and space for the LGBTI population to engage in dialog with authorities and have their voice heard.

The **Zlatibor Circle** organization was established in 2001, as an initiative of a Belgrade-based activist, with the overall goal of improving the quality of life in the local community, and more specifically, targeting women in the rural area to improve their lives, and to include them in decision-making processes in the municipality. A later focus was on young persons, and particularly young persons with disabilities, and a further focus on elderly people. This has been the organization's constituency since its beginning. Today, the organization has 14 permanent members and a coordinator of young and adult volunteers, as they provide a social volunteering service. Cajetina is a municipality located in South-Western Serbia. It has about 15,000 inhabitants living in 23 local communities (mesna zajednica - MZ) which also include settlements on the mountain of Zlatibor. At the time Zlatibor Circle was founded, the general community perception of Serbian NGOs was extremely negative, while today Zlatibor Circle is a key actor in the local community, having achieved significant improvements in the lives of citizens, particularly rural women, children and young people with disabilities, and elderly people. Under the 2014 Law on Social Services, Zlatibor Circle is licensed (with a temporary license due to the insufficient number of fully qualified professionals) to provide social services to elderly people in all 23 MZs (a gerontology service), as well as setting up and running a day center for children with disabilities. Zlatibor Circle also provides other types of support (health, psychosocial, economic) to women in rural areas.

Zlatibor Circle implemented three projects under the BCIF granting scheme: an environmental project, a project funded under the advanced community advocacy program aimed at the establishment of a gender equality body within the local government and the project *Youth for Elderly* – a public campaign to create local strategies for the elderly (CSAI AP grant in 2010). The results of the projects are still visible – the gender equality committee is fully functional, the local public campaign contributed to improved services for elderly citizens in the community as reported in the survey and confirmed in phone interviews. Cajetina even featured in the Serbian press, as a community reporting an increase in the birth rate which is directly connected to the regular budget allocations for support to families with children. The knowledge and skills received through the advocacy training, as well as the mentorship of and cooperation with BCIF staff throughout the implementation period, are all indicated to have contributed to the success of these projects. In addition, as an added value, Zlatibor Circle still has contacts with and feels connected to the other organizations that participated with them at the training; as a group that can continue sharing knowledge and experience and that can also apply and implement programs together.

Agronomic Center Priboj was established in 2004, based on the perceived need for resources and an expert center for the education of farmers in Priboj and surrounding communities, with the aim to create a more profitable production of healthy and organic food, as well as to support the development of rural eco-tourism in Priboj and the surrounding areas. Although it was a fairly new and inexperienced organization, as a result of the founder's previous experience in FAO programs, Agronomic Center Priboj had excellent insight into the needs of farmers and the local community. Immediately upon its registration, the organization gained access to donor funding, firstly to FAO grants and later to cross-border EU funds. Initially the organization had 18 active members; at the height of its work in the community

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it had over 100 members, but counts around 40 active members, mainly farmers paying membership dues of between 4-5 Euros, which the organization uses to fund its field work.

The specific funding from BCIF was awarded to the organization for conducting public discussions and lobbying Municipal Council members and working groups to influence a decision to establish a counseling service for rural development at the municipal level. However, the initiative did not succeed in securing funds from the Ministry of Agriculture, due to the lack of support from local governance structures. Despite demand for its assistance, the organization's functioning today depends on income generated from farmer payments for expert services, which is insufficient. Much like Rainbow that has found its niche, Agronomic Center is a technical resource in the field of agriculture. Although not completely successful in terms of fundraising, it is successful in addressing the needs of local communities (specific need for technical advice for agriculture). Knowledge sharing is the key of the organization's work, it empowers citizens by providing technical advice and creating a potential critical mass of beneficiaries that will be empowered to demand their rights and hold the government accountable.

The Bicycle Hiking Society "Lisac", a significantly smaller organization than the others that were studied, is a citizens' association based in the small municipality of Zagubica in eastern Serbia, focused on promotion of a healthy lifestyle for nature enthusiasts through hiking and bicycle riding, as well as mobilization of citizens in protection of the environment. Lisac was established at the end of 2007, and the BCIF grant was the first funding they had received for their activities. The organization was established by a group of 12 enthusiasts that loved biking and hiking and wanted to do more to ensure that the people from their community, in particular children, had areas to play in and enjoy. Lisac received BCIF grants on a number of occasions during the implementation of CSAI, and most significantly immediately after the establishment of the organization, first to support work on the construction of a green area, a park, in front of the municipal Health Center, which in turn positioned them well to receive small co-funding from municipal authorities. The second grant was given at a later stage, to support the organization's participation with the Green List Coalition in a series of activities undertaken at regional and national levels.

The aim of both projects supported through the BCIF grant mechanism was to enhance the organization's capacity to cooperate with Zagubica municipal authorities, as well as to mobilize citizens to participate in environmental actions and to motivate greater citizen participation. These activities were successfully implemented and although the organization currently does not have any funding available, aside from the income generated from the rental of the bicycles which were bought with the funding from the municipal authorities in 2012, the results of their work are still visible, in particular in terms of the park which is still in a very good state, with existing play equipment for children, and which is regularly maintained by the Health Center.

This is a good example of a small initiative led by ordinary citizens that grew into an organized association but kept their original goal and purpose of promoting healthy lifestyles and protecting the environment. Some their initiatives were never meant to be big, but rather to inspire other small-scale actions in the field, which Lisac seems to have done, as it has partners in other municipalities, is a member of the Green List, and is part of the tourist association, among other things.

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The research found a number of diverse ways in which small grassroots organizations provide sustainability and sustainable effects of their action in the local communities. The following forms of sustainability were found:

GAINS REMAIN IN TERMS OF THEMATIC ISSUES

The example of Women in Action from Velika Plana demonstrates that sustainability should be considered in relation to whether the issue of concern is still being addressed, even if not by the organization initiating discussions/ actions. In this case, legislation assisting victims of domestic violence, put in place during the time of the project, is functioning, and is a legacy of the earlier efforts that were undertaken.

THEMATIC ISSUES HAVE BEEN EMBEDDED IN COMMUNITY AND LOCAL GOVERNMENT MECHANISMS

The example of the Third Zlatibor Circle demonstrates the ideal of local ownership of initiatives – from the support for the elderly to support for families – which are a combination of community and local government working groups.

CONTINUATION OF CITIZEN EMPOWERMENT IN ISSUE AREAS

The Agronomic Center Priboj highlights the legacy of citizen empowerment. Its provision of technical assistance is linked to citizens being able to further their own demands for accountable government.

A POSITIVE EXAMPLE OF EMPOWERMENT AND ENGAGEMENT IS REPLICATED

The Bicycle Hiking Society "Lisac" highlights the point that not all actions or organizations have a long-term need or perspective. However, if such actions are a 'demonstration effect' for others, the legacy of such initiatives continues.

THEMATIC ISSUE FOCUS CONTINUES THROUGH DIFFERENT ORGANIZATIONAL COMPOSITION

An organization can continue its efforts on an issue area in various ways. The Rainbow Association's shift towards social enterprise provides an interesting example of how an organization and an issue area can be combined, to continue addressing objectives.

NETWORKING FOR INCREASED SUSTAINABILITY AND IMPACT

There are also examples of increased sustainability and effects due to the networking supported and promoted through the granting scheme, such in the case of 'Green List'. Establishment of the network increased the capacities of member organizations, and enabled more effective joint action in areas that were not sufficiently in the policy focus in the local communities covered by the initiative.

SUSTAINABILITY OF THE FUND FOR SUPPORT TO GRASSROOTS INITIATIVES

When the CSAI program began in 2006, BCIF had seven employees, an annual budget of approximately $600,000 and was fully dependent on international funding sources. When

CSAI ended in 2013, BCIF had 18 employees and an annual budget of approximately $1.7 million. BCIF's efforts toward sustainability resulted in diversification of funding sources which now include businesses, individuals and independent income from renting property and delivering services. BFIC's Strategic Plan 2012-2016 identified BCIF primarily as a grant maker with 50-60% of its budget directed to grants. With the support of the U.S.-based Mott Foundation, in 2012 BCIF started its Endowment Fund, which has provided funding for BCIF programs on a long-term basis.

This is important when having in mind that, as indicated in interviews with key informants, assistance from some donors has been reduced by almost 70% in the past five years. This is seen as a threat to Serbia's new grassroots groups who are forced to search for new funding sources. In this context, it is important that the Trag Foundation has secured its status as a Serbian foundation committed to long-term grant making to local civil society initiatives, tackling specific problems that would otherwise have difficulties being supported. BCIF/Trag grantees have appreciated the good quality of training, and competent, well designed and delivered technical assistance and support, in the development and implementation of projects, all of which has helped them learn and grow. Recognizing that it could benefit from the business community's strategic approach to solving social issues, and that a growing number of local companies are looking for a long-term way to engage with their communities, Trag is also helping local initiatives to communicate their impact, to be better understood by the private sector. Together with other organizations such as SmartKolektiv, the Divac Foundation and an increasing number of socially responsible companies, Trag is recognized as playing an important role in sustaining Serbia's civil society.

The study has found that BCIF/Trag is a well-capacitated and knowledgeable organization capable of providing a high level of expertise in managing a fund that provides support to the development of local communities, with a clear strategic orientation and diversified, stable sources of funding Furthermore, the innovative approach introduced through BCIF's Successful Fundraising grants scheme, in matching private donations in a 1:1 ratio, has motivated further fund raising from other donors, including the business sector, and has facilitated medium-sized organizations in developing valuable partnerships.

KEY FINDINGS

The Research confirmed the hypothesis. The Fund represents an important mechanism of fostering and sustaining citizen participation, articulated through small grassroots initiatives which attempt to provide impact in local community development. Through the Fund, grassroots organizations get the access to funds that would otherwise be less available, their actions are more appropriately tailored to specific local needs and the interests of citizens, and the combination of financial and other forms of support by the Fund, and local ownership of the results, makes outcomes more sustainable. On the other hand, the sustainability and effectiveness of grassroots initiatives reinforces the capacity of the Fund, to become itself sustainable as a needed and effective mechanism for this kind of locally-rooted and focused citizen participation.

The Research has shown that the immediate results have also translated into many intermediate results in local communities, on engaging with issues in their communities important to them. Sustainability takes many forms, but the research suggests that a combination of a certain

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confluence of elements provide the mostly likely chances for some types of sustainability. As the research indicated, there are clearly different forms of sustainability. One form of sustainability is found in the case of BCIF/Trag Foundation as significant mechanism that has role in fostering and supporting small forms of citizen participation. This form of sustainability means, above all, a stable organizational structure, effective methods of work, and good positioning in relation to partners, donors and other relevant stakeholders

When small grassroots initiatives are at stake, sustainability takes forms that rely on local ownership, providing financial support for results introduced for local community development by initiatives, but taken further by local government or other stakeholders. It can also take the form of sustainability of normative changes introduced by the local initiatives, in creation of new, more formal mechanisms within local government, through which better responsiveness to citizen needs is enabled, or through changes in legislation. It also appears in the form of new capacities, skills, values and motivations of citizens, developed through initiatives that become a more permanent feature of citizen participation due to the initiatives. Or, it exists in the form of new alliances, networks that push previously neglected issues higher on the local development agenda, such as in the case of ecological initiatives. Sometimes sustainability is provided by good practices being replicated by other organizations and communities, because they were shown to be successful. Sometimes it is shown through a shift in organizational focus, from advocacy to service delivery or social enterprise.

The research further showed that good ideas and initiatives, tailored to respond to citizen needs in a quality manner, are not sufficient. The evidence on implementation of grassroots actions supported through BCIF/Trag Foundation, within the CSAI program, indicates that a recipe for success is a combination of appropriate resources, know-how and local leadership. In regard to this, the interaction between funding mechanisms and local initiatives is of key importance. The Fund was able, due to its own increased programming expertise, and ability to transfer knowledge and to guide and supervise in flexible manner, to provide appropriate support to local initiatives. On the other hand, the success of local initiatives enhanced the capacity of the Fund to ensure its own sustainability as it became a more credible partner to the donor community, and more capable of raising funds and administrating grants.

CONCLUSIONS

Based on these key findings, key conclusions in relation to design and implementation considerations are put forward here.

- A tailor-made, well-designed and expertly implemented grant scheme can assist the translation of project ideas that tackle specific local concerns or problems into sustainable interventions that have an impact on people's lives. The process helps small organizations to overcome their capacity gaps, as well as organizations with a medium level capacity to develop and sustain their professional and organizational skills and knowledge and to improve their advocacy strategies. Having in mind the different ways through which initiatives provide sustainable effects on local development and citizen engagement, donor support is most effective when it is tailored in a manner that provides for diversity of sustainability.

- Sustainable fundraising, as part of organizational sustainability strategies, can take many forms, and innovative approaches have proven beneficial and effective, and should be considered for support, given their likely long-term impact.

- Attention to rural communities appears to have 'paid off' and should continue to be emphasized, even as it is an implementation challenge. Concentrating on small communities can have a knock-on effect to other small communities in the vicinity, such as is seen in the case of Backa Topola and Mali Idjos; modest projects can have significant community effects.

- Support provided for strengthening organizational capacities and improving the policy-focused advocacy strategy can result in legislative changes, as has been the case in regulating protection from and prevention of domestic violence and introducing needed services. This is a legacy of the program intervention that is difficult to undo in the future. Furthermore, it motivates citizens to participate in building a democratic society from the local level up as the effects of their action were visible and immediate.

- Venturing into the area of social entrepreneurship, as a consequence of their growth, has proved successful for some organizations. It has helped them to stay focused on the issue, and have brought them an important source of income that they are able to re-invest in other activities – to improve other services, infrastructure, to expand their activities etc.

- Those organizations that have developed and profiled their expertise towards service provision at the local level appear to be most stable and sustainable organizations, (particularly where there is stable local funding), and can become a resource for others in key reform areas. These organizations have recognized and addressed the needs of their community, particularly of certain groups (rural women, children with disabilities, elderly persons, LGBTI persons) and were able to provide them needed services mostly in an innovative way. They have generally grown into larger organizations and became important local actors and partners of local government.

SUMMARY OF FINDINGS

FACTORS OF SUSTAINABILITY

The research revealed diverse factors that influenced success and sustainability of programs. These factors are clustered as historical, political, institutional, economic, social and cultural capital, as well as factors related to the 'modus operandi' of the interventions implemented through three programs.

Historical factors

To understand the effects of the programs it is important to understand how program designers saw the historical factors that set the context in which interventions would be implemented and what was the historical momentum in which interventions would take place.

Some historical factors contributed to the success of the programs at the time of their implementation. In the first years of the 2000s, after the change of the Milosevic political regime, a decade of wars, conflicts, economic destruction, the everyday hardships of citizens in providing successful livelihoods, isolation from the international community and destruction of pillar institutions that organize the life of the society, the programs faced a situation of hope, prospects for democratization and enthusiasm for reforms. Basically, this was good momentum to initiate reforms in local communities that would develop, simultaneously, a responsiveness of local governments towards citizen needs, as citizens had just recently demonstrated the power to bring down a political regime, and to further boost citizen participation, transforming the action potential from informal (movements, protests, demonstrations, boycotts) to formal (institutional forms of participation).

On the other hand, there were many historical factors that were not in favor of the programs. This includes deeply rooted clientelistic relations in local political and economic elites (Cvejic, et al, 2016), a lack of legacy of democratic participation of citizens (although the legacy of socialist self-government could provide certain grounds for development of new forms of civic participation, there was no evidence that it was taken into account during program design), lack of trust among citizens, lack of knowledge and values of democratic governance and active citizenship, citizens' rights, divided communities, etc.

In some aspects interventions had to start not from scratch but against these legacies. For example, at the beginning of the SLGRP program, budgets were non-transparent or even secret documents and the public had no access to them. There seemed to be a discretionary right for political winners to influence budget documents at their own will. The SLGRP first aimed at raising awareness about responsiveness and accountability of public servants and institutions as well as awareness that budgets were open documents.

Although mapping of sustainable effects on citizens participation fostered through CSAI program indicates generally positive results, some of the key informants expressed mixed views indicating limitations in program design due to the limited consideration of historical and structural legacies. According to these views, some basic assumptions embodied in the theory of change behind that guided the interventions were not fully adequate to the context. One example is the theory of change behind the CSAI program. According to expressed opinions, the theory of change was too policy focused and (incorrectly) based on the assumption that democracy will increase if civic participation increases by strengthening the organizational capacities of CSOs to analyze, advocate, lobby and influence politicians, who will then change the legislation and policy in favor of democratic reforms. However, according to this opinion, citizens do not participate in decision-making, there is not that kind of legacy and politicians do not represent citizen interests but rather the interests of their political parties.

Political factors

Political factors that influence sustainability of interventions that were recognized through the research process so far include:

- Presence of pro-democratic local leadership, leadership who values participatory policy making, or at least recognizes that programs could contribute to the strengthening their position

- Relations between political parties and groups in the community (divisions and competitions vs. cooperation)

- Type of the election system for local government (change from direct to indirect election of mayors)

- The extent of party patronage

Presence of pro-democratic, or at least ambitious political leaders who saw opportunity to enhance their power using SLGRP or CRDA instruments, contributed to higher chances of sustainable effects of the programs. Key informants indicated that the SLGRP program successfully utilized basic political incentives that local politicians easily recognized as well. Local politicians saw potential political gains in the opportunity to directly address the local population, recording their needs and grievances. When this practice was established, local politicians seemed to be happy to support it as they clearly saw political benefits in it. In

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addition to this, they also used it for better utilization of public resources as they were able to gain deeper insight into particular local priorities in, for example, certain MZ for which they made relocations of funds.

Mayors and other political leaders who had previous experience in civil sector recognized and valued more participatory policy making mechanisms, and some of them were very eager to introduce participative processes in public administration practice when they came to power.

Political divisions in the community were factor preventing sustainability of democratic mechanisms established through USAID programs. Divisions and competitions between political parties often prevented cooperation between representatives of different political options and continuity as new authorities often dismissed practices established by previous ones. The opposition parties often obstructed the work of public hearings. There were also cases where local political leaders were not willing to accept inputs from certain communities (MZ or villages) that were known to have supported other political parties.

Institutional factors

Institutional factors appear as factors related to the legal, policy and institutional framework that defines the conditions for the implementation of interventions, while on the other hand institutionalization of practices and procedures is a factor per se that contributes to the sustainability of newly established mechanisms of government responsiveness and citizen participation. Research indicated importance of following institutional factors:

- Institutionalization (formalization) of practices introduced through USAID programs

- (In)supportive national legal framework and ineffective implementation of laws

- Presence of regular monitoring of participatory practices and public services and efficient over-sight mechanisms

- Delayed and inconsistent decentralization

- Human resource policy in local administration

Institutionalization refers to the precise legal definition of procedures and obligations of parties involved in the process. When institutionalized, various mechanisms of participatory decision-making can sustain, because all key elements (actors involved, procedures, time frame, content, outputs, responsibilities and other) are defined precisely in the normative documents. This does not guarantee the respect of formalized procedures, as we often see that laws and formal rules are not implemented, but provides better ground for establishment, maintenance and monitoring of these practices or mechanisms. As our research indicates,

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the lack of institutionalized practices results in the public consultations and participatory budgeting process falling into the "form over substance" trap.

Some of the biggest problems causing discontinuity of participatory policy and budget making processes after the end of CRDA and donor financial support are due to the legal framework, state of (de)centralization and financing of local self-governments. Respondents are unanimous in stating that municipalities currently receive fewer funds than they used to, and at the same time have many more delegated tasks. This leaves them with very little space for the "developmental budget", i.e. there is very little money left for supporting developmental projects and citizens initiatives. Current legislation regulating budgeting procedure requires publication of annual budget, preparation of "citizen budget" and participative processes, particularly in preparation of programmatic budget. However, it does not explicitly stipulate citizen and CSOs participation and there are no efficient mechanisms for monitoring legislation implementation and quality of participative processes.

The absence of regular monitoring or efficient oversight mechanisms was found in majority of municipalities and this lack of controlling mechanisms contributed to the degradation of participatory practices established through SLGRP and CRDA programs. CSOs do not have the capacity to monitor local government policy and budget implementation and hold government accountable. This is mainly due to the fact that they depend on government support (regardless of the government tier), they are financed by projects and they try to survive 'from project to project' which leaves no room for independent, regular oversight.

This absence of controlling mechanisms allowed for reversal processes to happen. Even in some communities that were best examples of success of programs and sustainability of government responsiveness and civic participation, there are now reversed trends, such as dismantling of participatory budgeting, public hearings and other forms of participation of citizens in local policy making.

Delayed and inconsistent decentralization process (particularly fiscal decentralization) goes in hand with the decreased autonomy and decision-making powers of local communities. Since recently, all funds must be administrated by the municipality, which often means that the municipality, and not the local communities (MZ), define priorities. Furthermore, local communities can apply for funds with national authorities, but only via their municipality.

Representatives of local administration systematically emphasized that present human resource policies undermine government responsiveness and quality of public services. Low salaries, no means for positive incentives, a lack of continuous professional and career development, no policy or culture of passing on gained knowledge and best practices, the poor image of local administration staff, etc. undermines the capacity of local administration to perform in line with standards promoted by SLGRP and CRDA.

Key informants indicated that various legal factors were not in favor of implementation of the programs: the law on civil society association was obsolete and participatory budgeting was not coded in law at that time. However, some changes in laws enabled more active civil society. For example, the changes to the Law on Social Protection in 2014 made provision

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for social services provided by CSOs to be fully funded out of the budget of the local and national government (Ministry of Labor and Social Protection). The research indicated that still, more legislative and policy changes are needed for an enabling environment for CSOs: laws on philanthropy, volunteerism or social entrepreneurship.

Economic factors

Research indicated following economic factors having impact on sustainability of government responsiveness and civic participation:

- Broader economic situation in the country (economic growth or recession)
- Level of economic development of local community which influences availability of development funds and funds for financing CSOs
- Economic wellbeing of citizens

Some key informants indicated that based on the experience of program implementation, a higher level of economic development of the local community was linked to a stronger potential for civic participation due to the availability of funds for developmental projects, financing services provided by CSOs or financing other, more political engagement of local civil society. Research found many indications that economic growth in early 2000 boosted civic participation and local government readiness to respond to citizens' needs, while with the economic crisis in 2008 local communities are left with reduced revenues and less money for addressing local community needs. The lack of financial support to grassroots initiatives by a municipality has been, on many occasions, a key to their (lack of) sustainability. Most companies and SMEs at the local level do not support grassroots initiatives either.

Research findings indicate also that the lack of funds for local CSOs weaken their capacity to independently advocate with or monitor local self-government. This is particularly true for small NGOs that are dependent on municipality funds. On the other hand, larger and more influential NGOs rely on international donors for funding and find it easier to survive a lack of cooperation with local self-government of even confrontation with it.

The economic crisis affected grassroots civic activism in another way as well: people became much more oriented towards their individual survival and expressed less interest in the common issues.

Social capital factors

A set of factors that are related to social relations, ties, civil society features are grouped as 'social capital' factors. The essential idea behind interventions aimed at fostering civic participation is that a necessary precondition for active citizens is a strong social 'fabric', cooperation among various actors, strong bonds between organizations, a cohesive society. Research findings indicated following factors belonging to the 'corpus' of social capital:

- Legacy of civic participation in the community and already established mechanisms of representation of interests of vulnerable groups of citizens
- Ethnic composition of community

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- Presence of strong community leaders

- 'Type and density of social relations' in rural and urban communities

- Demographic factors related to ageing and migration

- Gender regimes

- General decline of activism and civic mobilization

Several key informants confirmed that communities with a legacy in civic participation or informal groups that were active prior to CRDA showed better results in mobilizing communities. However, during the early stages of development of citizen participatory mechanisms, attention and efforts were focused on attempts to mobilize a large number of citizens and sometimes vulnerable groups with specific needs did not get enough space for participation and for their interests. Some informants stated that vulnerable groups often had a problem getting their proposals approved, particularly for Cluster committees, as their members were more focused on large infrastructure and economic projects.

Evidence of the effects of a multi-ethnic composition of communities from the CRDA program is inconsistent. An assumption behind the CRDA program was that ethnic divisions in post-conflict countries represented a special challenge for civic participation and that working in multi-ethnic communities required special attention and approach: working jointly in a CC on common problems eventually builds community cohesion. However, some of the key stakeholders actually stressed that these communities share common problems and that it was actually easier to work in multi-ethnic municipalities since they are "used to relying on their own resources and helping each other". The same stakeholders stressed that sometimes it was more difficult to get people in the mono-ethnic communities to decide on priorities.

Another important social factor is the presence of strong local community leaders. This is of particular importance when institutions (of participation) are not strong. All CRDA implementing partners confirmed that strong local leaders among citizens represented key drivers of change, and therefore focused their attention on identifying local leaders, building their capacities and providing them with technical assistance and continuous operational support as well as with the opportunity to practice obtained skills and knowledge through project preparation, implementation and monitoring, and thus assisted them to substantially contribute to community revitalization, which resulted in a sustainable effect on the revitalization of local communities.

There were some regional effects related probably to the specific social relations and practices in rural and urban areas. According to key informants, rural areas were marked by higher mobilization than urban due to the more densely-knit society in rural communities.

Many local communities suffer from an aging population, increasing emigration of qualified and young people and a lack of experts. Most respondents agree that with younger people and whole families leaving, the older generation is left alone and becomes more pessimistic and less motivated for any engagement in community life.

Gender regimes also play a part in the impact and sustainability of programs in regard to civic participation. With certain regional or local variations, dominant gender regimes in Serbia are still patriarchal, meaning that women are not encouraged to take roles in the public sphere,

particularity in areas related to power and making decisions on key economic, financial and infrastructure projects. The CRDA design assumption was that, particularly in rural communities, it was necessary to prescribe at least 30% of female participation in CCs in order to ensure equal access to decision-making processes. The assumption was that women had less personal political ambitions and more knowledge of daily communal problems facing their families. Some informants confirmed that women were bigger optimists and women-led initiatives were more participative and addressed important communal issues. The switch to CRDA-E changed that, creating new obstacles to further affirm active participation of women, as economic issues were more easily used for excluding them from activities. On the other hand, in less patriarchal communities, with longer tradition of women's grassroots associations (like some in Vojvodina) participation of women was higher.

Research indicated that the voluntarism that thrived in the 1990s and 2000s has been lost, and people are now not willing to contribute without being paid. Generally, interlocutors believe that there is a feeling of apathy and a lack of spirit of activism.

Knowledge, education, skills, values (cultural capital)

As important factors for sustainability of democratic mechanisms established through programs were identified:

- Education, knowledge and awareness of democracy, civic participation, government responsibility and accountability

- Knowledge about some 'new' forms of civic participation, such as philanthropy, corporate social responsibility, social entrepreneurship

- Knowledge and skills of democratic participation – advocacy, lobbying, budget procedures, etc.

Since there was no 'culture of democracy', activities related to knowledge sharing, education, learning civic participation through doing, understanding democratic institutions and processes, cultivating values of participation, responsiveness, responsibility, transparency, were important factors of success and sustainability. Key informants speaking about CRDA programs indicated that these were actually major contributions of the programs for development of democracy at the local level. Change was induced at the individual level, every person who participated changed their 'mindset', perceiving active participation as a key to protect or reflect their interests in local policies. All three programs invested a lot of effort in training citizens and representatives of government and other stakeholders in various skills related to the process of participatory policy-making.

New knowledge on philanthropy, corporate social responsibility, and social entrepreneurship, as specific forms of civic participation, was achieved through the CSAI program, and the seeds of these new practices were placed and cultivated by providing new knowledge and skills to participate in these forms of civic engagement.

However, there were some factors that weakened the effects of the programs. For example, according to the testimony of some informants CSAI program was more focused on 'soft skills', than on developing essential knowledge about democratic systems and processes. There was no literacy on democracy, on mapping the money flows from the public budget;

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skills to trace how much local money was spent. Citizens did not know what a budget was. It was also not useful that terms that were not linked with the processes in the past were used, and it was not explained to citizens how systems functioned. Citizens did not know what the role of CSOs working on certain issues was, what the government was supposed to do and similar. Some basic political literacy was lacking. Research indicated a lack of technical knowledge about budget procedures among citizens and CSOs. It was consistently reported that ordinary citizens do not understand the codification system that the law prescribes nor are they able to assess the relative significance that is given to a particular budget line. It seems highly questionable whether ordinary citizens can at all be knowledgeable enough to actively participate in budget making, and monitor its execution. The same applies to NGOs.

Methodology, 'Modus operandi'

There are numerous factors related to the approach of the intervention, to the project methodology and the 'modus operandi' of the implementing agencies.

- Allocation of significant professional resources;

- Methods of increasing citizens' knowledge and skills for participation;

- Participatory processes, broad consultations with stakeholders, preparation of decisions, and negotiation among interest groups;

- Assigning new responsibility to citizens that brought high motivation to participate;

- Tangible effects during first 90-day initial phase which gave confidence to citizens;

- Selecting local communities as units of intervention;

- Strengthening the role of community leaders.

High level of professionalism and allocation of significant professional resources that was available full-time and on a continuous basis. Most of the implementing partners established multiple teams comprising of different profiles of experts engaged full time, expanded by short-term local consultants, international experts and volunteers. They had programs of extensive training for team members and especially Community mobilization specialists.

Work with citizens was intensive in CRDA, providing support and capacity building through trainings, mentoring, problem solving. It was also important part of CSAI program boosting capacities of CSOs for advocacy, lobbying. An important factor that contributed to sustainable change is that citizens had the opportunity to learn by doing. For example, town hall meetings were also forums for public education related to understanding democratic processes, and for initiating interest among citizens and local government authorities in strengthening dialogue and improving cooperation.

Participatory processes, broad consultations with stakeholders, preparation of decisions, and negotiation among interest groups contributed to the success of the programs, and these are a precondition for sustainability of their effects. For example, CRDA town hall meetings were prepared with identification of and consultation with various stakeholder groups before each meeting and the formation of numerous working groups that volunteered to research and develop proposals in their area of interest for submission to their respective community boards (on average 50-60 people volunteered for working groups after each meeting).

Assigning new responsibility to citizens brought high motivation to participate. CRDA participatory mechanisms confirmed that when citizens have more responsibility they are also more motivated to invest their efforts in dealing with communal matters.

Quick and tangible results during first 90 days initial phase of CRDA gave confidence to citizens. However, this approach had its drawbacks – there wasn't enough time to focus on quality of project proposal and competition from the very beginning.

Selecting local communities as units of intervention was estimated as beneficial in all three programs. According to informant assessments, the focus on the local level in fostering grassroots activism within CSAI had a positive impact because the political context in Serbia is inaccessible for small initiatives. It was easier to mobilize citizens at the local level - people make alliances easier around local, practical issues and not ones that are too far from their everyday life, such as constitutional change. Factors related to the administrative structure of local communities were also recognized as important. There is inconsistent evidence of the impact of different units selected for building citizen participation through Community Committees within the CRDA program. Some evidence points to the fact that CCs established at the level of communities were faced with the problem as MZ – they were not part of the public administration system, just remaining structures from the previous system, so they were not developing and had little or no influence on policy making. On the other hand, "artificially created" bigger cluster communities ceased to exist after the end of CRDA which indicates that this was also not proper solution.

All implementing agencies in CRDA program worked on identifying and strengthening community leaders, which proved to be one of the crucial factors of sustainability of citizen participation and even government responsiveness, when these leaders decided to run for mayors or members of local council or MPs.

Focus on results was important for success in all three programs. In CRDA focus on economic development projects was often a good framework to learn and develop both government responsiveness and citizen participation. However, narrowing the focus to economic development, and neglecting a participatory approach was linked to the withdrawal of positive processes, such as in the case of a shift from CRDA to CRDA-E which occurred through a unilateral donor decision to change the community revitalization oriented program to an economic development and job creation oriented one. This decision was made in a manner that was opposed to the very essential logic of the CRDA program, which fostered dialogue between governments and citizens, and broad participation in deciding on local infrastructure and economic investments.

There were also factors identified during research as obstacles to sustainability:

- **Establishment of parallel informal structures of citizens participation in CRDA (CCs) and lack of in-depth analysis of the existing system and historical legacy.** There was no evidence that USAID performed a thorough analysis of the existing system and although the legacy of socialist self-government could have provided certain grounds for development of new forms of civic participation, there was no evidence that it was taken into account during program design. In spite of the fact that majority of the interlocutors believe that at that particular moment it was necessary to establish parallel structures in form of informal citizens' groups in order to boost citizens' participation, others believe that direct involvement of MZ representatives and strengthening their capacities from the start would have made a bigger difference and ensured better sustainability.

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Hence, it is reasonable to conclude that civic participation would have had better chances to sustain had CRDA opted to work through existing structures and chosen to strengthen MZ;

- **Focusing only on one stakeholder in the policy cycle (citizens):** building capacities for citizen participation in political and economic decision-making was not sufficient for sustainability. In the towns where CRDA partner did not work on building local government capacities to accept and organize participatory processes (through trainings and practical learning by doing), citizens had much bigger problems to ensure cooperation and support from their local government after the end of CRDA. Although there was a complementary SLGRP project targeting local government and administration structures, it required better coordination with CRDA activities, so that both elements of the process (government and citizens) are targeted simultaneously.

- **A lack of durable oversight or monitoring mechanisms after the program period** continuous oversight of mechanisms for government responsiveness undermined sustainability of these mechanisms.

- **Shift from CRDA to CRDA-E** brought a decline of civic participation as it was not a participatory decision; it was opposed to the whole logic of the program, which fostered citizen participation.

- **Sustainability of civic participation mechanisms was not planned** at the beginning of the program - they were tailored towards the end of the programs with different approaches and successes.

- **As financial support ceased** there was less space for direct participation and local governments were not open to citizen priorities.

- **The focus on large infrastructure and economic projects** prevented vulnerable groups from having a stronger impact in line with their interests.

- **Obligatory co-financing for municipalities:** This factor had both positive and negative effects. Most of the interlocutors at local level stated that this motivated local governments to include citizens because that was a necessary precondition for receiving much needed funds for investments. However, the hypothesis that this meant establishing real partnership and ownership of the participatory process from the local government side, proved wrong, as local governments often abandoned the participatory approach when donor support ended.

LESSONS LEARNED AND RECOMMENDATIONS FOR FUTURE PROGRAMMING

The following narrative is a synthesis of all lessons learned and recommendations that were detailed in the 4 in-depth studies and two illustrative studies. A closer look at each in-depth study, found in the full report of each piece of research appended to this report, will show a set of lessons learned and recommendations that have come from the content, focus and analysis of each of these studies. There is similarity and resonance across these four sets of lessons and recommendations. With the intent of being more focused, and in this way to provide an analysis of more value to any formulation on future initiatives, the lessons learned and recommendations have been synthesized into a single set, **against each of the two defined evaluation questions**.

EVALUATION QUESTION 1 - SUSTAINABLE EFFECTS ON CIVIC PARTICIPATION.

LEGISLATION

Support provided for strengthening organizational capacities and improving the policy-focused advocacy strategy can result in legislative changes, as has been the case in regulating protection from and prevention of domestic violence and introducing needed services. This is a legacy of the program intervention that is difficult to undo in the future. Furthermore, it motivates citizens to participate in building a democratic society from the local level up as the effects of their action were visible and immediate.

- It is recommended that good effects of the local initiatives influencing national policies are communicated and promoted widely as they show empowerment of ordinary citizens and a potential for democratic actions starting at the local level and having wider significance and scope.

Venturing into the area of social entrepreneurship, as a consequence of their growth, has proved successful for some organizations. It has helped them to stay focused on the issue, and have brought them an important source of income that they are able to re-invest in other activities – to improve other services, infrastructure, to expand their activities etc.

- It is recommended that the missing legislative framework for social entrepreneurship is adopted as soon as possible so that social entrepreneurship practice can be further developed. In any case, it should be specifically targeted with funding and knowledge transfer programs, as a rising opportunity for local development throughout the country.

ADMINISTRATIVE STRUCTURES

At the historic moment when CRDA and SLGRP were established, it was beneficial to work with parallel informal structures such as community committees. However, the situation has changed and public administration reform has established structures and mechanisms that should ensure CSO and citizens participation.

- It is recommended that any future intervention begin with an assessment of the effectiveness, efficiency and sustainability of the established structures and mechanisms of CSO and citizen participation, with national and local authorities.
  - Focus on linking participatory budgeting with local strategy design and annual priority making, as a process for more vibrant and substantial civil participation.
  - Focus on approachable systems for sharing budget processes and decisions with the population.
- It is recommended that future assistance include strong participation of the CSOs in the designing of the program, given the evaluation research demonstrated problem analysis benefits from civil society engagement.
- It is recommended that any future intervention focus on addressing weaknesses in existing structures and mechanisms, and developing new institutional mechanisms of citizen participation, rather than the establishment of any parallel and/ or informal structures or mechanisms.
  - Provision of assistance to improving human resource management and institutional development in local self-governments, and focus both on local administration employees and the political leadership of the municipality to strengthen their acceptance of and long-lasting support to all newly established processes and mechanisms.

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- o Focus to be given to enabling local community leaders to participate in wider community affairs, mobilize citizens and actively engage with local governments.

- o Focus to be given to enabling engagement of CSOs, as representatives of the local population as well as in the role of watchdog organizations.

PROGRAM IMPLEMENTATION

The key strengths of the CRDA program were its focus on long term objectives, its flexible and tailor-made approach, its high level of professional expertise, its use of local expertise and local activists for community mobilization, its grassroots work with citizens, its participatory consultative processes with a wide range of stakeholders in all phases of the project, and its capacity building that included training, mentoring and learning by doing.

The current lack of initiative on both sides - local government and citizens – seriously threatens democratic processes. The revival of the sense, among citizens, that they can have an impact/ do something/ change something in their community is critical to any re-establishment of participatory processes.

- It is recommended that USAID work with civil society organizations (both national and local rep-representatives) to develop new solutions, as the issues in the relationship between civil society and authorities today is different to the situation of the early 2000s. The current situation requires work with a wide range of people in local communities, identifying and building strong local leaders, and strengthening grassroots activism and CSOs at the same time.

- It is recommended that USAID combine the best features of two approaches: working with local community (MZ) and clusters of MZ – without abandoning the MZ level approach.

- It is recommended that USAID address the needs of vulnerable groups in order to enable their direct participation.

A new type of capacity building activity for CSOs is emerging that focuses on strategic planning, visibility, budgeting and financing, as well as quality assurance. Communication and public relations aspects of CSO work are still neglected when the budget is tight and CSOs lack a strategic approach to ensuring their message reaches the intended audience.

- It is recommended that future programming supports the introduction of a quality assurance system appropriate for CSOs, as well as including its monitoring, to ensure adherence as a self-regulatory tool for quality in civil society.

- It is recommended that a particular aspect of the communication strategies of CSOs include the direct and indirect addressing of CSO accountability and transparency.

- It is recommended that quality communication and public relations training be further supported in future programming, so that successes and achievements are better communicated to the wider public.

A tailor-made, well-designed and expertly implemented grant scheme can assist the translation of project ideas that tackle specific local concerns or problems into sustainable interventions that have an impact on people's lives. The process helps small organizations to overcome their capacity gaps, as well as organizations with a medium level capacity to develop and sustain their professional and organizational skills and knowledge and to improve their advocacy strategies. Having in mind the different ways through which initiatives provide sustainable

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effects on local development and citizen engagement, donor support is most effective when it is tailored in a manner that provides for diversity of sustainability.

- It is recommended that this approach in provision of a grant scheme is further supported, as a careful preparation process that includes a mapping of organizations, in order to deliver an effective training series that fits organizational needs, and also assists organizations to benefit from being brought together in future activities, so they can continue their contacts.

- It is recommended that the practice of not placing conditions as to the types of projects, but of supporting the work that organizations are already doing in terms of thematic areas and project objectives, should continue in order to enable diverse forms of sustainable effects.

- It is recommended to either provide space for a social entrepreneurship component of the local initiatives or directly and exclusively design the program in support to social entrepreneurship in local communities, as they simultaneously pursue economic and social objectives important for community development and to enable citizen participation.

Sustainable fundraising, as part of organizational sustainability strategies, can take many forms, and innovative approaches have proven beneficial and effective, and should be considered for support, given their likely long-term impact.

- It is recommended that future design of support to grassroots initiatives takes into account the variety of sustainability forms, and in line with this, planning to better design and track the momentum that certain actions create would be beneficial for a better understanding of programming effects in a particular community.

- It is recommended to take into account the fact that organizational growth can be multidirectional (towards service delivery or social enterprise, or membership based services) and donor support should allow and assist in guiding these processes, which would further strengthen the likelihood that local actors have the options to finance the efforts they believe in.

- It is recommended that innovative approaches to sustainable fundraising, such as the scheme with matching private funds in a 1:1 ratio, be given strong consideration in development of support approaches, particularly where they assist organizations to gain skills in diversifying their funding sources, including in the formation of partnerships with the business sector.

EVALUATION QUESTION 2 - SUSTAINABLE EFFECTS ON GOVERNMENT RESPONSIVENESS

LEGISLATION

The negative influence of political changes can be diminished where adequate legislative frameworks are in place, and with change in the attitudes of participants in policy and budget processes. Sustainability of change requires systematic oversight of policy and budget making processes, to avoid *pro forma* processes. These mechanisms need to be established within the public administration system, but it is also of the utmost importance to establish independent mechanisms with active participation of CSOs and citizens.

- It is recommended that future programming be based on a detailed assessment of legislative and institutional frameworks, and should aim to achieve change in these legislative and institutional frameworks, as well as with the processes, skills, knowledge and attitudes of key actors in all tiers of government.

- It is recommended that the USAID focus be on ensuring the development of an enabling legislative framework that includes both sanctions and incentives. The underlying intent of this enabling legislative framework is:

  o The establishment of simplified and efficient business and administrative procedures.

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- o Development of more participative procedures.

- o Provision of technical assistance and lobbying for continuation of the decentralization process and greater policy autonomy of local government.

- o Assessment of the shortcomings of the current policy planning and budgetary procedures from the perspective of citizen participation and providing recommendations for revision.

- o Provision of assistance for strengthening relevant legislation implementation control and oversight functions.

- o Monitoring/ evaluation systems.

- It is recommended that there be a specific focus on contributions to the work on the enabling environment for civil society that is a focus of Serbia's EU Accession processes and current Government and EU priorities.

  - o Assistance in improvements to and implementation of legislative and strategic framework related to civil society organizations to facilitate better financing from the national and local budgets.

  - o Provision of technical assistance to strengthen CSO capacity (including network and coalition developments) to perform the oversight (monitoring) of policy and budget making processes, to avoid pro forma processes.

  - o Provision of assistance to engage in mobilizing and supporting citizens to participate in policy dialogue and public hearings.

  - o Provision of support for the establishment of government/private/civil sector partnerships to better respond to identified priorities, and strengthens citizen participation on a range of issues.

ADMINISTRATIVE STRUCTURES

The sustainability of democratic processes requires systemic changes and interventions that address all components, elements and stakeholders in the policy cycle, i.e. actors from all three sectors.

- It is recommended that all future program aimed at strengthening democratic processes target, at the same time, the government, private and civil sectors, in a well-coordinated manner, as well as during all phases and with all elements of the policy cycle.

- It is recommended that a funded initiative address all stakeholders in the policy cycle at the same time, in a well-coordinated manner, as well as during all phases and with all elements of the policy cycle at the local government level: citizens, CSOs, private sector, public institutions, local communities, municipal administration, municipal government (mayors and local council), municipal assembly.

  - o Focus on raising the awareness of and building the capacities of Mayors, their teams and members of local councils to embrace and support participatory processes and understand the benefits it brings – strengthening the knowledge and skills of current leadership.

  - o Focus not only on individuals, but also on the quality of local structures that go beyond individual leaders – development of section heads and administrative leadership, for example.

  - o Provision of assistance to improving processes, skills, knowledge and attitudes of key actors in all tiers of government regarding citizen participation and governance responsiveness.

  - o Advocating for greater transparency and encouraging and supporting the use of social media and ICT in local administrations.

     o   Introduction of automated business procedures and management information systems, not least as the reversal of these automated processes are difficult to reverse.

PROGRAM IMPLEMENTATION

Systemic changes that requires a change of knowledge, attitude and behavior. A tailor-made approach, mentoring throughout an entire policy process and learning by doing are all important factors for the sustainability. In line with recommendations above,

- It is recommended that USAID consider supporting human resource management reform at the local level, and focus both on local administration employees and the local government, i.e. the political leadership of the municipality. The focus of this initiative would be the acceptance of and long-term support to established processes and mechanisms.

- It is recommended that this process be supported over the medium to long term (minimum of 5 years), as it is critical that the change process carries through to the institutionalization of the mechanisms and practices.

- It is recommended that USAID focus, in any funded initiative, on linking participatory budgeting with local strategy design and annual priority making, as a process for more vibrant and substantial civil participation.

- It is recommended that clear links be developed between any work on legislative change and related changes in systems and processes, and their application by authorities.

- It is recommended focus be given to ensuring an institutionalized monitoring and evaluation system for participative systems, nationally and locally.

- It is recommended that specific focus be given to the introduction of automated business procedures and management information systems, not least as the reversal of these automated processes are difficult to reverse.

The importance of individual actors is predominant in the absence of the strong institutions (legal, administrative, political, economic etc.) that generate a predictable and unified behavior as an outcome. Citizen participation depends primarily on the awareness and commitment of local politicians and capacities and enthusiasm of community leaders. Improving the demand and supply side of the process is crucial to its sustainability.

- It is recommended that in any funded initiative, the focus be on raising the awareness of and building the capacities of Mayors, their teams and members of local councils to embrace and support participatory processes and understand the benefits it brings - on strengthening the knowledge and skills of current leadership.

- It is also recommended that focus not be solely on individuals, and that recognition in design and implementation be also on the quality of local structures that go beyond individual leaders.

Civil society organizations should play a more active role in policy dialogue, oversight of policy and budget implementation, advocacy and citizen mobilization. Currently most CSOs have very limited influence on local government budget allocations, mainly through applying for budget support for their project activities. Strong CSOs can positively influence participatory processes and government responsiveness.

- It is recommended that USAID invest in further improving legislative and strategic framework related to civil society organization to facilitate better financing from the national and local budgets.

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- It is recommended that USAID strengthen CSO capacities to participate in and perform oversight of policy and budget making processes, to avoid pro forma processes, through establishment of networks and coalitions of CSOs, building CSO capacity to monitor policy and budget execution. These coalitions would lobby, and hold government accountable for the implementation of policies.

- It is recommended that USAID strengthen CSO capacities to engage in mobilizing and providing support to citizens to participate in policy dialogue and public hearings.

- It is recommended that USAID support establishment of government/private/civil sector partnerships to better respond to identified priorities, and strengthen citizen participation on a range of issues

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ANNEX I

SUSTAINABLE EFFECTS ON GOVERNMENT RESPONSIVENESS AND CIVIC PARTICIPATION IN MUNICIPALITIES – MAPPING FINDINGS

Out of 133 municipalities in which SLGRP and/or CRDA were implemented[1] and which were included in mapping survey, 111 positively responded and answered the questionnaire, while 22 remained unresponsive after several attempts to organize the interview.

The mapping findings indicate that despite limited scope and often unfavorable circumstances that occurred after the program implementation, legacy of USAID interventions implemented through SLGRP and CRDA is still present. Mechanisms that are established with the aim to improve government responsiveness, such as **Citizens Assistance Centers** still exist and are functional in vast majority of municipalities (83%), while **One-stop Permitting Centers** exist in 65% of municipalities. **'System 48'** that was initially introduced through SLGRP in only 12 municipalities (inspired by the system implemented firstly in Baltimore) today can be found in 29% of municipalities among which some established this service due to the positive influence of municipalities who were pioneers in this mechanism during SLGRP program. **Annual Budget Letters** are present in 93% of municipalities, supported by public administration reforms (new legal obligations of local governments), while **Public Budget Hearings** are present in 54% of municipalities

Figure 1: Presence of various mechanisms of government responsiveness and citizens participation in municipalities in Serbia (% of responds[2])

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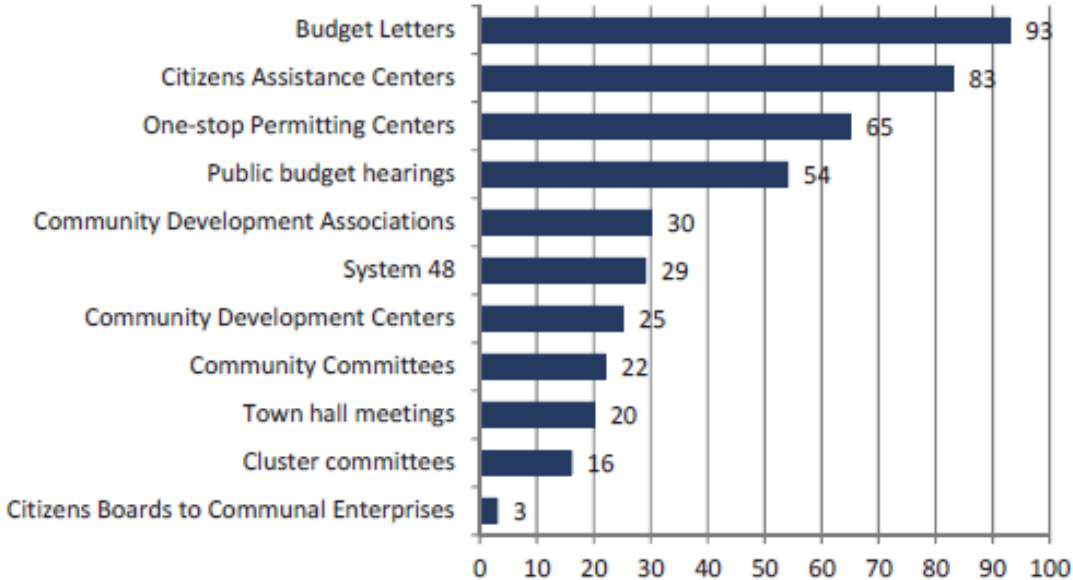
1   Information based on programming documentation

2   It is important to notice that this is percentage of responds which means that missing answers (which were relatively numerous in regard to certain mechanisms) were not calculated. If missing answers were calculated, the prevalence of mechanisms would be lower, except in the case of Citizens Assistance Centers.

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Citizens Assistance Centers are places in the municipal building where citizens can get all necessary information on the competencies and work of local, provincial and national governments. Centers serve as resource to help citizens solve problems related to the services provi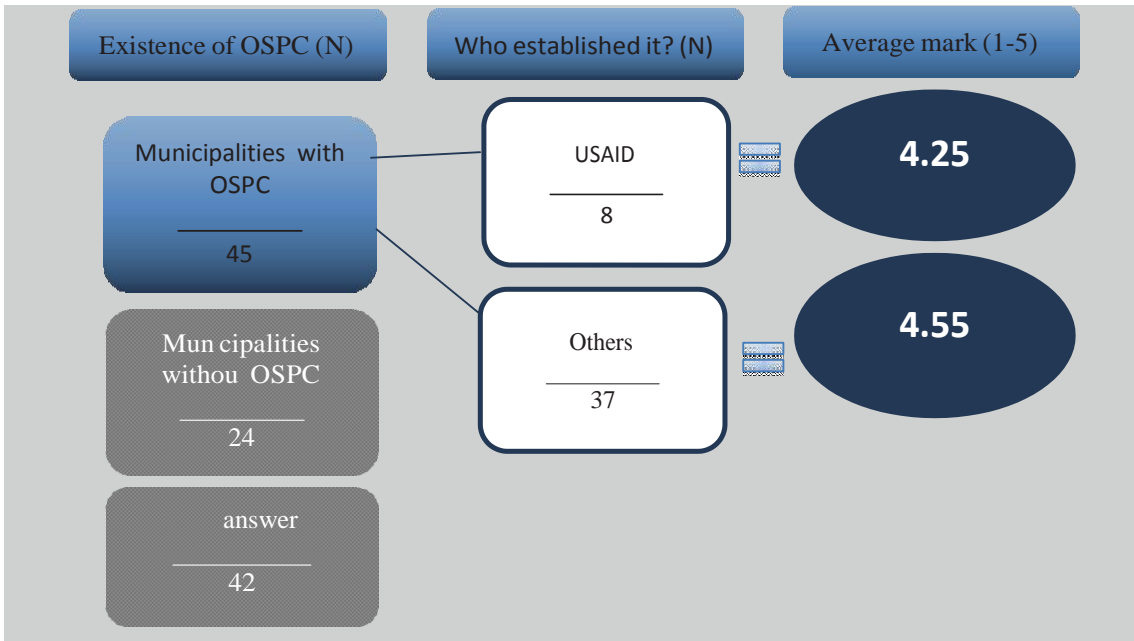ded by local government, to file complaints, and to provide comments and suggestions for the improvement of local governance and public services. Mapping results revealed that CACs exist in 83% of municipalities that participated in the survey. The role of USAID programs (SLGRP or CRDA) in the establishment of this mechanism was clearly recognized in 51% of municipalities. In 2% of cases respondents did not know how centers were established, nor based on whose initiative. In 47% of cases CACs were established with support of some other international agency or program (i.e. EU PROGRESS, LEDIB, SDC, EAR, etc.) or by initiative of local politicians or government. Respondents were asked to evaluate the current functioning of CAC (marks 1-5) and results indicate higher average marks in municipalities where Centers were established with support of USAID.

Figure 2: Citizens Assistance Centers
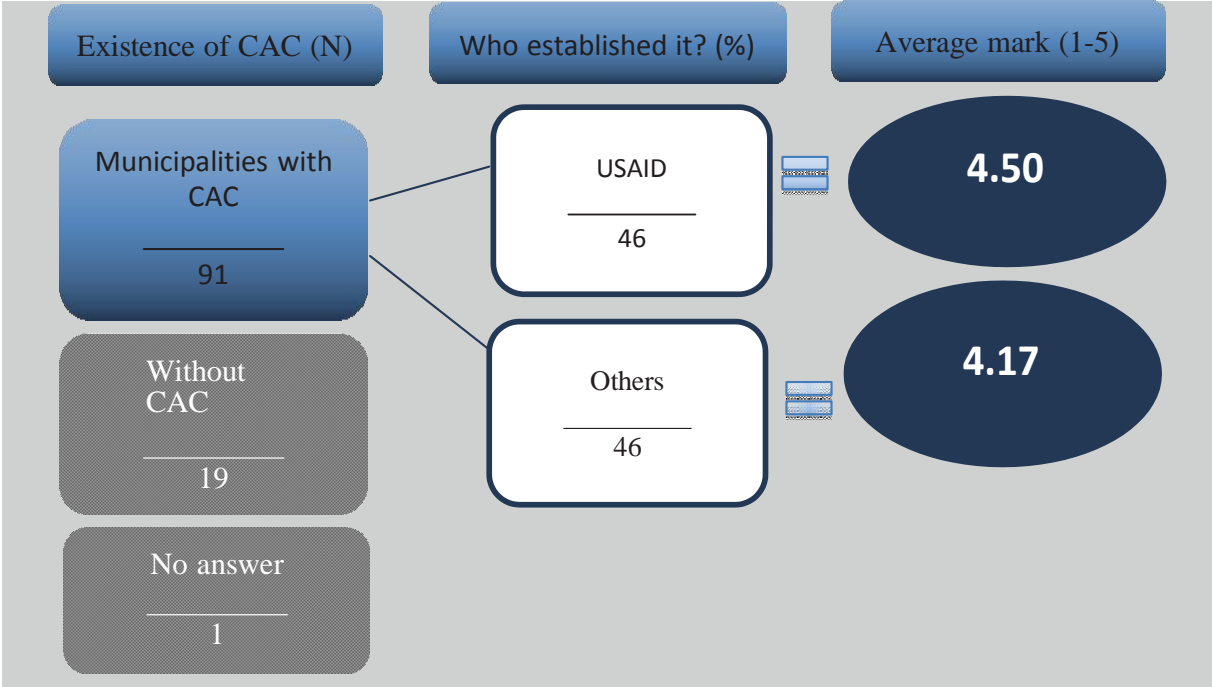
Existence of CAC (N)	Who established it? (%)	Average mark (1-5)
Municipalities with CAC _____ 91	USAID _____ 46	4.50
Without CAC _____ 19	Others _____ 46	4.17
No answer _____ 1		

One-stop permitting centers (OSPC) are offices in which citizens and legal entities can submit their building permit applications and obtain all needed permits in one place. OSPCs promote quicker, more efficient and predictable procedures to provide effective services to customers. Mapping data indicate that 65% of municipalities that participated in the survey currently have such a service, while 33% do not and in 1.4% of cases respondents did not provide an answer. Among municipalities with this service, USAID support drove the establishment of OSPCs in 8 municipalities. The average mark for the contemporary functioning of these centers is 4.50 with a somewhat lower average mark in case of centers established with SLGRP support.

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Figure 3: One-stop permitting centers

'System 48' is a municipal service to which citizens can submit information of certain communal problems and to get answers within 48 hours. This service is today present in 29% of municipalities who participated in the survey. Although only in 4 municipalities where originally was introduced by SLGRP programs System 48 is still in place, the impact of the program was broader as in other municipalities service was introduced due to the positive influence of these municipalities.

Figure 4: System 48
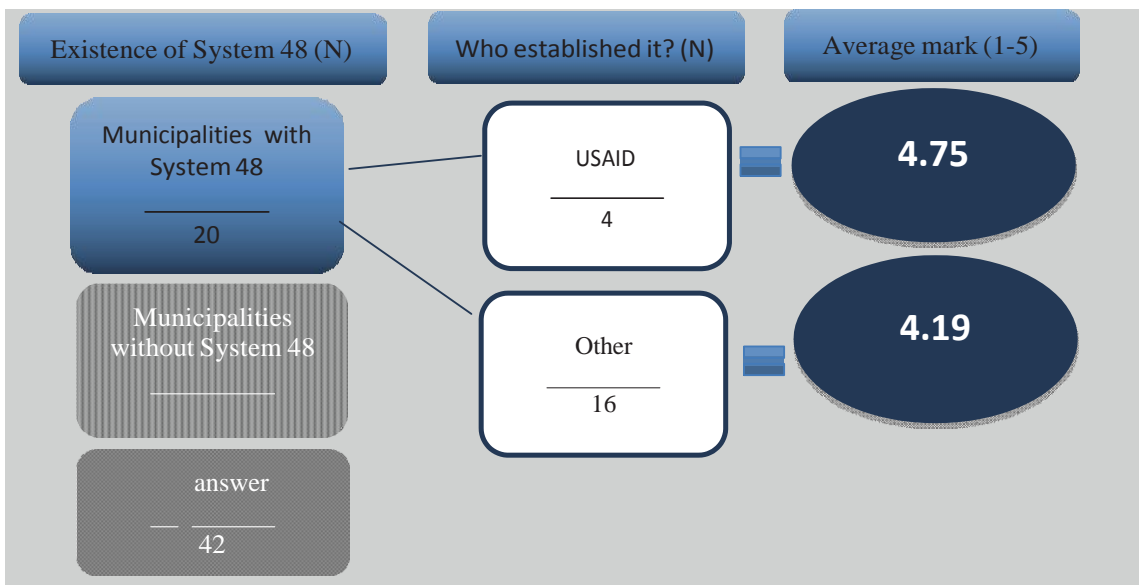
Public Budget Hearings were mechanisms introduced through SLGRP by which local budgets were planned in consultation with citizens. This practice was introduced in 83 municipalities, through 2006, but according to the mapping survey this mechanism has been sustained

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in 37 municipalities. Respondents from municipalities which do not have this mechanism established, or where it was abandoned, report as the main reasons:

- Lack of initiative on both sides – local government and citizens.

- Change of political climate, this was the practice introduced by previous local authorities.

- There is no direct participation of citizens, but only participation of budget beneficiaries who report on spending and propose allocations for the next cycle.

- Late instructions on budget planning by the Ministry of finance in the previous few years have prevented the timely organization of consultations with citizens.

- The present 'budget calendar' is not favorable for the organization of a participatory process.

Annual Municipal Budget Letters were introduced by SLGRP to enable municipalities to show citizens, in a clear and easily understandable format, the financial aspects of municipal activities and plans, and to report on the current status of citizen initiatives. Until 2005, as many as 71 municipalities published budget letters at least once as an outcome of the USAID programs (USAID, SLGRP Final Report: 26). This mechanism today exists in 93% municipalities. The high 'survival rate' of this mechanism can be contributed to the legal framework which makes publishing of the budget obligatory.

Citizens Advisory Boards to Communal Enterprises were established in 12 municipalities in order to introduce citizen participation concepts and practices to municipal service providers and public utility companies. This mechanism was the least sustainable and mapping found it only in two municipalities (Pozarevac and Svilajnac).

Community committees/boards were established through CRDA as mechanisms of citizen participation in decision-making related to local development priorities, investments and projects. Mapping found that these mechanisms survived in more or less original their original form in 22 municipalities, but they are still as active as previously in 14 municipalities, according to information provided by respondents. Respondents from municipalities in which CCs were not active, or were disbanded, indicated the following as the main reasons for the inactivity or cancellation:

- They were not meant to be sustainable after the program, they served only for the purpose of development of strategies.

- Lack of trust – citizens do not believe that they can influence policies.

- Lack of interest – citizens are not interested in active participation in local committees and advisory bodies.

- Lack of the concrete local developmental project which motivated citizens to participate during USAID programs, because they could see more direct influence on priority selection.

- Change of local authorities and political will.

- Citizens find it more productive to participate through 'Mesne zajednice' and NGOs.

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- Priority selection is conducted through strategic planning, development of local strategies to which citizens are invited to provide opinions during the drafting of strategic document.

In some cases CCs have transformed into other forms of civic participation. As well as the Community Development Associations which were planned as a strategy to provide sustainability to citizen participation after the programs (they still exist in 29 municipalities), and establishment of NGOs from members of CCs (NGOs with a CC legacy are still found in 23 municipalities), there are other, less common forms:

- Citizens advisory boards in local assemblies (i.e. Advisory board for development of tourism, Advisory board for development of agriculture) which influence selection of priorities in these policy areas.
- Working groups made of citizens and engaged in public debates on priorities and policies.
- Public consultations with citizens organized in MZs.
- Public consultations with NGOs.

Cluster committees were clusters of CCs organized either by thematic or regional focus. They can still be found in 16 municipalities, but only in 11 they are still active as before. As reasons of their lower activity or dismissal, respondents indicate the same as in the case of CCs.

Town hall meetings were established during the programs as a regular practice of meetings between citizens and municipal authorities on local priorities, problems. This practice was found by mapping in 20 municipalities.

Community Development Centers were offices equipped and allocated to the citizens for the purpose of active participation in local policy making and development projects. This space was used for various activities – training, projects, events. CDCs were found by mapping in 24 municipalities. There is little evidence today of the remaining CDC space and equipment. There are a few indicators provided during the mapping of respondents who were informed of what happened with this mechanism. In some cases, the CDC was taken over by a local political party, equipment became obsolete or the interest of citizens decreased. However, many respondents were not informed about these mechanisms and they were not even familiar with the fact that they were once established.

Although with certain level of imprecision (due to the above mentioned limitations) the mapping evidence clearly indicates that there is still significant legacy of SLGRP and CRDA programs and that their contribution to development of mechanisms of government responsiveness and civic participation at local level is not doubtful. The highest impact was found in regard to the regular services provided to citizens, such as Citizens Assistance Centers and One-stop Permitting Centers, as well as in regard to transparency of budgeting which was later supported by national public administration reforms. Significant legacy in civic participation is evident in the forms of Citizens Boards, Associations for Community Development and other diverse forms of civic participation that still remain with variable success and degree of activity across the local communities in Serbia.

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ANNEX 2

ONLINE SURVEY WITH NGOS BENEFICIARIES OF CSAI GRANTS

Through the CSAI program, 236 grants were awarded to 133 NGOs. An invitation to participate in the online survey was sent to 126 organizations whose contacts were valid, and 47 organizations have filled the questionnaire.

The thematic focus of organizations was diverse, though in the survey was recorded highest share of organizations that used funds for the enhancement of civil society and citizens participation, followed by the organizations who implemented activities related to the improvement of governance institutions and then by organizations who used grants for various advocacy and lobbying activities. Among organizations that participated in the survey, much lower share record organizations who used funds for environmental protection, economic empowerment, and support to specific groups.

Figure 1: Thematic focus of NGO initiatives supported through CSAI grants
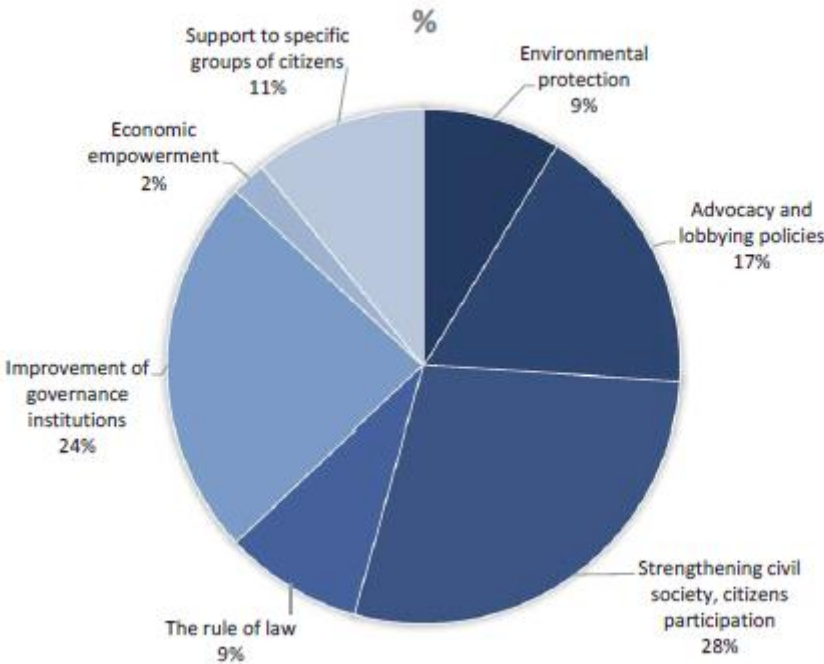
Grantees improved various aspects of their internal organization and their capacity to advocate, to mobilize citizens and to act in various ways. As it can be seen from the following graph respondents estimated highest effects of the grants on outreach of organizations, building up partnerships with other actors, and development of capacities for advocacy and lobbying. To somewhat less extent they evaluated the effects on the level of activity in local communities, development of networks and coalitions, improvement of internal organizations, and cooperation with government and impact on concrete legal and institutional reforms. The impact on the improvement of cooperation between CSOs and private sector was least evaluated, but it was also not in the focus of majority of supported initiatives.

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Figure 2: Average marks assigned to effects grants had on various aspects of organizations and their engagement (1-poor, 5-excellent)

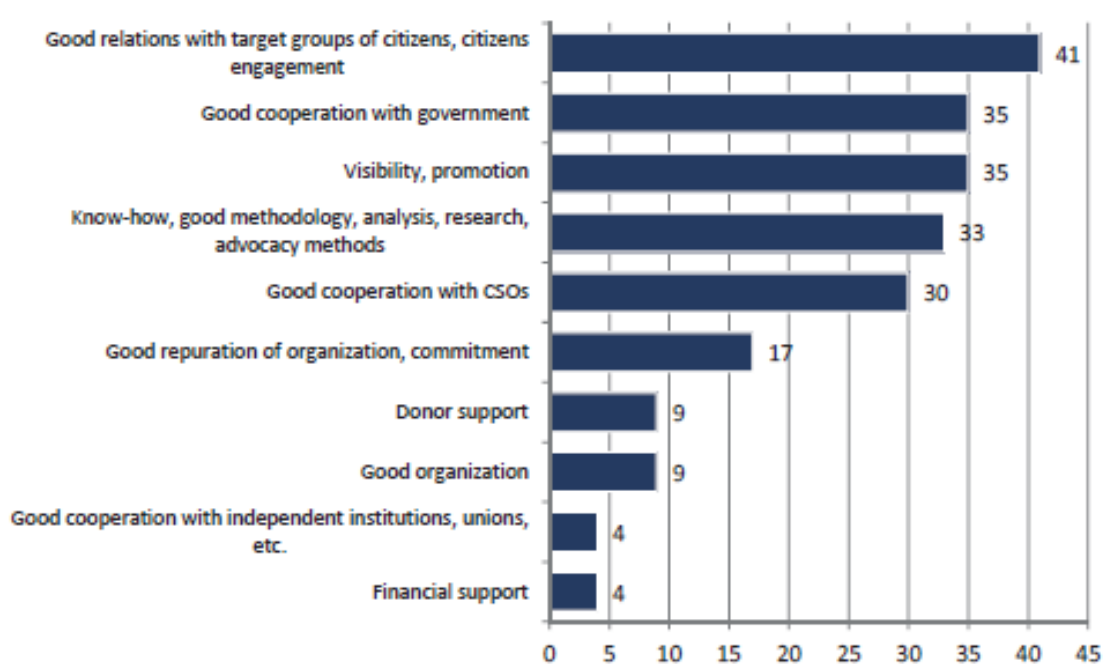| Aspect	Mark
Outreach	4,23
Partnerships	4,19
Advocacy and lobbying capacities	4,19
More active civil society in local community	3,98
Concrete actions in line with citizens needs	3,89
Developments of networks and coalitions	3,81
Internal organization	3,72
More citizens joining the organization	3,66
Cooperation between CSOs and government	3,55
Concrete legal and institutional changes	3,49
Cooperation between CSOs and private sector	2,55
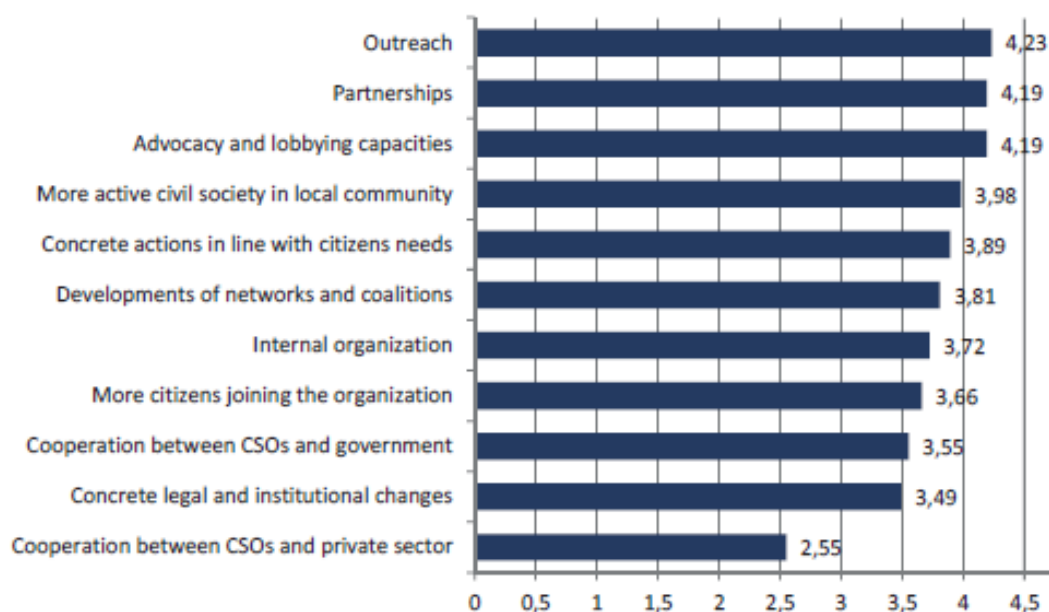
Majority of respondents indicated that results of the projects supported through CSAI have partially sustainable, while for 43% of organizations, results fully sustained over time, and only 4% were not sustainable.

Figure 3: Sustainability of project results, in %

Results were not sustainable 4%

Results fully sustained 43%
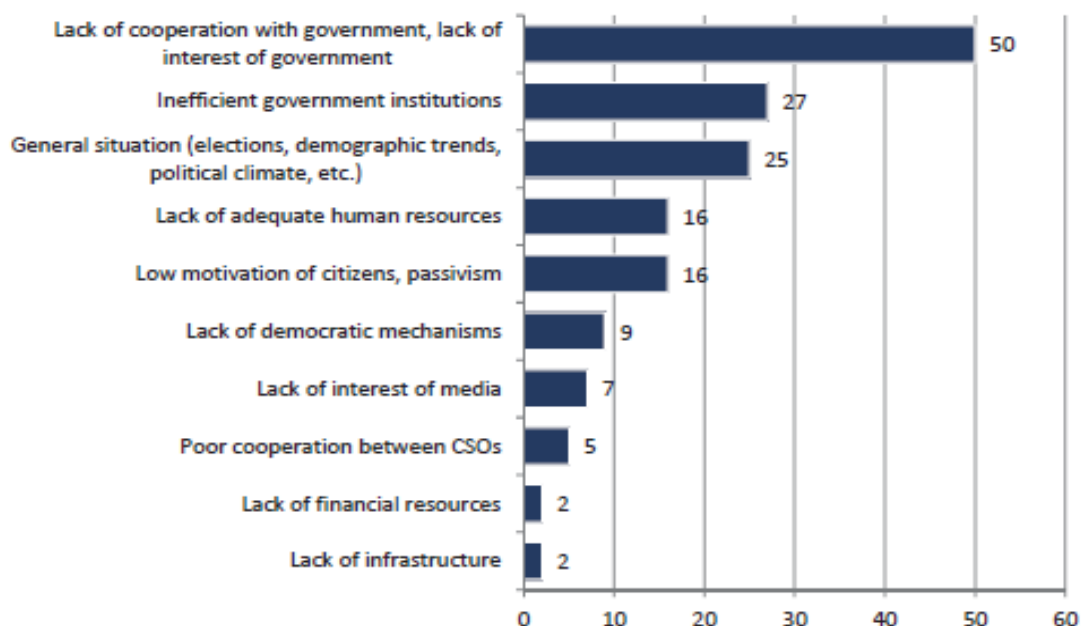
Results partly sustained 53%
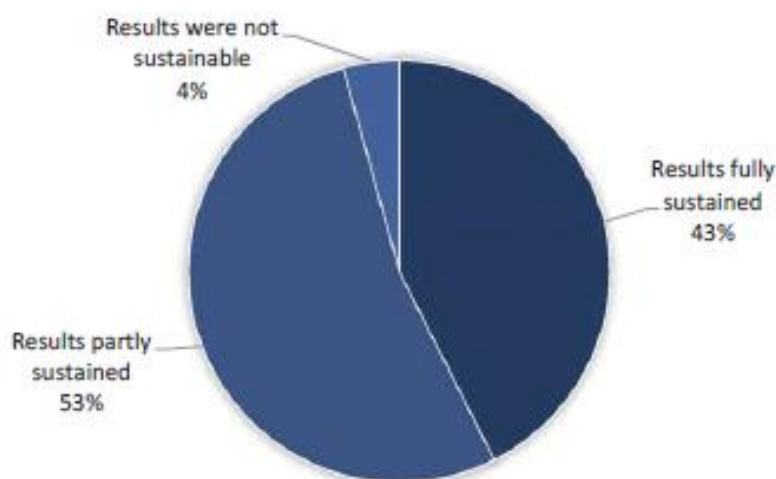
As it was indicated by respondents the most important factors of success and sustainability was good relation with target groups of citizens (knowing good their needs, how to approach them, how to motivate them for participation), and strong engagement of citizens. Among other highly emphasized factors of sustainability are good cooperation with government at different levels, visibility of the activities and media promotion, high competences and skills of implementing organizations, whether they are related to the quality analysis and evidence or advocacy approaches or implementation methodology. Highly was emphasized cooperation with partner organizations or other CSOs who were not directly involved as partners in the project.

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Figure 4: Factors of project success and sustainability of results (% of organizations[9])

Factor	%
Good relations with target groups of citizens, citizens engagement	41
Good cooperation with government	35
Visibility, promotion	35
Know-how, good methodology, analysis, research, advocacy methods	33
Good cooperation with CSOs	30
Good repuration of organization, commitment	17
Donor support	9
Good organization	9
Good cooperation with independent institutions, unions, etc.	4
Financial support	4

As main obstacle to the sustainability of project results half of organizations see lack of cooperation with government (whether at national, regional or local levels), and then inefficient government institutions which are target of project activities or were needed for cooperation in order to achieve planned results. One quarter of organizations reported that sustainability was under risk due to the general situation, premature elections, political climate, bad relations between stakeholders in the community or demographic situation related to target group (migration of young people, etc.).

Figure 5: Obstacles to sustainability of project results (% of organizations)

Obstacle	%
Lack of cooperation with government, lack of interest of government	50
Inefficient government institutions	27
General situation (elections, demographic trends, political climate, etc.)	25
Lack of adequate human resources	16
Low motivation of citizens, passivism	16
Lack of democratic mechanisms	9
Lack of interest of media	7
Poor cooperation between CSOs	5
Lack of financial resources	2
Lack of infrastructure	2

All organizations reported they improved various aspects of their internal organization due to the support obtained through CSAI grant. They evaluated overall improvement of organization with average mark 4.15 (1-5). From the following graph is clear that grant contributed mostly to the improvement of visibility and promotion of the organizations, their project management and reporting skills, communications and PR, financial management, capacities to engage citizens, to advocate and lobby. The least were developed skills for fundraising and human resource management.

Figure 6: Aspects of internal organization improved due to the CSAI grants (% of organizations)

The effect of the grants on improvement of advocacy capacities of organizations were also highly evaluated – 4.04 on average. The CSAI support clearly contributed mostly to the capacities of organizations to mobilize citizens, and to appropriately select advocacy methods, and to lesser extent to present the problem and to formulate recommendations.

Table 1: Improvement of advocacy capacities due to the CSAI grants

Aspects of advocacy skills	% of organizations that improved that aspect due to the CSAI grant
Presentation of the problem	19.1
Formulation of recommendations	12.8
Selection of advocacy methods	27.7
Outreach of advocacy actions	6.4
Mobilization of citizens	31.9
Other	2.1
Total	100

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More than half of organizations have stated that major obstacles to citizens mobilization during the project was lack of motivation of citizens to actively participate in the project activities, while one-fifth of organizations indicated lack of information among citizens about project activities as main reason (remaining organizations stated other reasons or they indicated that question was not applicable to their case due to the nature of the project). On the other hand, when the participation of representatives of government is in question, respondents indicated more often the lack of interest and motivation (in 57% of cases) and much less lack of information about the project (4.3%).

All organizations who participated in the survey are still active and reported on sustainable civic participation in the area of their engagement. The most frequent actions were various awareness-raising campaigns, followed by actions which included representatives of government. Half of organizations participated in the networks and coalitions, which is very positive sign for development of social capital within the civil society.

Figure 7: Type of actions organizations have conducted after the project period
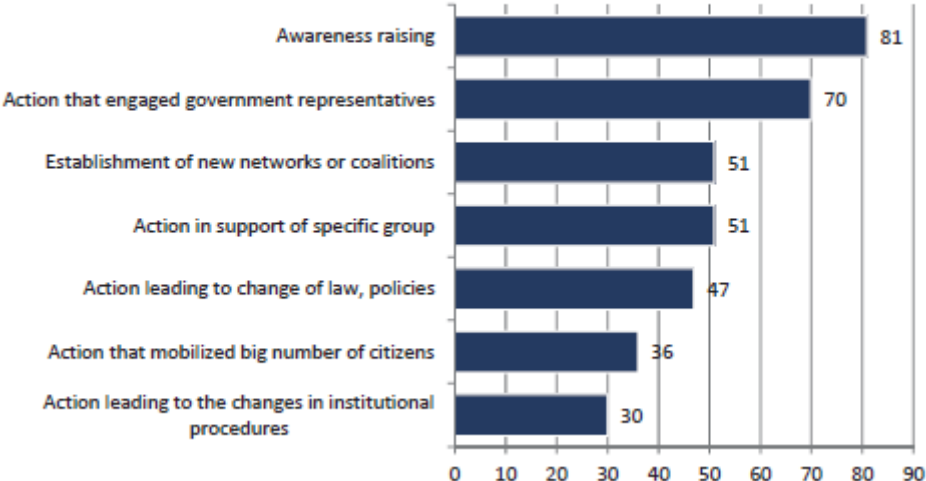
Majority of organizations estimate their visibility in public as moderate (66%), while almost third claim their visibility is high (32%) and only 2% estimate their visibility as low. Majority of respondents shared impression that trust in CSOs is low among various stakeholders.

Table 2: Perception of trust in CSOs by citizens, government and corporate sector, in %

Stakeholder	% of respondents estimating trust of this stakeholder in CSOs as low
Citizens	53.2
Government representatives	59.6
Corporate sector	72.3

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Mapping results indicate significant impact of CSAI grants on civic participation and sustainability of major part of organizations, their initiatives and results after the project implementation.

Due to the CSAI support CSOs managed to improve significantly their internal capacities, to connect better with other stakeholders, to mobilize more effectively citizens, to develop new partnerships, networks and coalitions among CSOs which contributes to overall social capital of civil society. The organizations are still active and after the project implementation they implemented diverse actions which indicate dynamic civic engagement. However, two main factors that can endanger sustainability of their results and undermine citizens participation is lack of motives to participate on both sides – government and citizens. CSOs are bridging actors between government and citizens, and their effectiveness in establishing relations (critical or cooperative) with government and in mobilizing citizens should be supported in line with changed context, marked by higher level of mistrust and drop of motivation for political mobilization which representatives of CSOs perceive as main obstacles.

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ANNEX 3

DETAILED STUDY 1: COMPLEX VERSUS SIMPLE INTERVENTION

OBJECTIVE, HYPOTHESIS AND METHOD

The objective: to compare the effects of complex interventions, which simultaneously and in continuity, during a longer period of time, target different parts of the local development process (decision making, investments, implementation of various developmental projects), and involve multiple stakeholders from different sectors, with simple interventions where only parts of the local system and community are targeted.

Preliminary Hypothesis: *Complex interventions which simultaneously target different stakeholders and elements of the local decision-making process, and do this over a longer period, have stronger impact on the sustainability of different forms of government responsiveness and citizen participation, contributing thus to a more developed local democracy.*

Unit of the analysis, sample and rationale: Three municipalities which are examples of different types of interventions:

1) Bačka Topola – targeted by all three programs (SLGRP, CRDA, CSAI), is an example of a complex intervention.

2) Apatin – targeted only by SLGRP, meaning that the intervention was mainly focused on government responsiveness.

3) Mali Idjos – targeted only by CSAI, meaning that the intervention was mainly focused on support to grassroots initiatives.

As Apatin represents the only municipality in Serbia that participated in SLGRP but not in the other two programs, Bačka was defined as the region to be targeted for this case study. The three municipalities were selected within the same region in order to ensure control of certain common factors: all three municipalities pertain to the same region of Vojvodina, with similar historical and cultural heritage, they are multi-ethnic municipalities, with similar demographic and social factors as shown in Table 1 below. In addition, the CRDA program was implemented by the same implementing partner (ADF) which eliminates differences in "modus operandi".

Data collection methods: individual interviews with key stakeholders who participated in the implementation of activities of the three programs; individual and group interviews with representatives of local government (current and at the time of the program implementation); focus group discussions with representatives of local civil society organizations and legacy organizations; desk research of municipal strategic documents and web presentations.

Informants: 13 individual interviews and 32 participants in focus group discussions with representatives of 1) implementing agencies, 2) local government and local administration and 3) civil society organizations.

CONTEXT OF THE INTERVENTIONS

All three selected municipalities are old settlements in the Bačka region of Vojvodina, within a 60 km radius. They also have the same historical background.[1] Today, all three municipalities

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[1] Dating from early Roman times, with Hungarian and Austrian dominance from the 10th century until 1918 when the region became part of the Kingdom of Serbs, Croats and Slovenes (later Yugoslavia).

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represent multi-ethnic and multi-religious communities with at least 60% of one ethnic majority and dynamic trends of population migration which has been historically influencing the region's demographic picture. The population is aging and faced with mass emigration (particularly among youth and families with dual Hungarian and Serbian nationality, according to interlocutors).All three municipalities have a similar education attainment structure, where the majority of the population has secondary or lower education.[2] Apatin and Bačka Topola fall within medium-sized municipalities in Vojvodina with a mix of urban and rural populations, while Mali Idjos is a small municipality with a small urban center and predominantly rural population. There are some differences in the level of economic development,[3] with Apatin and Bačka Topola pertaining to the second group of municipalities according to the level of economic development (80-100% of the national average), with Mali Idjos in the third group of less developed (60-80% of the national average), with agriculture, manufacturing and food processing as main sectors of their economies. Unemployment ranges between 20% and 30% and budgetary revenues and expenditures per capita are at a similar level.[4] All three municipalities have had a more or less stable political situation with at least two election periods of stability in the past two decades, with predominantly one political party in power since the local elections in 2004 (since 2000 in the case of Bačka Topola and Mali Idjos), and occasional outbursts of political instability or changes in the leading political party.

Table 1. Comparative data

Data	Apatin	Bačka Topola	Mali Idjos
Region	West Bačka	North Bačka	North Bačka
Area (km2)	380 (medium)	596 (medium)	181 (small)
Number of settlements	5	23	3
Population (as of 30/6/2015)	27,688	31,884	11,575
Registered local communities (MZ)	5	15	3
Average age (2015)	44.09	43.82	41.77
Multi-ethnic municipality – ethnic majority (census 2011)	Serbian 62.79%	Hungarian 57.94%	Hungarian 53.91%
Education attainment (age 15+) (census 2011) Without education and incomplete primary Primary education Secondary education	14.05% 23.95% 52.01%	16.58% 26.45% 46.35%	14.38% 27.52% 49.40%
Unemployed/economically active (census 2011)	30.59%	20.09%	25.08%

2   Municipalities and Regions in the Republic of Serbia, 2016, Statistical Office of the Republic of Serbia.

3   http://ras.gov.rs/uploads/2016/03/mapa-razvijenosti-sa-miethnicnimalnim-uslovima-za-aplikaciju.pdf According to the composite indicator of economic development there are five groups of municipalities: the first group is comprised of developed areas and the last includes vulnerable and devastated areas.

4   Municipalities and Regions in the Republic of Serbia, 2016, Statistical Office of the Republic of Serbia.

Natural increase (per 1000 live births) 2015	-8.9	-10.1	-7.2
Highest % of registered employed per section/activity (2015) Manufacturing Agriculture	33.07% 9.64%	27.24% 24.72%	29.08% 20.14%
Budgetary revenues per capita 2015 (RSD)	30,747	30,462	33,986
Budgetary expenditure per capita 2015 (RSD)	31,291	27,524	31,559
Main areas of economy[5]	Manufacturing Tourism Agriculture	Agriculture Manufacturing	Agriculture Manufacturing
Level of economic development[6] 2016	2nd group (80-100% national average)	2nd group (80-100% national av.)	3rd group (60-80% national average)
Political stability[7]	DOS: 2000-2004 SPS: 2004-2016 SNS 2016-	SVM with various coalition partners since 2000	SVM with various coalition partners since 2000
LTI Index (place and score)	33rd/49	3rd/62	113th/30

Source: Municipalities and Regions in the Republic of Serbia, 2016, Statistical Office of the Republic of Serbia (unless stated differently in footnotes)

CONTEXT AT THE TIME THE PROGRAMS WERE INITIATED

At the time when the CRDA and SLGRP projects were initiated, the situation in the Bačka region was similar to the rest of Vojvodina: the last decade of the 20th century was marked by rapid economic decay – in just ten years, the economy of Vojvodina (and Serbia) returned to the levels of the 1970s, and gross domestic product dropped by over two-thirds. Poverty and unemployment increased considerably and investments in infrastructure and energy decreased[8]. This was due to the poor economic policy that originated from the early 1980s' political instability in the region – wars and the decomposition of Yugoslavia, resulting in international economic sanctions and the loss of traditional markets. According to interlocutors, this left municipalities with reduced revenues, particularly those municipalities with opposition mayors (such as Bačka Topola) which were additionally deprived of resources. All this led to the decay of local infrastructure and poor quality of public services. Policy making and budgetary processes were not participatory at all: local politicians had the discretionary right to define funding priorities and there was hardly any participation from citizens and CSOs. However, in spite of the decaying public administration system at that time, there were still many experienced civil servants left from the previous system.

Another result of this social instability and the nationalistic media campaigns of the Milosevic regime, was the renewal of ethnic and religious tensions that threatened to destroy

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5   Sources: municipal web-presentations and available strategic documents.

6   http://ras.gov.rs/uploads/2016/03/mapa-razvijenosti-sa-miethnicnimalnim-uslovima-za-aplikaciju.pdf According to the composite indicator of economic development here are five groups of municipalities: the first group is comprised of developed areas and the last includes vulnerable and devastated areas.

7   Interviews with key stakeholders and individual political party web-sites

8   Strategic Directions of Local Economic Development of Backa Topola http://www.btopola.org.rs/sites/default/files/dokumenti/strategije/strateski%20pravci%20ekonomskog%20razvoja%20opstine%20btopola.pdf

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community cohesion. With poor living conditions, rising social insecurity and years of an oppressive regime, dissatisfied citizens overthrew the Milosevic regime in October 2000. The newly elected local governments (even in the previously opposition led Bačka Topola) were faced with intense pressure to start economic and political reforms with the few remaining resources and infrastructure.

At the same time, citizens were torn between positive emotions aroused by the democratic changes and the newly born hopes for a better life on one side, and long-lasting dispiritedness caused by the deeply rooted belief that an individual cannot do much to influence the socio-economic and political situation, as well as a mistrust in political processes. The situation among civil society organizations was equally challenging, but for entirely different reasons. "Old type" CSOs, such as traditional crafts and charity women's organizations, scouts, ethnic cultural heritage organizations, charities, craftsmen and sport associations, etc. represented a long established tradition in these regions and had a considerable constituency and good reputation, but hardly any role in political and policy dialogue. They were mainly supported from the local budgets and the long-established institute of self-contribution of local communities (samodoprinos MZ).

According to the key informants, a new type of CSO began to emerge by the end of 1990 and early 2000: 1) newly established, predominantly anti-war CSOs during the Milosevic era, which were mainly supported by international donors and centered primarily in Belgrade and other large towns in Serbia, and 2) CSOs that began promoting human rights and lobbying for various vulnerable groups, also providing services at the local level to supplement the decaying social care services. These were also mainly funded from donor funds in the early 2000s. It was a time of democratic changes and people were eager to get engaged and do something in their communities, so many new CSOs began emerging. However, available research on CSOs[9] confirms key informants opinion that the capacities of these CSOs were limited: they didn't have sufficient advocacy skills, had limited success in reaching their constituencies, and had poor fundraising skills – generally, in those days, few CSOs invested in organizational development or sustainability planning. Most CSOs that were supported by the international community enjoyed an extremely negative image in the 1990s which was changed only for a short time in the early 2000s. This negative image was further enhanced again, after 2003. All three municipalities had many old type CSOs: charities, the Red Cross, professional associations, sports and cultural associations, etc., as well as emerging, new, mainly human rights focused civil society organizations.

This is the milieu that faced USAID when they decided to initiate the CRDA and SLGRP interventions, with their intent to revitalize local communities through citizen participation, strengthen the capacity of local governments, and demonstrate that tangible, immediate improvements in local living conditions can be achieved through democratic action.

SCOPE OF PROGRAM INTERVENTION IN EACH OF THE MUNICIPALITIES

Bačka Topola participated in all 3 programs: **CRDA** through its implementing partner ADF worked both with citizens at the local community level (Mesne zajednice MZ) as well as the municipal government. With regards to citizens participation, CRDA/ADF introduced the practice of town hall meetings, established Community Development Groups (CDG) in the

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9   CIVICUS, Civil Society Index for Serbia, 2007, http://www.crnps.org.rs/wp-content/uploads/civicus_sr2007.pdf

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three selected local communities, and strengthened the capacities of individual citizens and CDGs to participate in identifying community priorities, and to propose, prepare, implement and monitor projects funded by USAID/ADF with co-financing from local government and the MZ. CRDA also supported establishment of the Community Development Centre and Development Association of Bačka Topola. In order to strengthen cooperation between local government and CDGs, the Public Budget Hearing and annual budget letter were introduced through CRDA and later supported through SLGRP. Through SLGRP, a Citizens Assistance Centre (CAC) was established and was financially supported by the Provincial Government, as well as System 48 (long after the end of CRDA and SLGRP). Finally, in 2003, Bačka Topola joined **SLRGP** in the second cohort of municipalities. The focus was mainly on building the capacity of local administration finance staff, heads of the local administration, public enterprises and other public institutions in the field of strategic planning and financial management. Special focus was given to budget preparation and execution, the capital budget, depth management, public procurement, etc. Municipal leadership was targeted with training on citizen participation. The institution of the annual budget letter was also introduced. In 2006 Bačka Topola joined the **CSAI** program, which aimed to assist civil society organizations to better represent the needs of ordinary people and to become a more influential and trusted partner of businesses and government. Bačka Topola received a Special Initiatives grant for creating business leaders of the future (partner Junior Achievement Serbia), a Grassroots Advocacy grant for the establishment of voluntary service for elderly people who are ill and/or live without family, in Bajsa village, an Advocacy in Practice grant for Women in rural development, as well as support under the Innovation Fund for Knowledge of Sustainable Development. CSOs also received training in advocacy, project management, finance management, communication and media, project proposal writing and fundraising.

Apatin joined the **SLGRP** program in 2004 in the 3rd cohort of municipalities. They received training in finance management and public procurement. Finance management training covered the following topics: Budget Preparation and Adoption, Citizens' Involvement in the Budget Process, Budget Execution, Treasury, Accounting, Internal Control and Auditing, Capital Investment Program, Debt Management and Strategic Planning and Implementation. These training initiatives were mainly held at the regional level, and Apatin did not receive the intensive mentoring support which was provided to the cohort 1 and 2 municipalities. Apatin established a CAC and introduced System 48 with the support of the Provincial Government, within their initiative to achieve the same standard of service delivery in all Vojvodina municipalities. Apatin also began publishing its budget, once it became a legal obligation.

Mali Idjos participated only in the **CSAI** program, from 2006. They received 2 Grassroots Advocacy grants for projects targeting integration of disabled children in the community and for decreasing violence among and against Roma and socially disabled children through different activities in cooperation with other associations, local schools, the Centre for Social Work, parents, teachers etc. Under the Advanced Community Advocacy Program, Mali Idjos received support to influence local authorities (the local Parliament and the Mayor in Feketic) to bring the decision on budget allocation in 2009 for employing one expert for work with disabled children in the local Centre for Disabled Children. However, under the influence of the neighboring Bačka Topola CRDA program and members of their Development Association, Mali Idjos established their own Development Association. A CAC was introduced with the

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support of the Provincial Government. Public budget hearings and open citizen meetings were introduced by one of their mayors, a pro-active and ambitious man who came to political leadership through the civil society sector.

SUSTAINABLE EFFECTS ON GOVERNMENT RESPONSIVENESS AND CITIZENS PARTICIPATION

Based on the triangulation of results from the mapping of existing instruments, through the phone survey, interviews and focus groups discussions and study of available documents and web-sites, there is evidence that the following mechanisms and procedures are currently in use:

Mechanism/process	Apatin	Bačka Topola	Mali Idjos
GOVERNMENT RESPONSIVNESS			
Citizens Assistance Centre (including One-Stop Permitting Centre)	√ (not introduced by SLGRP)	√ established on the municipality's own initiative with Provincial Government support	√ (not introduced by SLGRP)
System 48	√ (not introduced by SLGRP)	√ established on the municipality's own initiative with Provincial Government support but not functioning well any more	Not established
Annual budget presentation (letter)	√	√	√ (not introduced by SLGRP or CRDA)
CITIZENS PARTICIPATION			
Public budget hearing	Not established	√	√ (not introduced by SLGRP or CRDA)
Community Enterprise Citizen Advisory Boards	Not established	Not established	Not established
Open citizens meetings	Not established	√	√ (not introduced by SLGRP or CRDA)
Community Development Groups and Cluster Committees	Not established	Established – not meant to be sustainable – institutionalized through Development Associations	Not established
Development Association or other legacy CSO (from CDGs)	Not established	√	Established in 2005 under CRDA influence (Bačka Topola) – not functioning any more
Centre for municipal development (CSO hub)	Not established	√	Not established

It is worth noting that current legislation[10] obliges municipalities to publish their annual budget on the municipal web-site. As a result, many municipalities consider this a legacy process of

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10   Budget System Law, Article 45 *("Official Gazzete RS", No. 54/2009, 73/2010, 101/2010, 101/2011, 93/2012, 62/2013, 63/2013 - am., 108/2013, 142/2014, 68/2015 - 103/2015 i 99/2016)*

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the annual budget letter. However, this public presentation is not adapted for citizens to get a better understanding of the budget, does not automatically provide a summary of how community needs were prioritized, nor does it report on citizen initiatives included in the final budget.

BAČKA TOPOLA

Government responsiveness

The Citizens Assistance Centre (CAC) including One-Stop Permitting Centre (OSPC) is still fully functional and all respondents were quite satisfied with the quality and efficiency of this service.

System 48, although it existed at the municipality web-site for a period of time, is currently not accessible and does not function well.

The Annual Budget has been regularly published since 2005 and was accompanied by a presentation of community priorities and citizen initiatives that were included in the final budget until 2015.

Citizen participation

Public budget hearings were regularly organized, publicly announced in the media and held in local communities (as stipulated in the MZ statute) until the end of 2014, and mayors regularly attended these hearings. Prior to budget drafting, all direct and indirect budget beneficiaries were supposed to send their plans/priority proposals, and then the budget limit was presented to the citizens and priorities defined. Bačka Topola has established a separate fund for funding development projects, available for CSOs and local community development projects. Since 2016 there is only a public announcement on the municipality web-site, and one, central, public budget hearing, which is assessed as "more of a formality than true participatory public budget hearing, attended mostly by budget beneficiaries".

Town hall meetings/open citizens' meetings survived in the larger local communities where citizens decide on MZ priorities to be funded from the MZ self-contribution (3% of individual net income and 1% of net pension). Until recently, the practice was that the MZ would submit their plans/proposals for the use of self-contribution funds and each MZ could count on the actual amount collected within that MZ. However, it seems that lately community councils (saveti MZ) do not have the possibility of influencing the allocation of these funds, as they are part of the municipal budget and the municipality decides on priorities to be funded. This is not the case only in Bačka Topola but in all three municipalities.

The Community Development Centre is still fully functional, serves as a hub for CSOs and houses the Development Association of Bačka Topola, the legacy organization established from the 3 CDGs that existed during the CRDA program.

The Development Association is one of the few surviving Associations out of 51 established during CRDA. They provide support to CSOs and the municipality in strategic planning, advocacy and inter-sectoral communication and writing project proposals. They provide pro bono services to farmers (registration of farms – attracting a variety of subsidies for them, advice to the administration, etc.), perform operational and financial management of various

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projects on behalf of the municipality, provide support and mentoring for CSO establishment, organizational development, accounting, training for CSOs and MZs, etc. The municipality pays for the salaries of 5 employees. The Association plays the role of Local Economic Development Office.

All informants stated that CSOs in Bačka Topola are generally better capacitated than they were in the early 2000s, particularly to advocate for the rights of the interest groups they represent and to influence local policy and budgets, to attract donor funds into their municipality/local community and provide services, especially in the field of social care. The number of CSOs has almost doubled in comparison to the 1990s (around 130 currently). CSOs receive annual support from the local budget and claim that this support is comparatively bigger than in other municipalities, although they must still look for additional funds from the Provincial Government and national ministries, as well as donors, as there is very little support from local businesses. There are no CSOs that regularly monitor local policy and budget realization. CSOs actively participate in developing key strategic documents and respective action plans in Bačka Topola, mainly due to the active role of the Development Association that coordinates these processes and provides support to smaller CSOs.

According to the Local Self-Government Transparency Index (LTI) from 2015, Bačka Topola was in third place with an LTI score of 62.[11]

APATIN

Government responsiveness

The Citizens Assistance Centre and System 48 were established after the end of SLGRP with the support of the Provincial Government and are still functioning. The majority of respondents were very negative about the efficiency of these mechanisms, although during the phone survey with municipalities System 48 scored 4/5 by the representative of the local self-government. A quick analysis of the System 48 web-site showed that there are some citizen complaints that must wait for a response for much longer than 48 hours.

Apatin municipality regularly publishes their annual budget on the municipal web-site.

Citizen participation

Currently there are no citizen participation mechanisms in use. In spite of the training received during SLGRP, public budget hearings were not established as a regular practice. Apparently, in the period 2013-2016, the municipality organized public consultations with the business sector, CSOs and MZs regarding economic development priorities and even initiated establishment of local action groups (LAGs) that were intended to support development of local strategies, support stakeholder networking, and support the appraisal and approval of individual projects in the field of sustainable development. However, most respondents, as well as LTI findings, indicate there is no regular practice of public budget hearings, neither at municipal nor MZ level.

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11   Transparency Serbia 2015 research evaluated transparency of 145 LSGs based on more than 87 transparency indicators. The average score was 40. There were 32 LSGs who scored over 50, 8 LSGs scored over 60, while only Paracin had a rating higher than 70. http://transparentnost.org.rs/LTI/

The CSO sector is not well developed in Apatin. There has been very little investment in CSO capacity and institutional development and the first call for proposals for CSO funding was announced in 2016. CSOs report having much better cooperation with the Provincial government and national ministries than with their local government. CSOs mostly depend on local donors (e.g. the TRAG foundation) and to a lesser degree on international donors, and just a few count on municipal support. CSOs are not generally included in strategy and policy-making/dialogue and/or identification of local community needs, unless they initiate such a dialogue and request municipal support. In the past, there were sporadic cases of cooperation with some public institutions in preparation of individual projects. Citizens are generally not informed about the role of CSOs.

According to the Local Self-Government Transparency Index (LTI) from 2015, Apatin shared 33rd place with an LTI score of 49, which is a little above the national average.

MALI IDJOS

Government responsiveness

The Citizens Assistance Centre is still functional and was qualified as very useful and efficient both through the phone survey and by interview respondents.

The Municipal budget is published on the Municipality web-site.

Citizen participation

Public budget hearings and open citizen meetings are still held regularly, although the announcement is posted only on the information board in the Town Hall and not on the Municipal web-site. Both initiatives were initiated by the previous mayor, who had been a civil society activist prior to becoming mayor. Currently, these activities are strongly supported by members of the municipal council who also used to be CSO activists and still have strong connections with CSOs.

The Association for the Development of Mali Idjos (ARO-MI) was founded in June 2005 to support economic, social and cultural development of the municipality and had activists from all three settlements. It served as a link between the registered non-governmental organizations, the local government, other NGOs from Serbia and organizations from neighboring countries. Its tasks were to inform CSOs about potential projects, support preparation of project proposals and the realization of projects, organize training initiatives and education for volunteers, etc. After its founder moved to England the Association did not continue with its activities.

CSOs are very active in Mali Idjos and are proud of their good cooperation with local authorities. Many activists are at the same time also on the municipal council or some other public institution. Although CSO members are not regularly and formally engaged in developing policy documents, the CSO voice is indirectly heard through these people with double roles. Interlocutors state that this is the reason why the local government understands the challenges faced by CSOs, and better addresses their needs and the needs of the interest groups they represent.

According to the Local Self-Government Transparency Index (LTI) from 2015, Mali Idjos shared 113th place with an LTI score of 30, which is below the national average.

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FACTORS OF SUSTAINABILITY

POLITICAL FACTORS

Political factors were identified as the number one factors influencing the sustainability of the introduced democratic mechanisms and processes. As one local government representative stated, "political priorities come before citizen and local community needs, and decisions are often taken in party headquarters. Hence what is the purpose of participative processes?" Many interviewed CSOs stated that citizens got so disappointed with politicians and their pre-election campaign promises that don't come true they lose confidence that local government will take their initiatives into consideration.

As several informants stressed, after local elections and a change of the party in power, the newly elected government often places their "own people" in middle management positions and previous employees get moved to new positions, or get demoted, with experts who have been participating in different commissions being replaced, making their skills, knowledge and experience less useful and their voice less influential. As a result, all the capacity building invested in local administration staff, and the participatory processes that were introduced, have become unsustainable. The new local government often discontinues with the processes and practices of the previous government, and in extreme situations even discontinues the projects initiated by the previous government. This was reportedly the case in Apatin. CSOs claim that only organizations with good connections to politicians in power can count on financial support from local government.

Judging from the respondent statements it often depends on the mayor and municipal council as to whether or not established participatory practices will be maintained. Representatives of local administrations claim they do not have the power to impose good business practice if municipal leadership insists on changing practice. The attitudes of political leaders and mayors are more important than good business practice or legal obligations – e.g. public budget hearings can be organized *pro forma*, without ensuring the true participation of citizens.

On the positive side, judging from the Bačka Topola and Mali Idjos cases, mayors who had previously witnessed the importance of participative processes (e.g. through their previous work in the civil sector) were very eager to introduce these processes in public administration practice, and support these processes throughout their mandate. For example, they participate in open citizen meetings in local communities, are personally engaged in public budget hearings and are aware of the benefits for the community and their own work. However, mayors who do not perceive the importance of participative policy processes tend to discontinue with the practices that are not prescribed in legal documents, or perform them as a matter of form if they are obligatory (this is the case lately in both municipalities). At the time that CRDA was initiated, mayors were directly elected by citizens, which presented additional motivation to be supportive of civic participation. In the case of Bačka Topola and Mali Idjos, this practice has continued even after the change of the election law.

It is interesting to note that many of the community leaders and very successful civil society activists in Bačka Topola and Mali Idjos decided to stand as candidates in local parliamentary elections or run for mayor. They state that this decision was made as they realized that only by doing so could they really do something for the local community, and that their CSO experience would enable them to bring together "the best of the two sectors". Based on

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statements from other interlocutors, these mayors have been very successful, and respected by citizens and CSOs, but probably have not been the most successful politicians.

However, even in Bačka Topola, with its high level of awareness among stakeholders in all three sectors, the political changes of the past few years have weakened participatory budget processes – respondents stated that public budget hearings are not organized in every local community, as they used to be, and that the citizen's guide to the budget (similar to the annual budget letter) is no longer published.

INSTITUTIONAL FACTORS

One of the biggest problems causing discontinuity of participatory policy and budget making processes, after the end of CRDA and donor financial support, lies in the legal framework, state of (de)centralization and financing of local self-governments. Respondents are unanimous in stating that municipalities currently receive less funds than they used to, and at the same time have many more delegated tasks. This leaves them with very little space for the "developmental budget", i.e. there is very little money left for supporting developmental projects and citizens initiatives.

The participatory budgeting introduced by SLGRP and supported by CRDA was not accompanied by adequate legislative changes, and therefore the practice would have discontinued without this USAID support had the mayors not continued with the practice. Problems with legislation implementation are equally important: respondents state that even when the law stipulates some participatory practices, the problem lies in poor implementation and lack of sanctions. This gives space for *pro forma* public budget hearings that are announced only on the municipality web-site or on the information board in the town hall (according to the respondents in Mali Idjos). Public hearings take place at a time when most citizens are not free to attend, and are attended only by representatives of direct budget beneficiaries. They are later reported as "widely attended public hearings". The annual budget letter was introduced to enable municipalities to show citizens, in a clear and easily understandable language, what municipal plans, priorities and activities are, and how the municipality has responded to the citizens initiatives. Further, current legislation stipulates that the municipality is obliged to publish the annual budget. However, of the 3 municipalities being discussed, only Bačka Topola continued to publish its "citizens budget" until 2015 – as a guide for citizens through the annual budget, which is similar to the annual budget letter.

Additionally, local government representatives stressed that local communities (MZ) used to have much more independence in allocating self-contribution funds, and in all 3 municipalities self-contribution still exists. Since recently, all funds must be administrated by the municipality, which often means that the municipality, and not the local communities (MZ), defines priorities. As well, local communities can apply for funds with provincial and national authorities but only via their municipality. Interlocutors stated that this process of further weakening of the MZ could additionally undermine participatory processes.

Representatives of local government complain that all of the results from the support provided to local government during SLGRP, to become more responsive and in particularly to improve strategic and budget planning processes, are not sustainable with the existing human resource policy at the local government level: low salaries, no means for positive

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incentives, a lack of continuous professional and career development, no policy or culture of passing on gained knowledge and best practices, the poor image of local administration staff, etc. Interviewed representatives of local communities state that skilled people are leaving, young people are generally not motivated to join the local administration, particularly with the recent "freezing of new employment", which means that most are hired on a temporary basis without any likelihood for longer term employment.

On the other hand, the current situation in the civil society sector is difficult. In spite of the fact that the largest number of the CSOs is registered in Vojvodina,[12] most local CSO representatives say they survive "from project to project". CSOs do not have the capacity to monitor local government policy and budget implementation and hold government accountable. This is mainly due to the fact that they depend on government support (regardless of the government tier). As one interlocutor put it, "it would be a suicide if a local CSO tried to hold the local government responsible for policy and budget implementation. They would never get any more money from the budget". CSOs in Apatin have had very little support for capacity building and their advocacy capacities are very low. They claim to have very poor cooperation with their local government and that they cooperate better with Provincial and national governments. CSOs often compete for the same funding, and they do not work in coalition or support each other. In Bačka Topola and Mali Idjos, however, they seem to have a clear understanding of the different roles they play, and do not perceive each other as competitors. CSOs in Bačka Topola and Mali Idjos stated that the skills gained through CSAI support helped them successfully apply for projects over the years. However, the funds from national, provincial and local government are being reduced, and donors are withdrawing. CSOs who are providing social services state that the current procurement procedures are actually compromising the quality of services as the most important selection criteria is price – a lower price often means lower quality of services. CSOs also complain that the strategic and regulatory frameworks (particularly related to vulnerable groups such as people with disabilities, etc.) are not being implemented, and there are many cases where the rights of disadvantaged people are not respected. Only in Bačka Topola do CSOs regularly participate in strategic planning processes. CSOs complain that current legislation (particularly taxation policies) do not provide a supportive environment for corporate social responsibility (CSR), and there are not many local or foreign companies working in Serbia that provide financial support to CSOs.

Political and institutional factors are reportedly crucial for sustainability of government responsiveness mechanisms, such as the System 48, because political will is required to demand cooperation between different public institutions. Further, the process also requires sufficient capacities in the public institutions to efficiently coordinate. In the case of Apatin, System 48 it is still functioning, but in the case of Bačka Topola, efficient cooperation between different public institutions and services has not been ensured.

Citizen Assistance Centers, although not introduced by USAID, still function in each of the municipalities. The main factors of sustainability can be found in the fact that CACs do not represent only a change in the procedure and business processes, but were newly established and with fully equipped office space, with automated administrative procedure – hence, it was

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12   CSO Assessment I Serbia, 2011, Civic Initiatives https://civilnodrustvo.gov.rs/upload/old_site/2012/10/Istrazivanje-OCD-
      Sektor-u-Srbiji-Gradjanske-inicijative-web1.pdf

difficult to reverse. Another reason is that politicians benefit from the improved and more efficient services to citizens and have no motivation to discontinue with CACs. Another reported reason is the way this mechanism was designed (further elaborated in section 1.4.6)

ECONOMIC FACTORS

Given that Apatin and Bačka Topola all a little under the national average in economic development and Mali Idjos is within the category of less developed municipalities, the economic crisis since 2008 has significantly affected grassroots civic activism: people are much more oriented towards their individual survival and have less interest in "the common good". The economic crisis has equally affected municipalities: they are now spending most of their money on basic costs and only between 10% and 20% on investments in better quality public services and MZ initiatives. The lack of financial support to grassroots initiatives by a municipality has been, on many occasions, a key to their (lack of) sustainability. Most companies and SMEs at the local level do not support grassroots initiatives either. As one informant stated: "Private companies do not think about community needs. So, those who have something to give, they don't give anything. Those who want to help, have nothing to give."

One key informant stated that "In the first decade of this century municipalities were witnessing slow but steady economic growth, reduction of poverty, support from the national government and the donor community. It all boosted citizen participation, as there were funds available to invest in infrastructure and economic development based on citizens' own initiatives. With the economic crisis and reduction in municipal revenues, there was not much space for addressing citizen initiatives and they began feeling frustrated".

In the case of Bačka Topola, the combining of SLGRP support, to local administration to strengthen financial management capacities and planning of the capital budget, with CRDA financial support to implement infrastructure and economic development projects, proved to have sustainable effects and was an excellent framework for developing participatory processes and government responsiveness. The knowledge local government and local administrations gained through CRDA and SLGRP training and mentoring on participatory budget processes and finance management was put in practice through several budget cycles and through joint planning, realization and monitoring of CRDA-supported infrastructure and economic development projects. On the other hand, members of community development groups were skilled enough to prepare quality project proposals and provide informed input in the public budget hearings. SLGRP support continued the steps initiated by CRDA. Finally, the Development Association was supported long enough to establish itself as an important actor that maintained CSO and citizen participation in policy development processes.

However, in the case of CRDA-E, focusing primarily on economic development in a program aimed at community revitalization through civic participation, proved detrimental for participatory processes. Community committees lost their role in the CRDA-E phase of the project, and CRDA did not continue supporting and further developing participatory processes. There was a rapid shift from the community development focus to job and profit creation. The CRDA and SPGRP final evaluation findings confirm the reasons provided by the respondents, which are summarized in the table below.[13]

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13   Final Impact evaluation of CRDA, SLGRP and SEDP, 2008

CRDA: Civic Engagement/Community Development Programs	CRDA-E: Economic Development Programs
Process oriented	Results oriented
Encourages collaboration	Encourages competition
Seeks social cohesion	Seeks accumulation of wealth
Participatory approach	Encourages self-reliance
Provides social benefits and social cohesion	Generates profits

SOCIAL CAPITAL

The most important factor of sustainability of civic participation lies in the historical legacy of citizen activism and charity work that existed in the Bačka region long before CRDA, mainly through informal groups and initiatives. This is particularly true for communities with a Hungarian majority (such as Bačka Topola and Novi Idjos). This represented a "fertile soil" for CSO development and civic participation. After the end of the project, this historical legacy supported sustainability of participative processes for a considerable time and it sustained them in Bačka Topola (and indirectly in Mali Idjos with CSO representatives on the town council).

Strong local leaders were another important factor: CRDA actually targeted most prominent local activists with their activities, and invested in creating strong local leaders. In the case of Mali Idjos, it was strong local leaders who recognized the positive effects of CRDA in Bačka Topola and initiated the establishment of the Mali Idjos Development Association, which supported a spillover effect of CRDA civic participation activities in Mali Idjos. The legacy of these efforts in both Bačka Topola and Mali Idjos can be found in strong CSOs, local community representatives in different parliamentary advisory boards, working groups and the local council.

In the case of Mali Idjos, the Development Association is not working any longer as the founder has moved to the UK. This is indicative of the finding that CSOs at the local level often depend on one person's motivation, dedication and perseverance. In the case of Bačka Topola many interlocutors are of the opinion that their Development Association, which is still fully functional, with a regional reputation and regular financial support from the local budget, has gained that reputation and ensured sustainability because of the dedication of their team and particularly the founders, and their skills and knowledge in building a team of experts that have proven useful to local government (playing the role of the local economic development office) and to local CSOs in providing assistance, training, coordination, etc.

On the negative side, the whole region suffers from an aging population, increasing emigration of qualified and young people and a lack of experts. Most respondents agree that with younger people and whole families leaving, the older generation is left alone and becomes more pessimistic and less motivated for any engagement in community life. The voluntarism that thrived in the 1990s and 2000s has been lost, and people are now not willing to contribute without being paid. Generally, interlocutors believe that there is a feeling of apathy and a

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lack of spirit of activism. However, in Mali Idjos several young people decided to return to their community, after they had studied in Hungary. The main reasons were strong family ties and the notion that they are obliged and willing to "do something in their community". They attribute this to the education they received in Hungary, where they were systematically taught about the importance of voluntarism and community work. To enhance student social responsibility, and to help their career choice, students wishing to sit the school leaving exam in Hungary must certify a total of 50 hours of voluntary work.

All three municipalities have a multi-ethnic composition. It is interesting to note the difference between Bačka Topola (with CRDA working on strengthening community cohesion) and Apatin (without CRDA). Respondents from both towns stated that there is no inter-ethnic discrimination. However, in Apatin they clearly stated that "there is no real inter-culturalism – every ethnic group lives in their own little community and has their own CSO". In Bačka Topola, they stated that CRDA encouraged people of different ethnicity to work together to solve common problems, and thus contributed to overcome long-term disagreements. Political affiliation represents a much bigger problem than ethnicity in all three communities, but predominantly in Apatin.

All three municipalities have urban and rural communities in the surrounding environment. It was reported that in the closely-knit society in rural communities it was (and still is) much easier to get people to participate in joint activities. Mali Idjos illustrates this point, as it is half the size of the other two municipalities, with predominantly rural communities, and has a very active rural population, still willing to engage in grassroots activities. This is also true of the Pacir and Bajsa rural communities in Bačka Topola.

Finally, Vojvodina and Bačka are generally regions with a less patriarchal gender regime than other parts of Serbia. Bačka Topola was, among ADF municipalities, the one with the highest percentage of women and minorities in their community development groups, and later in the community development association – ensuring a greater likelihood of equal access to decision-making processes. One specific result was a local leader who later became the female mayor with the longest mandate in Serbia.

CULTURAL CAPITAL

All interviewed from the three municipalities were unanimous that the quality of the education system in Serbia is one of the major disruptive factors for citizen participation and grassroots activism. The reasons are manifold. Firstly, young people are not taught about social values and social responsibility and "nobody teaches our children philanthropy". Secondly, even in civic education classes, children and youth are not systematically taught about their rights and obligations as citizens. Thirdly, citizens often do not understand the way public administration works, do not know the difference in jurisdiction between different tiers of the government and do not understand the real meaning of democratic processes, participation and accountability.

All three USAID programs worked on developing this understanding: CRDA/ADF worked mostly with citizens and to a lesser degree with local government. CSAI worked with CSOs and SLGRP with local administration staff and government to develop an understanding of the benefits of participatory policy-making. However, most respondents agree that if this

knowledge is not put in practice after the end of a project, it will disappear and, worse, will create mistrust among citizens in policy processes. Furthermore, if all parties in the process are not aware of the benefits of such processes, even legal obligations will not ensure real participatory processes in practice. The awareness only comes from witnessing practical results: "It all comes down to one thing: if there is long enough demand (to perform participatory policy and budget making processes) for the government and citizens to start actually feeling the benefits of the participatory policy making, it will result in well informed citizens, unwilling to accept the change in practice, and well-motivated local government unwilling to give up on the processes that bring them political benefits." The CRDA approach of providing citizens with the opportunity to learn the participatory processes by participating in town hall meetings and community development groups, defining priorities and preparing and realizing selected projects, and for the local administration to practice the skills gained through SLGRP, proved very effective. Effects of these are best visible in Bačka Topola.

Another cultural challenge lies in the preconception and discrimination that still exists in our society towards members of vulnerable groups. CSOs state that in spite of the existing legislation that regulates the rights of vulnerable groups, it is the lack of implementation, and the prejudice of individual people, that makes it hard for the people from these groups to participate in the policy processes and realize their rights. Even CRDA efforts to ensure representation of all, including vulnerable groups, in open citizen meetings and community development groups, proved not to be sufficiently effective.

However, the biggest problem and threat to participatory policy making lies in the process of centralization that is currently ongoing. At the time when CRDA and SLGRP were ending, the 2006 Constitution opened questions of de-concentration, devolution and delegation as processes to delegate competence, responsibilities and resources from central to local levels of power. As one mayor said "We were sure that by the year 2017 we would have completed the process of decentralization and our local self-governments would have become strong, prosperous places with satisfied citizens. The truth is that we are far from that ideal picture". Most local government representatives state that the process of decentralization is inconsistent: some decentralized tasks are expected to be centralized again (e.g. primary health care). They state that local self governments are burdened with additional tasks and competences, without having any real autonomy to influence their own economic development. Most of the decisions are made, and power is centralized, at the national government level, in a very narrow circle of politicians.

MODUS OPERANDI

One of the very important factors of sustainability is the approach implemented by each of the programs. CRDA/ADF had a tailor-made approach to improving citizen participation and government responsiveness: they worked at the level of local community (MZ) not only with members of informal community development groups (CDG), but also with a wide range of citizens mainly through open citizen meetings. Very soon after the establishment of CDGs, MZ council representatives became members of these groups in order to ensure good cooperation with the administrative structure. ADF combined training with mentoring and practical learning through the implementation of large infrastructure, environmental and economic development projects that required joint work with the local government. This practical way of learning by doing, and the ADF approach where they worked both

with citizens and local government to introduce participatory budgeting processes, proved very successful and with long lasting effects. Two years prior to the end of the project, ADF supported establishment of the Development Association and used the last two years to provide training and support through several projects to the Association, in order to establish it on the market, and with the municipality and CSOs, as a reliable partner. ADF was very present and visible in the field and used local staff as community mobilization specialists, which proved very effective because they knew the local context. One large question remains: the ADF decision to establish informal citizen groups as a means of strengthening citizen participation, rather than working with existing structures (local community councils – saveti MZ) – was this a good decision or not? Most interlocutors from Bačka Topola state that from the moment CRDA started it would have been not appreciated to work with MZ as "reminiscent of the old regime" and state that the decision was more than adequate for that historical moment. This topic is further discussed in Detailed study 3, presented in the Annex 8. Finally, one of the most important positive factors in the CRDA approach, according to interlocutors, was that "the only important thing was to achieve the set results, not how it was done" – demonstrating a high level of flexibility.

SLGRP worked mainly with local administrations and direct budget beneficiaries to improve finance management and citizen participation. Bačka Topola, as a member of the second group of municipalities (cohort 2), received an extensive set of regional training initiatives that were later extended through in-depth training sessions in Bačka Topola. Training was provided by the members of the Finance Management team, as the citizen participation component had already been started by CRDA. Vojvodina was covered by the Belgrade SLGRP office. Apatin was in the third cohort of municipalities which received only regional training and did not have in-depth training in the municipality itself. The municipalities received clear guidelines and procedures for improving finance management and participatory processes. In the case of Bačka Topola, the activities were coordinated with CRDA activities and they used the CRDA mobilization specialist to coordinate public budget hearings. Bačka Topola representatives stated that SLGRP support prepared them for the legislative changes that were in the pipeline. They stated that the effects of the program would have been much more sustainable if they were aligned with the legislative changes and the budget system reform, i.e. if all the practices introduced through SLGRP were, at the same time, obligatory and sanctioned: "for example, if a municipality doesn't fulfil their obligation to have clearly proscribed participatory budget process, including public budget hearings in line with the defined standards and public presentation of the annual budget as well as report on budget realization – it should be sanctioned by reduced transfers."

One of the important factors of sustainability of the Citizens Assistance Centre was the systematic approach to the establishment of this service. In this case SLGRP performed initial in-depth analyses of respective legislation, administrative procedures and business processes and then designed an efficient and effective service for citizens that actually made everybody's life easier, both citizens and the local administration.

CSOs from Bačka Topola and Mali Idjos stressed that CSAI training in advocacy, project management, finance management, communication and media, project proposal writing and fundraising contributed significantly to the increase in their capacity to advocate for the interest groups they represented, and to apply for and get funding for their projects. CSAI support to Mali Idjos CSOs was mainly in the field of social care and services, while in Bačka

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Topola they also supported initiatives in the field of sustainable development and women's empowerment. Respondents stated that the technical and practical assistance in the process of project preparation and application meant a great deal for their sustainability. The only objection was that the received support was short term. However, it is only in Bačka Topola that CSOs still regularly participate in policy dialogue with the local government (especially in drafting strategies and Action Plans) and show a better understanding of public administration systems and processes. As a result of CSAI and CRDA support, CSOs in Bačka Topola and Mali Idjos claim to enjoy a better reputation in the local community.

What was stressed as an important and positive approach of all 3 programs was that they worked at the local level helping local communities to deal with "real problems of their daily life and, in the process, learn about democracy".

KEY FINDINGS

Comparative analysis of these three municipalities has proven the hypothesis that complex interventions which simultaneously target different stakeholders and elements of the local decision-making process, over a longer period of time, have stronger impact on the sustainability of different forms of government responsiveness and citizen participation.

The Municipality of Apatin participated only for a short period in the SLGRP project at regionally organized training in finance management, targeting only local administration staff. Citizens and CSO organizations were not provided any support by USAID. Currently, none of the participatory processes initiated by USAID are in place. The existing mechanisms: Citizens Assistance Centre and System 48 were established long after the end of SLGRP within the Provincial Government initiative and publishing of the annual budget is a legal obligation. The current situation is that there are no participatory policy and budget making processes in place, no budget hearing and the budget is simply published on the web-site without any guidelines for citizens. The civil sector is very frail, and generally there isn't good inter-sectoral cooperation established.

Mali Idjos received CSAI support for CSO advocacy, which continued with occasional TRAG support after the end of the project. Prior to CSAI, the neighboring Bačka Topola supported establishment of the Mali Idjos Development Association and generally contributed to the spillover effect of the CRDA program, supporting creation of strong CSO and local leaders – many of whom became politically engaged and began introducing participatory processes in the local administration, based on their own civil sector experience. It is clear that the support CSOs received over a long period of time resulted in strengthening the civil sector and enhancing good cooperation with the local government and support for their activities from local, provincial and national governments. CSOs have executed positive influence on local government participatory processes. However, without investing in local government capacity building these processes are not sustainable and their quality depends on the willingness of the local government. In fact, CSOs report that they influence the local budget more through former CSO activists who are now members of the local council than directly through the public budget hearings. The low LTI ranking from 2015 support this analysis.

Bačka Topola represents the best example of success of a complex intervention. All key stakeholders in the policy development process were targeted, and over a long period of time (with CARDS and EXCHANGE projects continuing CRDA and SLGRP steps, and

continuous support to CSOs from various sources after CSAI). The Development Association still plays important role in Bačka Topola and the region and has survived various "shocks", including the end of CRDA, the outbreak of the economic crisis and political changes. Having a coordinating role in many policy development processes, the Development Association ensures wide participation from various stakeholders based on their expertise and invites participants from all 3 sectors, regardless of their political affiliation. According to informants, this is one of the key factors of sustainability of strategic and policy directions in Bačka Topola: those who are currently in power used to be the members of the working groups preparing the strategies – hence, they have the feeling of ownership. Participatory budget processes, open citizen meetings in MZ and public budget hearings have survived because they were introduced through extensive training processes and were in practice through several annual cycles, both with local administration and local government staff, as well as with the CDGs and citizens (both CRDA and SLGRP). Mentoring support was provided over a long period of time by well qualified CRDA staff, who were well aware of the local conditions and who applied a tailor-made approach adapted to these conditions and needs. This complex intervention had the longest lasting effects on the belief of individual citizens that they can do something about the problems in their community – that they can change their own living conditions.

CONCLUSIONS

Based on this in-depth study, the following lessons learned and recommendations should be taken into account for any future programming:

- Sustainability of democratic processes requires systemic changes and interventions that address all components, elements and stakeholders in the policy cycle, i.e. actors from all three sectors.

    o It is recommended that all future program aimed at strengthening democratic processes target, at the same time, the government, private and civil sectors, in a well-coordinated manner, as well as during all phases and with all elements of the policy cycle.

    o It is recommended that future programing be based on a detailed assessment of legislative and institutional frameworks, and should aim to achieve change in these legislative and institutional frameworks, as well as with the processes, skills, knowledge and attitudes of key actors in all tiers of government.

- Sustainability requires systematic oversight of policy and budget making processes, to avoid *pro forma* processes. These mechanisms need to be established within the public administration system, but it is also of the utmost importance to establish independent mechanisms with active participation of CSOs and citizens.

    o It is recommended that future projects gain in-depth insight into existing systems for oversight, assessing their participative frameworks and processes.

    o It is recommended that these future projects then work on the establishment of networks of CSOs, building CSO capacity to monitor policy and budget execution, and to hold government accountable for the implementation of policies and for the achievement of intended results.

- Systemic changes that require a change of knowledge, attitude and behavior, and the establishment of new, participatory and democratic processes, require long-term interventions.

    o It is recommended that USAID consider supporting human resource management reform at the local level, and focus both on local administration employees and the local government, i.e. the political leadership of the municipality. The focus of this initiative would be the acceptance of and long-lasting support to all newly established processes and mechanisms.

- o It is recommended that this process be supported over the medium to long term (minimum of 5 years), as it is critical that the change process carries through to the institutionalization of the mechanisms and practices. Improving the demand and supply side of the process is crucial to its sustainability.

- The negative influence of political changes can be diminished where adequate legislative frameworks are in place, and with change in the attitudes of participants in policy and budget processes.

  - o It is recommended that the USAID focus be on ensuring the development of an enabling legislative framework that includes both sanctions and incentives.

  - o It is recommended that the underlying intent of this enabling legislative framework is the establishment of simplified and efficient business and administrative procedures.

  - o It is recommended that specific focus be given to the introduction of automated business procedures and management information systems, not least as the reversal of these auto-mated processes are difficult to reverse.

- At the historic moment when CRDA was established, it was beneficial to work with parallel informal structures such as community committees. However, the situation has changed and public administration reform has established structures and mechanisms that should ensure CSO and citizens participation.

  - o It is recommended that any future intervention begin with an assessment of the effectiveness, efficiency and sustainability of the established structures and mechanisms of CSO and citizen participation.

  - o It is recommended that any future intervention focus on addressing weaknesses in existing structures and mechanisms, and developing new *institutional mechanisms* of citizen participation, rather than the establishment of any parallel and/ or informal structures or mechanisms.

- A tailor-made approach, mentoring throughout an entire policy process and learning by doing are all important factors for the sustainability of civic participation and government responsiveness.

  - o It is recommended that USAID make use of CRDA's and SLGRP's successful approaches to improving civic participation and government responsiveness, and to focus on the further development of these approaches, adjusted to the current situation.

- A better distinction is required between civil society organizations with different mandates: watchdog, service delivery, human rights, professional associations, etc. For some of these, too much emphasis on cooperation between CSOs and government, and dependence on government financial support, leads to pacification and passivation. For others, such as professional associations and service delivery oriented CSOs, it is essential to strengthen cooperation and partner- ship with government and the private sector.

  - o It is recommended that USAID consider support to the further revision of the legislative framework of civil society, including defining the types and intents of CSO.

  - o It is recommended that USAID provide support to the strengthening CSO networking and coalition building, with the intent of strengthening the partnership relationship between civil society and government in policy and political dialogue.

- The current lack of initiative on both sides – local government and citizens – seriously threatens democratic processes. The revival of the sense, among citizens, that they can have an impact/ do something/ change something in their community is critical to any re-establishment of participatory processes.

  - o It is recommended that USAID work with civil society organizations (both national and local representatives) to develop new solutions, as the issues in the relationship between

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civil society and authorities today is different to the situation of the early 2000s. The current situation requires work with a wide range of people in local communities, identifying and building strong local leaders, and strengthening grassroots activism and CSOs at the same time. However, in order to identify these solutions it is necessary to involve a wide range of citizens in local communities, ensuring the design addresses their current problems and needs. They have to be tailor-made to local conditions.

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ANNEX 4

DETAILED STUDY 2: PARTICIPATORY BUDGETING

OBJECTIVE, HYPOTHESIS AND METHOD

The objective: To identify factors that have contributed to the sustainability of participatory budgeting process in local communities, as well as factors that undermine development or sustainability of these mechanisms.

Preliminary Hypothesis: *The sustainability and effectiveness of the participatory budgeting process, initiated with USAID support, depended on sets of factors at the central and local levels: legal norms, a degree of formalization of participatory practices, the strength of civil society engaged in the planning process and the existence of watchdog oversight mechanisms.*

Unit of the analysis, sample and rationale:

Initially, three municipalities were chosen to be in the focus of research, with each representing different outcomes of the participatory budgeting process interventions:

*   an example of good practice, a sustainable participatory budgeting process in which citizens participate in budget planning,

*   a municipality in which the process is not present (no public consultations or transparent budget letter), and

*   a municipality in which the process has been captured by local government – participatory practices are formalistic, consultations with citizens exist, but budgetary systems, and the final budget itself, do not clearly demonstrate a reflection of the interests of citizens, but only government (witnessed by organizations who participated in the process and who confirm that budget plan has changed from agreed).

The Municipality of Paraćin is the example of the first group of municipalities, Apatin is the second, while Leskovac fits the third type of municipality.

Data collection methods: ten interviews with key stakeholders and three focused group discussions with representatives of local civil society organizations.

CONTEXT OF THE INTERVENTIONS

At the beginning of the SLGRP program, budgets were non-transparent, or even secret documents, and the public had no access to them. There seemed to be a discretionary right for political winners to influence budget documents at their own will. SLGRP first aimed at raising awareness about responsiveness and accountability of public servants and institutions as well as awareness that budgets were open documents. Ten years after the implementation period, participatory budgeting is regularly practiced in some local communities, while in others, this practice has not been accepted in spite of numerous other projects promoting it. In this sense, it seems that a modest success has been achieved, and local budgets and budget making processes seem to be more transparent to all interested citizens. As an example, in all three observed municipalities, budgets are publicly available on municipal official websites. However, the three observed municipalities represent different approaches in terms of the practice of budget preparation as well as in terms of overall development.

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Leskovac is located in the South and East Serbia region, Jablanica district, Paraćin is in Šumadija and the West Serbia region, Pomoravlje district while Apatin belongs to the Vojvodina region, West Bačka district. Leskovac municipality covers a wide area of 1025km² and has a population three times larger than Paraćin and five times larger than Apatin. Even though the three municipalities are located in different regions, there are visible similarities between Leskovac and Paraćin, while Apatin is somewhat different. According to the Census from 2011, Serbs are the largest ethnic group in all three municipalities, but while the share of Serbs in the first two is more than 90% (93% in Leskovac and 96% in Paraćin), Apatin is a multi-ethnic municipality (62,8% in Apatin are Serbs). Data from 2015 shows that all three municipalities have a higher average age than the Republic of Serbia, with negative population growth and similar educational attainment structures, where the majority of the population has secondary or lower education[1]. There are also some differences in the level of economic development[2], with Apatin in the second group of municipalities in the level of economic development (80-100% of the national average) and Leskovac and Paraćin in the third group of less developed municipalities (60-80% of the national average). Differences between Leskovac and Paraćin and Apatin are also noticeable when it comes to other economic indicators such as budgetary revenues and expenditure and the share of the agriculture sector in the economy. While the first two municipalities have much smaller revenues and expenditure per capita, and just 1% of agriculture in their economic structures, Apatin has a one third larger revenue and expenditure and agriculture is an important part of its economy.[3] It should also be noted that according to the Local Self-government Transparency Index (LTI) from 2015, Leskovac and Paraćin are located at the top of the list, with Paraćin in 1st place and Leskovac in 4th, while Apatin is in 33rd place.

Data	Leskovac	Paraćin	Apatin
Region	Jablanica	Pomoravlje	West Bačka
Area (km2)	1,025 (big)	542 (medium)	380 (medium)
Number of settlements	144	35	5
Population (as of 30/6/2015)	139,291	52,384	27,688
Registered local communities (MZ)	139	43	5
Average age (2015)	42.85	43.58	44.09
Multi-ethnic municipality – ethnic majority (census 2011)	Serbian 92.66%	Serbian 95.67%	Serbian 62.79%

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1   Municipalities and Regions in the Republic of Serbia, 2016, Statistical Office of the Republic of Serbia.

2   According to the composite indicator of economic development there are five groups of municipalities: the first group is comprised of developed areas and the last includes vulnerable and devastated areas, http://ras.gov.rs/uploads/2016/03/mapa-razvijenosti-sa-miethnicnimalnim-uslovima-za-aplikaciju.pdf

3   Municipalities and Regions in the Republic of Serbia, Statistical Office of the Republic of Serbia, Belgrade, 2016.

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Education attainment (age 15+) (census 2011) Without education and incomplete primary Primary education Secondary education	19.01% 18.42% 49.61%	18.57% 26.87% 43.89%	14.05% 23.95% 52.01%
Unemployed/economically active (census 2011)[4]	35.67%	27.68%	30.59%
Natural increase (per 1000 live births) 2015	-6.8	-8.2	-8.9
Highest % of registered employed per section/ activity (2015): Manufacturing Wholesale and retail trade; repair of motor vehicles and moto-cycles Agriculture	31.9% 15.5% 1.%	25.5% 20.5% 1 %	31.6% 10.5% 9.2%
Budgetary revenues per capita 2015 (RSD)	22,148	21,606	30,747
Budgetary expenditure per capita 2015 (RSD)	21,834	23,560	31,291
Main areas of economy[5]	Manufacturing Agriculture Tourism	Manufacturing Tourism	Manufacturing Tourism Agriculture
Level of economic development 2016	3rd group (60-80% national average)	3rd group (60-80% national average)	2nd group (80-100% national average)
Political stability[6]	Various coalitions 2003-2012 SNS 2012-	DS with various coalition partners from 2004	DOS: 2000-2004 SPS: 2004-2016 SNS 2016-
LTI Index[7] 2015 (place and score)	4th/62	1st/74	33rd/49

SUSTAINABLE EFFECTS ON GOVERNMENT RESPONSIVENESS AND CITIZENS PARTICIPATION

1.3.1. LESKOVAC

Interviews conducted in the city of Leskovac indicate diverse opinions of representatives of local self-government and NGOs. While representatives of local self-government were very positive about citizen participation in various policy making processes at the local level, representatives of CSO were more critical.

The legacy of USAID funded projects is visible in terms of infrastructure work carried out, which is highly praised by the local community. However, the legacy related to citizen participation is barely visible.

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4   http://popis2011.stat.rs/?page_id=2162

5   Sources: municipal web-presentations and available strategic documents.

6   Interviews with key stakeholders and individual political party web-sites

7   In 2015 Transparency Serbia conducted a survey, with assessment and ranking of towns and municipalities in Serbia on the basis of criteria of transparency defined by 86 indicators. Maximum score that municipality can get for highest transparency is 100.

The City of Leskovac is presently engaged in a project implemented in partnership with the "Belgrade Fund for Political Excellence" and Leskovac, based on the NGO "Narodni parlament" that deals with participatory budgeting. It is called "Participative budgeting – active inclusion of citizens in the budget process". The project is focused on social welfare issues, that is, on the inclusion of citizens in decision making in this area. The project itself started in February 2017 and will last for two budget years.

According to respondents from local self-government, throughout the previous period the local administration and "Narodni parlament" were carrying out public opinion polls and educating citizens on the structure and nomenclature of the budget. They have concluded that citizens are not well informed about the budget making process, and the benefits they may have from a given budget item. As a result, the municipal administration has received a list of recommendations for certain expenditures to be included in the budget during the rebalancing process that is currently underway. However, the general conclusion of our respondents is that citizens are not well informed about the budget itself, nor about the budget making process (Interview, local administration in Leskovac).

There was what appears to be an indirect mechanism for receiving inputs from citizens, whereby the Directorate for social issues within the local administration holds regular meetings and communication with NGOs and public social welfare institutions (the Residential Institution for the Elderly and the Center for Social Work) as well as individual citizens who present their requests by email or directly to local administration employees (Interview, local administration in Leskovac). However, it remains unclear to what extent these requests were incorporated in the budget.

The same mechanism is identified within the process of budget rebalance. When a surplus of funds is identified and a certain amount is directed to, for example, health care or social welfare, then the local administration organizes a call for proposals to fund certain projects, and CSOs are proposing projects that reflect citizen needs and interests (Interview, local administration in Leskovac).

Public consultations on the budget were introduced through an EU Progress funded project implemented by the Balkan Investigative Reporting Network – BIRN. Within the framework of this project, a *Citizens guide through the budget* for 2013 was prepared. Regular consultations with citizens are taking place within MZs from September, are attended by representatives of various local directorates. Councils of Local Communes (Serb. *Savet mesne zajednice*) are organizing these events and inviting citizens to attend meetings. The councils are then sending these requests to the local administration (Interview, local administration in Leskovac).

Local self-government is organizing public discussions during the process of preparation of the budget. Only a few representatives of CSOs attend these discussions. The draft of the budget can also be found on the city website and it is presented at a meeting in town hall. Representatives of local self-government claim that there is a severe financial limitation to meet all citizen and CSO requests (Interview, local administration in Leskovac).

It is important to emphasize that local NGOs do not perceive this participatory budgeting process as a true opportunity for citizens and CSOs to influence policy making. It has been frequently repeated that this is only a "quasi-public consultation" (FGD Leskovac)

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or "a simulation" (Interview, local CSO). The public consultations are held at the end of the budgetary process, "on 20 December they hold public consultations and the next day they adopt it. The budget is actually adopted months before the public consultations" (FGD Leskovac). CSO representatives complain that the process is not institutionalized and that it doesn't provide strict guidelines for local political actors.

CSO representatives state that the budget is agreed at a meeting of the coalition that forms the majority in the local parliament. Then it is sent to local self-government for adoption and then to public consultation. "Everything that happens after the coalition meeting is unimportant" (FGD Leskovac). By the time the consultations regarding the budget proposal are held, the budget is adopted. They claim that it is futile to attend meetings in Leskovac as well as in other parts of Serbia (FGD Leskovac).

Two times a week, representatives of local self-government hold meetings with citizens, recording their needs and grievances and providing them with advice as to how to resolve a particular issue they are faced with. We were not able to record comments from CSOs on this practice.

In addition to these mechanisms of direct participation and consultation with citizens, the mayor has a regular monthly meeting with prominent businesspersons.

As in other local communities, citizens also present their individual requests. These are most often concerned with certain infrastructure problems in the community. Usually, they are informed that it is legally possible to implement a certain intervention, but there is no project for it, or they are advised to send their request to the Council of the Local Commune, as an elected body of all citizens, which is in charge of setting up priorities (Interview, local administration in Leskovac).

Both representatives of local self-government and NGO representatives testify that CSOs are participating in local policy making, particularly when it comes to designing strategies and action plans (e.g. Youth strategy, Development strategy etc.). However, local CSOs do not consider them as important or influential documents, but rather a wish-list (FGD Leskovac).

PARAĆIN

In the present analysis, particular importance is given to the case of Paraćin due to the specific political situation in this town. For almost a decade and a half, Mr. Saša Paunović is the dominant local political figure and head of the municipality. He was specifically acknowledged as a leader in fostering citizen participation in the pre-assessment phase of this research, and the municipality of Paraćin has been identified as a leader in responsiveness, civic participation and transparency. These circumstances provide an unusual opportunity to analyze the influence of other factors, apart from the widely quoted "political will", on establishing and maintaining various mechanisms that ensure government responsiveness and citizen participation in local decision making.

Some of the practices established under previous USAID funded projects still exist. Local authorities are still organizing meetings with citizens when there are local issues to be resolved. Citizens elect their own representatives, with whom the municipality then works on a particular issue. They need not deal solely with the preparation of the local budget, but may be engaged on a variety of local issues, predominantly related to infrastructure.

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Under the CRDA program, citizens' boards were designed to make decisions with regards to the disbursement of project funds. This institutional setup was appropriate for a situation when non-budgetary funds were disbursed. These citizens' boards ceased when the program ended. However, these boards cannot be used for disbursement of municipal budget funds. In the present institutional setup, Councils of local communes are bodies that are designed to deal with local issues and research respondents recognize them as important resources for future work in the areas of government responsiveness and citizen participation.

Paraćin municipal authorities regularly organize public events with citizens that aim at enabling their participation in decision making, particularly in the budget making process. The existence of this practice is mainly attributed to SLGRP by respondents. The process is undertaken two times a year. In addition, there is also a person in the local administration in charge of cooperation with civil society (FGD, Paraćin).

According to respondents, it sometimes happens that an unusual priority will emerge. In recent years, there has been a proliferation of cultural and art associations that gather youth (Serb. *kulturno umetnička društva*) and help them stay in local communities (Interview 2, local administration in Paraćin).

Local municipal leaders testify that it is sometimes difficult to hold numerous, successive meetings with citizens because, as they say, "citizens do not come because they are happy but because they are dissatisfied. They have a problem they want to resolve and when they resolve it, they don't come to the next meeting to praise local authorities, they stay at home" (Interview 1, local self-government Paraćin). However, regular meetings with citizens are important because the municipality can prioritize projects and budgets and can prepare election campaigns.

In spite of a wide spread pessimism with regards to civic activism, local leadership is convinced about an increase in the number of citizens who are confident they can influence local policy making (Interview 1, local administration in Paraćin). One of the issues raised in interviews was the widespread belief that "nothing can be done outside political channels" (Interview 2, local administration in Paraćin). Interviews testify to the belief that main decisions are made within political party structures. As an example, they say that Paraćin has not witnessed foreign direct investment yet, because all investors first go to the national government, and many things do not depend on local actors (Interview 2, local administration in Paraćin). For this reason, citizens might not be motivated to participate in policy making and budget making processes.

However, respondents insist that citizens do not understand the budget and all the technical issues surrounding it. The expressed view is that citizens are not willing to invest time and effort to understand the budget. In their own words: "They are interested in concrete problems. For example, citizens are interested to know if their street is reconstructed and if it is not, when it will be reconstructed. They are not interested in the costs of reconstruction; they are only interested in whether or not it will happen." (Interview 1, local administration in Paraćin).

The main concerns of citizens are infrastructure and communal problems (roads, floods, cleaning etc.). Public meetings devoted to infrastructure issues are attended by the largest

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numbers of citizens. On the other hand, participation in public meetings with local authorities help citizens to understand the process of local priority making and planning. When citizens and their particular concerns and grievances are confronted with others, they are willing to agree that some issues, such as floods and drainage, are of the higher or utmost priority for local self-government and citizens.

Interviews indicate that only a fraction of citizens are coming to meetings and public events with local self-government. Those are individuals and groups personally or directly interested in a particular issue, mainly those that want to raise a particular grievance, or pensioners. Residents of rural areas are more willing to participate in public meetings than residents of urban areas. For this reasons, local authorities have introduced a practice of holding separate meetings with various potentially interested groups, such as, for example youth.

The research noted an interesting experiment in the Paraćin municipality with regards to citizen participation in decision making and information sharing. After the introduction of new tax legislation, citizens in rural areas were obliged to pay a property tax. The municipality initiated a series of public meetings to explain the measure and to popularize its potential beneficial consequences. The municipality has, according to research feedback from local leadership, conducted a cost-benefit analysis, through which it is demonstrated that the overall tax income in a particular village would be smaller than the amount needed to pay for the electricity for public lighting in that village. As it took some time to understand the benefits of paying for taxes, local leadership then requested that citizens nominate priorities to be addressed with the funds collected through the local property tax: "We asked them, if we can collect 1 million dinars, we can asphalt a third of a street. Which street would you choose?". This has helped us educate people who attend public meetings (Interview 1, local self-government Paraćin).

APATIN

None of the interviewed CSO representatives in Apatin were aware of the SLGRP program. However, some aspects of SLGRP did not really leave a clear trail. The research was not able to find any functional practice of public consultation in preparing local budgets, that is, a participatory budget process. On the other hand, the municipality apparently has a System 48, although it is not fully functional.

Fieldwork in the first two municipalities was carried out smoothly and with only minor and quite usual logistical challenges. However, this was not the case with Apatin municipality. In Apatin, the research team was denied access to representatives of local self-government. In several cases, potential respondents refused to participate in an interview, claiming they had no authorization or that they were not sure they were appropriate interlocutors or that they had no knowledge of local issues. Some of these potential interviewees indicated that things had changed in their municipality, and that it was not easy for them to speak openly.

With those interviewees with whom the research team was successful, there was a clear reluctance to talk, and an obvious fear of taking part in the research. Having all this in mind, it is noted that the majority of findings from Apatin are based on interviews with local CSOs.

Representatives of CSOs from Apatin are not taking part in the public consultations in the process of preparation of local budget. They note that consultations take place, but are purely

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formal, with no real impact on the content of the local budget. However, there is a certain level of financial transparency as the local budget is publicly available on the website of the municipality.

As with the other two municipalities, CSO representatives confirm a low level of civic activism in Apatin. Citizens themselves are not interested in civic activism on politically sensitive issues. Even worse, they are not particularly active even when it comes to less contested issues, such as those related to culture or social welfare. For example, CSOs regularly organize activities and manifestations, but citizens tend to show a low level of interest in these activities. The situation with CSOs seems not to be better – there are well established NGOs but they are most often a "one man show" – typically they don't have employees or regular funding.

CSOs do have a limited role in the processes of local policy making, particularly in designing local strategies and action plans. Some of these processes are not fully transparent, while many of the participatory processes are reported as purely formal. When it takes place, participation seems to be highly dependent on two factors: the local political situation and the level of organizational initiative on behalf of CSOs. Their ability to participate in local policymaking depends on their personal initiative. In general, the ability of CSOs to influence local policymaking is low and cooperation with local self-government is largely reduced to local funding for CSOs.

Civil society cooperates with local self-government but there are CSOs that do not rely on local funding. Recently, local self-government has introduced public calls for disbursement of local funds for civil society. Previously, the funds were disbursed based on personal contacts with representatives of local self-government and were typically earmarked for a particular event or activity. These processes have all been taking place on a purely informal basis, with no formal procedures established. Upon the introduction of a municipal call for proposals for funding of CSOs, the procedure was formalized.

Respondents indicate that political affiliation is becoming more important in local civil society. Some confirm that becoming a member of a political party is a key to achieving greater local visibility and the ability to secure local funds.

FACTORS OF SUSTAINABILITY

POLITICAL FACTORS

Key informants at national and local level indicated that the SLGRP program successfully utilized basic political incentives that local politicians easily recognized as well. Local politicians saw potential political gains in the opportunity to directly address the local population, recording their needs and grievances. When this practice was established, local politicians seemed to be happy to support it as they clearly saw political benefits in it. In addition to this,

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they also used it for better utilization of public resources as they were able to gain deeper insight into particular local priorities in, for example, certain MZ for which they made a relocations of funds.

Interviews indicate that local self-government representatives are keen to present their achievements to the general and professional public. For them, it is important to be recognized as leaders in a certain area and this seems to be a motivating factor, to maintain transparent and accountable local politics. When such opportunities existed, they were welcomed and widely used in political campaigns.

On the other hand, the public hearings were burdened with numerous political obstacles. The opposition parties often obstructed the work of these meetings. There were also cases where local political leaders were not willing to accept inputs from certain communities (MZ or villages) that were known to have supported other political parties.

Interviews suggest that national authorities did not have an important impact on the process of participatory budgeting, nor was their support visible or substantial. Occasionally there was a presence from public enterprises such as EPS and Telekom at budget meetings, but according to interviews, national authorities were not deeply involved in the process at that time.

The political system did not contribute to the effectiveness of local interventions. The introduction of indirect elections of mayors decreased their accountability to citizens and increased accountability to political parties. The overall predominance of party structures over the formal administrative ones, further contribute to the decreased effectiveness and responsiveness of local administrations.

INSTITUTIONAL FACTORS

There is one particular institutional factor that might sustain participatory budgeting and other participatory mechanisms – institutionalization. Institutionalization refers to the precise legal definition of procedures and obligations of parties involved in the process. Here, we are actually drawing this conclusion from the particular case of Leskovac, where there is an evident lack of institutionalized practices, in spite of the fact that this research itself has recorded various participatory mechanisms. We were not able to confirm that there are official procedures that guide various meetings, public hearings and other processes relevant for the participatory budgeting. Interviews suggest that this might be the reason behind the widespread skepticism *vis-a-vis* citizen participation in Leskovac.

The lack of institutionalized practices, and the environment of strong political party networks results in the public consultations and participatory budgeting process falling into the "form over substance" trap. The Leskovac case is particularly instructive in this respect. All necessary steps in the process of participatory budgeting are present: the public is invited to the public consultations, the draft budget is available online, comments and inputs are received, etc. However, a closer examination reveals that each step is formally carried out, but the overall process is like an empty shell of participation with no substantial content or outcome. When such outcomes of participatory budgeting appear, a lack of efficient oversight mechanisms is evident, whether these are watchdog CSOs or official monitoring systems.

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Initial interviews with key respondents indicate there were even cases of a political 'hijacking' of the participatory budgeting process. This allegedly took place when the inputs for the budget were recorded, and included in the budget, but the resources were then spent according to other priorities, not the ones defined in the budget. Apparently, at the end of the year a rebalanced budget is approved by the local parliament, one reflecting not the priorities of local communities and citizens but the one of politicians themselves. However, this finding was not confirmed by local respondents.

ECONOMIC FACTORS

According to respondents, the economic crisis was one of the reasons for a decrease in civic participation (FGD, Paraćin). This seems to be the result of several combined factors, the most notable being the lack of budget funds available to various citizen initiatives and a decline in the living standards of citizens.

Interviews also suggest that the lack of funds for local CSOs weaken their capacity to independently advocate with or monitor local self-government. This is particularly true for small NGOs that are dependent on municipality funds. On the other hand, larger and more influential NGOs rely on international donors for funding and find it easier to survive a lack of cooperation with local self-government of even confrontation with it.

An interesting practice was recorded in Paraćin and particularly Leskovac: local leadership aims to distribute local funds to as many local actors (CSOs, institutions, initiatives etc.) as possible. The rationale behind this decision is that everyone gets a share, however small, and cannot claim to be dissatisfied (Interview, Leskovac).

SOCIAL CAPITAL

Local civil society is underdeveloped. Interviews indicate that local CSOs cannot be compared to a few highly visible and influential CSO working from the capital. Reasons are numerous, the most notable one being their structural position. Very often, local CSOs depend on a single motivated and proactive person. To a large degree, CSOs depend on municipal financing. Hence, their independence is under question as they cannot criticize or put pressure on local authorities on whom they are dependent. In a more critical tone, one respondent raised the question as to whether or not a proper civil society even exists outside Belgrade (Interview, local self-government Paraćin). Representatives of local CSOs also testify that there are numerous internal weaknesses: lack of human resources, lack of funds, weak organizations, insufficient cooperation etc. (FGD, Paraćin).

Interviews also suggest that citizen activism is weak. Respondents testify about the widespread climate of pessimism, and disbelief in the possibility of achieving accountable, responsive and transparent government.

As a consequence, organizational capacities are weak. Only a few CSOs can have more than a few, fully employed, staff. The majority or CSO activists actually work on a part time basis, or as volunteers, apart from their regular jobs. This is not per se a weak point, but their activism is not followed by strong and sustainable organizational structures in the civil society sector.

Respondents make a difference between organizations that deal with the interests of their members, such as organizations of persons with disabilities, and organizations that deal with

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general issues and that depend on the ability of their members to be focused on the general good (FGD, Paraćin).

One of the important social factors that sustain a participatory mechanism is the presence of strong local community leaders. This is of particular importance when institutions (of participation) are not strong. Interviews suggest that strong local leaders among citizens represented key drivers of change. In some cases they were identified as a driving force of participatory local self-government (Paraćin), while other locations (Leskovac) indicate that a lack of strong local leadership results in a lack of participatory, transparent and accountable local self-government.

In general, the ability of CSOs to influence local policymaking seems to be low, and cooperation with local self-government is mainly understood as, and reduced to, local funding for CSOs.

CULTURAL CAPITAL

Interviews indicate a lack of technical knowledge about budget procedures among citizens and CSOs. It is consistently reported that ordinary citizens do not understand the codification system that the law prescribes nor are they able to assess the relative significance that is given to a particular budget line. It seems highly questionable whether ordinary citizens can at all be knowledgeable enough to actively participate in budget making, and monitor its execution. The same applies to NGOs.

However, membership-based NGOs seem to be more involved in the budgeting process as they have the status of "budget beneficiaries" – they receive funds from local self-government to perform their activities or deliver services (particularly social welfare services). They are interested in their "share" of the budget, while the issue of overall adequacy, transparency and cost-effectiveness of the budget remains unaddressed.

Many respondents complain there is a lack of motivated and skilled people. In the early 2000s there was a high motivation, but a decade and more of short term projects has decreased motivation and the willingness of people to get involved in civic initiatives. On the other side, respondents in smaller communities report a lack of qualified young people, as they are leaving to larger communities and cities.

KEY FINDINGS

The initial hypothesis was partly confirmed, and needs to be refined. The most important factor that sustains participatory budgeting practices is the presence of strong political leadership committed to participatory policymaking. This appears to be essential in establishing sustainable and robust local participatory regimes. The Paraćin case clearly demonstrates that having local leadership committed to participation, accountability and transparency is

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essential. This is particularly true when other factors, most notably legal and institutional, are absent and in a situation marked by deterioration of economic conditions which decrease local funds and motivation of citizens to participate in the budgeting processes.

The research findings are more consistent in pointing out factors that are missing than to the factors of sustainability. Factors that might have contributed to the sustainability and effectiveness of the participatory budgeting process, but are obviously missing, are:

- Legal codification and institutionalization of the process.

- Creating an enabling environment in which municipalities compete to introduce and institutionalize such mechanisms, including in the form of systems of honor and reward for successful municipalities.

- Regular oversight of budgetary processes by a competent and active civil society engaged in the planning and oversight.

- A political system that reinforces the importance of political party structures, at the expense of other societal and political actors.

Citizen participation in the budget making process is not institutionalized, that is, it is not codified by legal norms or official procedures. In such a situation, the overall process depends on the motivation, initiative and discretionary power of local leadership. Being non-prescribed and formalized, participation easily becomes formal and not substantial. It does take place but in a way that decreases the ability of interested parties to influence the budget: it starts late, inputs are not recorded, or are recorded but not implemented, there is no reporting or feedback mechanism etc. This hampers participation and leads the "form over substance" trap or even the "hijacking" of the whole participation process by local elites.

Citizens are not willing or prepared to participate in budget making process. They lack the necessary technical knowledge and expertise in technical issues to fully participate in administrative procedures. CSOs seem to be only marginally better equipped for this process. Some CSOs, particularly membership based CSOs that are budget beneficiaries, are prepared and do take part in discussions on the budget. This takes place through "indirect consultations", for example, when direct budget beneficiaries collect inputs.

There is a clear lack of oversight mechanisms for the overall process. Research fieldwork was not able to identify any such mechanisms. The existence of such mechanisms might have contributed to sustainability of the process. The majority of local CSOs are dependent on local budgets, and so cannot put pressure and "name and blame" local authorities and, in this sense, they do not represent efficient monitoring and oversight potential or practice. The practice of distributing local funds to as many interested organizations and initiatives as possible and widening networks of political support correspond to this. There are however donor funded projects that deal with participatory budgeting – the idea does not seem to have been abandoned.

Finally, interviews consistently confirmed the importance of a political system that reinforces the strength and importance of political parties as places where the majority of the most important decisions are made.

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CONCLUSIONS

- **System of honors and rewards**: There was a lack of systems of honors and rewards and successful municipalities and political leaders in general public and professional communities. According to our respondents, had such a system been established it would have contributed to increasing the political benefits politicians enjoy where they successfully implement a participation mechanism.

  o It is recommended that USAID focus, in any funded initiative, on assisting in the establishment and institutionalization of a system of notification and reward.

- **Monitoring and evaluation system**: The research was not able to find any monitoring and evaluation system that was established, implemented or taken over by local or national institutions after the end of the program. Had such a system been established it would have also contributed to the sustainability of procedures and institutions established under the USAID initiatives.

  o It is recommended that USAID focus, in any funded initiative, on ensuring an institutionalized monitoring and evaluation system for participative budgeting systems, nationally and locally.

  o It is recommended that USAID focus, in any funded initiative, on supporting watchdog oversight mechanisms.

- **Institutionalization of participation procedures**: Institutionalization of participation procedures (that is, their legal codification) is perceived as a tool for improving their effectiveness. Otherwise, participation falls into the "form over substance" trap and is transformed into an empty shell of participation.

  o It is recommended that USAID focus, in any funded initiative, on the legal codification of participative procedures. The above-mentioned monitoring and evaluation system is one such procedure.

- **Using existing institutions**: Using existing, not creating parallel institutions, is perceived as a good strategy in establishing sustainable participatory mechanisms. The Council of local communes (Serb. Saveti mesnih zajednica), as opposed to community participation councils, is a good example. It would appear from the research that the legacy of community participation councils is primarily seen in Councils as tools for local citizens' participation in budget and policymaking.

  o It is recommended that USAID focus, in any funded initiative, on working only with existing national and local administrative structures, and on improving how they function, how they fulfill their legislative requirements and how they contribute effectively to participative democracy.

- **Technical vs. political issues**: The research indicates there is a lack of knowledge about budget making procedures. It is highly unlikely that such knowledge would be acquired by ordinary citizens and even CSOs. However, there is knowledge of local policy making procedures, particularly strategies and action plans. Experience in such endeavors, and a willingness to participate in them exists (although they are often described as whish-lists and less important documents).

  o It is recommended that USAID focus, in any funded initiative, on linking participatory budgeting with local strategy design and annual priority making, as a process for more vibrant and substantial civil participation.

- **"Translating" knowledge**: Increasing the knowledge of the general population on budget processes is probably a futile endeavor. However, "translating" budgets into more easily understand- able concepts like in the Paraćin case might be a useful approach. This actually could invigorate local priority setting and participatory budgeting.

  o It is recommended that USAID focus, in any funded initiative, on approachable systems for

sharing budget processes and decisions with the population.

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- **Local leaders as drivers of change**: The importance of individual actors is predominant in the absence of the strong institutions (legal, administrative, political, economic etc.) that generate a predictable and unified behavior as an outcome.

  o It is recommended that USAID focus, in any funded initiative, on strengthening the knowledge and skills of current leadership.

  o It is also recommended that focus not be solely on individuals, and that recognition in design and implementation be also on the quality of local structures that go beyond individual leaders.

- **Economic deterioration**: An unfavorable economic situation decreases the potential for civic activism, both on behalf of individual citizens and CSOs. This is reflected in the lack of individual resources for volunteering and activism on one hand, and the lack of funds for organizational work on the other. This is an aggravating factor that should be kept in mind.

ANNEX 5

DETAILED STUDY 3: THE EVOLUTION OF CITIZEN PARTICIPATION

OBJECTIVE, HYPOTHESIS AND METHOD

The objective: to learn which factors have contributed to a more effective 'evolution' of civic participation from the initial forms (community committees/boards, cluster committees, and similar) established during the implementation of the CRDA program. Here, the focus is on the distinctive characteristics of implementing approaches, while other local factors are also taken into account.

Hypothesis: *The development and evolution of particular forms of civic participation (i.e. community development associations, NGOs registered among citizen participating in community committees) was dependent on a variety of factors (such as local civic legacy, social capital, political landscape, economic development and living conditions of citizens), but particularly on the specific approaches and* modi operandi *of the different implementing agencies.*

Unit of analysis, sample and rationale: Five municipalities, each of which was targeted by different CRDA partners:

1) Bačka Topola – targeted by ADF;

2) Ivanjica – targeted by Mercy Corps;

3) Leskovac – targeted by CHF;

4) Paraćin – targeted by ACDI/VOCA;

5) Užice – targeted by IRD;

The sample municipalities represent a mix of towns and municipalities with different socio-economic characteristics and different rates of success in maintaining mechanisms and processes of citizen participation and government responsiveness.

Data collection methods: individual interviews with key stakeholders who participated in the implementation of program activities (CRDA implementing partners and members of community committees); individual and group interviews with representatives of local government (current and those serving at the time of the program implementation); focus group discussions with representatives of local civil society organizations and legacy organizations; desk research of municipal strategic documents, web presentations, statistical data and other relevant documents.

Informants: 29 individual interviews and over 30 participants in focus group discussions with representatives of 1) CRDA implementing agencies, 2) local government and local administration (current and previous – at the time of CRDA implementation) 3) members of the CRDA Community Committees and 4) civil society organizations.

CONTEXT OF THE INTERVENTIONS

Bačka Topola is a medium-sized multi-ethnic municipality (57.94% Hungarian) with the smallest population of the five selected. The population is aging and faced with mass emigration (particularly among youth and families with dual Hungarian and Serbian nationality, according

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to interlocutors). It pertains to the second group of municipalities according to the level of economic development (80-100% of the national average) with manufacturing and agriculture as main sectors of its economy.

Ivanjica is the municipality with the biggest area and the second smallest population living in 49 scattered settlements, with the highest aging index and the lowest education attainment. It pertains to the third group of municipalities according to the level of economic development (60-80% of the national average) with the lowest average net salary and manufacturing as a main sector of its economy.

Leskovac is the town with the biggest and the youngest population of the five selected LSGs, living in 144 settlements. It pertains to the third group of municipalities according to the level of economic development, with manufacturing and wholesale and retail trade as main sectors of its economy.

Paraćin is a medium-sized municipality that pertains to the third group of municipalities according to the level of economic development, with manufacturing and wholesale and retail trade as main sectors of its economy.

Užice is another town among the selected municipalities, with the highest natural increase and the highest level of education. It pertains to the first group of municipalities according to the level of economic development (over 100% of the national average), with the highest average net salary and manufacturing and wholesale and retail trade as main sectors of its economy.

Bačka Topola and Paraćin have had a more or less stable political situation, with predominantly one political party in power since the local elections in 2004, while the other three municipalities were faced with several changes of ruling parties/ coalitions in power.

The following table summarizes general information on the five selected municipalities in 2016.

Table 1. Comparative data (2016)

Data	Bačka Topola	Ivanjica	Leskovac	Paraćin	Užice
District/Region	North Bačka, Vojvodina	Moravička, South-west Serbia	Jablanička, South Serbia	Pomoravska, Central Serbia	Zlatiborska, Western Serbia
Town/municipality	Municipality	Municipality	Town	Municipality	Town
Population (as of 30/6/2015)	31,884	31,963	144,206	54,242	78,040
Registered local communities (MZ)	15	19	139	41	30
Average age (2015) Serbian average 42.2	43.82	44.18	42.85	43.58	43.52
Aging index[1] (2105)	151.2	153.8	136.7	148.3	146.2
Major ethnic group – (census 2011)	Hungarian 57.94%	Serbian 98.57%	Serbian 92.66%	Serbian 95.67%	Serbian 97.5%

Education attainment (age 15+)(census 2011) Without education and incomplete primary Primary education Secondary education High or higher education	16.58% 26.45% 46.35% 10.5%	21.3% 28.49% 42.06% 7.8%	18.12% 18.42% 49.61% 12.37%	18.57% 26.87% 43.89% 10.35%	10.61% 20.09% 53.23% 15.93%
Natural increase (per 1000 live births) (2015) Serbian average –5,3	-10.1	-5,2	-6,8	-8,2	-4,3
Average net salaries and wages 2015 (trend from 2014)[2] Serbian average 44,432↘	37,359↗	30,227↘	34,178↗	36,638↘	43,122 ↘
Level of economic development[3] 2016	2nd group (80-100% national av.)	3rd group (60-80% national av.)	3rd group (60-80% national av.)	3rd group (60-80% national av.)	1st group (over 100% national av.)
LTI[4] 2015 rank, score Budget	3rd /62	41st/47	4th/61	1st/74	55th/44
Political stability[5]	Relatively stable political situation since 2000	Several changes of ruling parties/ coalitions in power	Several changes of ruling parties/ coalitions in power	Stable political situation since 2000 – with the same mayor	Several changes of ruling parties/ coalitions in power

Source: Municipalities and Regions in the Republic of Serbia, 2016, Statistical Office of the Republic of Serbia (unless stated differently in footnotes)

Context at the time the CRDA programs were initiated[6]

At the time the CRDA project was initiated, the situation in Serbia was marked by severe economic stagnation, high unemployment and low wages, the collapse of the system of values, problems in financing health, education, culture and sports, and the decay of most of its

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1   Ageing index is the ratio of number of population aged 60 and over and population aged 0-19.

2   Official exchange rate RSD/USD from December 31, 2015 1 USD = 111.2468 RSD (National Bank official data).

3   http://ras.gov.rs/uploads/2016/03/mapa-razvijenosti-sa-miethnicnimalnim-uslovima-za-aplikaciju.pdf   Acording to the composite indicator of economic development here are five groups of municipalities: the first group is comprised of developed areas and the last includes vulnerable and devastated areas.

4   Transparency Serbia 2015 research evaluated transparency of 145 LSGs based on more than 87 transparency indicators (transparency of local assembly and mayor's work, budget, citizens friendly local administration, free access to information, public procurement, information booklet, public utility enterprises and public institution's transparency, public debates, public competitions, plans and reports, anticorruption mechanisms etc).The average score was 40.There were 32 LSGs who scored over 50, 8 LSGs scored over 60, while only Paracin had a rating higher than 70. http://transparentnost.org.rs/LTI/

5   Interviews with key stakeholders and individual political party web-sites.

6   The entire section Is based on the following documents: Strategic Directions of Local Economic Development of Backa Topola   http://www.btopola.org.rs/sites/default/files/dokumenti/strategije/strateski%20pravci%20ekonomskog%20razvoja%20opstine%20btopola.pdf, Paracin Sustainable Development Strategy 2008-2017, www.paracin.rs/files/opstina/ler/download/strategija.doc and ADF CRDA_E Final Report, July 2007.

institutions. This was due to cycles of economic and social instability during the rule of the Milosevic regime of the 1990s, originating from the 1980s economic crisis, wars and the decomposition of Yugoslavia, international economic sanctions and the loss of traditional markets. Registered unemployment was reported at over 25%, while conservative estimates actually put it in the area of 60%. The quality and capacity of social service delivery mechanisms and institutions, such as the health system, public utilities and other public services in Serbia, was undermined by economic decline, lack of investment, and the needs of a large refugee population. Public infrastructure had seriously deteriorated due to a lack of investment and maintenance. The flow of refugees and internally displaced persons severely strained Serbia's already inadequate and deteriorated public services. In the 1980s, Yugoslavia's industrial and agricultural sectors were considered to be among the most sophisticated in Eastern Europe. By the early 2000s, although these sectors still had significant assets, they needed to be revitalized. After years of social insecurity and life under a repressive regime, democratic changes and economic reforms began in October 2000. This was a time of high hopes for a better life – everyone believed in quick reforms, and people were willing to become engaged in the reform process. Furthermore, the overall population was much younger (the most populous age group were the 45-49-year-olds, in comparison to data from 2016 when the most populous age group were people aged 55-59[7]). According to key informants, the late 1990s were a time when civil society organizations started to emerge. Except for Vojvodina and larger towns (e.g. Užice), the civil sector was underdeveloped and mostly comprised a very few traditional cultural and charity organizations, sports associations and the Red Cross, with hardly any role in political and policy dialogue. Newly established CSOs began promoting human rights and lobbying for various vulnerable groups, providing services at the local level to supplement the decaying social care services. These CSOs were mainly funded by the international community.

There was a need for socio-economic development support for the poor and the general population of Serbia, and given the rich natural and human resources, community mobilization offered a promising opportunity to create a momentum for social and economic development at the local level with the CRDA program.

SUSTAINABLE EFFECTS ON CITIZEN PARTICIPATION

The research shows that in all five municipalities public budget hearings and open citizen meetings in local communities are still regularly organized. Community committees and other forms of informal citizen organization do not exist anymore. In some cases they were transformed and institutionalized through the establishment of:

- Community Development Association (in Bačka Topola).
- Citizen advisory boards in local assemblies (Užice).
- NGO (Center for Sustainable Development, Paraćin).
- Thematic working groups – especially in the strategy development phase (Paraćin, Leskovac).
- Public consultations with CSOs (all five municipalities).
- Public consultations with citizens organized in MZs (all five municipalities).

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7   According to 2016 RSO data the most populous age group are people aged 55-59, Municipalities and Regions in the Republic of Serbia, 2016, Statistical Office of the Republic of Serbia. And Municipalities in Serbia, 2002

The following table provides an overview of CRDA's citizen participation mechanisms, and processes that still exist in 2017.

Table 2. Mechanisms and processes of citizen existing as of 2017

Mechanism/process	Bačka Topola	Ivanjica	Leskovac	Paraćin	Užice
Public budget hearing	√	√ (not established by USAID)	√ (not established by USAID)	√	√
Open citizens meetings (in MZ)	√	√	√	√	√
Community Committees and/or Cluster Committees	X	X	X	√	X
Legacy	√ Development Association Active community leaders	X Municipal economic council was established – does not exist any more	X People in some Local community councils and active local leaders and MPs	X Center for Sustainable Development – does not exist anymore	X Local parliament advisory boards
Centre for municipal development (CSO hub)	√	Not established	Not established	Not established	Not established

The following part of this section deals with citizen participation mechanisms currently in place, and explain specific context influencing sustainability, in each town or municipality.

BAČKA TOPOLA

According to the Local Self-Government Transparency Index (LTI) from 2015, Bačka Topola was in third place with an LTI score of 62.[8] Key informants confirm that it has maintained high level of citizen participation:

- the Annual Budget is regularly published, s accompanied by a presentation of community priorities and citizen initiatives that were included in the final budget, until 2015.

- Public budget hearings are regularly organized– until the end of 2014 publicly announced in the media and held in local communities, and regularly attended by mayors. Since 2016, there is only a public announcement on the municipality web-site, and one, central, public budget hearing, which is assessed as "more of a formality than true participatory public budget hearing, attended mostly by budget beneficiaries".

- Bačka Topola has established a separate development fund available for CSOs and MZs.

- MZs organize open citizen meetings, where citizens decide on MZ priorities to be funded from the MZ self-contribution (3% of individual net income and 1% of net pension).

- The Community Development Centre, established by CRDA, serves as a hub for CSOs

- Development Association of Bačka Topola, the legacy organization established by ADF from the three CDGs that existed during the CRDA program, provides support to CSOs and the municipality in strategic planning, advocacy and inter-sectoral communication, project proposal writing,

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8   Transparency Serbia 2015 research evaluated transparency of 145 LSGs based on more than 87 transparency indicators. The average score was 40. There were 32 LSGs who scored over 50, 8 LSGs scored over 60, while only Paracin had a rating higher than 70. http://transparentnost.org.rs/LTI/

pro bono services to farmers, operational and financial management of projects on behalf of the municipality, support and mentoring for CSO establishment, organizational development, accounting, training for CSOs and MZs, etc. The municipality pays for the salaries of 5 employees. The Association plays the role of Local Economic Development Office.

According to the research and interviews Bačka Topola is a municipality characterized by strong historical legacy of civic activism and democratic political leadership during Milosevic's regime that continues until today. CSOs stress that succession of ambitious and pro-democratic mayors (some with CSO background[9]) supported citizen participation after the end of CRDA. All interlocutors agree that CSOs actively participate in developing key strategic documents and respective action plans in Bačka Topola, mainly due to the active role of the Development Association. However, even in such supportive environment, quality of the participatory processes is declining lately, due to lack of support from the current local politicians because the political leadership do not perceive the importance of participative policy processes and tend to perform them as a matter of form (if they are obligatory), which is currently the case with public budget hearings.

IVANJICA

The research identified that Ivanjica is the least successful among the five municipalities with regards to citizen participation. According to the LTI research, public budget hearings were organized in Ivanjica in 2015. However, interviewed respondents state that currently there is no practice of public budget hearings and that even when it used to exist it was just a pro forma procedure. The annual budget is published regularly on the municipal web-site. One local administration representative stated during the mapping process that there are regular open citizen meetings organized in local communities, however interviewed CSOs did not confirm this. There are no community committee legacy organizations.

Interlocutors identified several factors restraining citizen participation. First of all Ivanjica has scattered settlements (some as far as 40km from the center) with more and more older people living alone in rural areas brings a general feeling of apathy, and diminishes their interested in getting mobilized. As one CSO representative stated: "it is not a question of money any more – people feel they cannot do or change". Additionally, CSOs state that in small communities people fear confrontation, especially with those in power. At the other hand there is no real interest from the local government to engage citizens in policy dialogue. [10] There are only a few active CSOs and the sector is generally weak and without capacity to influence local policies. Growing political divisions draw people towards political parties and make it very

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9   One of the Backa Topola mayors was a local leader and ex-member of CDG, who later became the female mayor with the longest mandate in Serbia and very actively supporting participative processes.

10   This local government attitude dates all the was from CRDA time. According to the Mercy Corpse Assessment of Community Development Programming from 2007, Ivanjica East Community Development Council (developed during CRDA by Mercy Corpse) presents a key example of how CRDA sometimes did not succeed in making an impact on the communal organization of the targeted MZs, but instead relied on centralized municipal support during the project implementation cycle. Ivanjica East did not have representatives from all 5 MZ it was covering, and CDCs in Ivanjica were only responsible for project selection, while the municipality played the key role in writing proposals, preparing documentation and implementing projects. This leading role for the municipality was justified by more efficient project implementation and the lack of institutional capacity within MZs

difficult to establish good cooperation in the community. Low level of economic development and economic crisis that has only exacerbated problems.

LESKOVAC

According to the LTI research from 2015 and 2017, Leskovac is in fourth place in the LTI rank (with a slight decrease in the score related to participatory budgeting), which confirms the statements from local administration representatives that the local government supports participatory processes:

- public budget hearings, are regularly organized and publicly announced However, interviewed citizens and CSO representatives state that the public budget hearings are organized in the center of Leskovac, which is not very convenient for many of the 144 Leskovac settlements. Additionally, they claim that the draft budget is published very late so that citizens cannot properly prepare for the public hearing and that thy have lost interest in participating in public budget hearings. Apparently, CSO proposals are often not included in the budget

- Open citizen's meetings are regularly organized in local communities (MZ) and these priorities are included in draft budgets and in budget rebalance.

- The Mayor and his deputy have regular "open hours" to listen to citizens requests twice a week. Leskovac used to have a CSO coordinator.

- According to local administration representatives, CSOs are involved in drafting local strategies and action plans.

- Most interlocutors believe that the legacy of CRDA can be found in current local community councils and people who remained there to advocate for the interest of their communities, with the knowledge gained through CRDA.

According to local government representatives Leskovac continuously invests in improving participatory budgeting[12] and has mainstreamed participatory budgeting in regular local administration procedures. Several interlocutors stated that both citizens and local government lack understanding of the benefits of participatory processes. And finally, except for several active CSOs with strong capacities, the civil sector in Leskovac is "slowly dying", according to CSOs. Most CSOs only have a couple of enthusiastic members,

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11   As one CSO representative stated local community councils get their directives from the municipal government and are often unwilling to respond to their citizens' needs: one local community has been trying to get funding for building a local road leading to their village for the last 10 years – even though the citizens prepared and got approval for the construction plan, the local government still hasn't allocated funds for the road.

12   Leskovac participated in EU PROGRESS, and is currently participating in a project aimed at strengthening participatory budgeting, with BIRN and NALED. Until 2009, Leskovac had a Development Fund, established with the UNDP support to finance development projects that were often based on citizen proposals

13   One of the interlocutors criticized the current electoral system: "MPs in the local parliament cannot represent their local community interests because they are often obliged to vote based on the decisions already made in their party headquarters, even if that is opposed to the interest of local constituents. If they don't, they will have serious problems". Interlocutors state that even at the level of the local community (MZ), the political factor is more important than local interests: people elected in MZ councils often see those posts as first steps in their political carriers and therefore put party interests in front of their local community.

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many are not active any more, and, as interlocutors in FGD stated, some were only established by local politicians and ceased to exist after the change of the ruling part.

PARAĆIN

This is one of the municipalities that have maintained a high level of citizen participation in policy and budget making processes. Paraćin was the highest rated municipality in Serbia in LTI 2015. LTI 2017 registered a drop in general scoring – although not in the sphere of budget and government responsiveness to citizen needs:

- According to interlocutors, open citizen meetings are organized regularly in local communities (MZ), where citizens discuss their problems, mainly related to infrastructure and utility services and cultural and sports initiatives.

- The mayor regularly attends public budget hearings in each MZ organized twice a year (announced in media and also in a bulletin delivered to each household)[14].

- Paraćin also used to prepare citizen budget guidelines, the so called "Citizens' budget", but they currently lack enough human resources to do so, according to the local government representatives.

- The mayor is of the opinion that citizens' monitoring of policy and budget implementation should be strengthened and that CSOs should play a stronger role in that process.

- Citizens and CSOs participate in the policy making process and local government representatives emphasize that this is equally if not more important than participation in public budget hearings.[15].

- Special attention is paid to engaging young people in municipal affairs: in addition to the Youth office, there is a Youth council and a Local Youth Action Plan adopted in 2016.

- Interlocutors believe that legacy to committee practice can be found in consultations with citizens and NGOs, working groups established during local policy drafting and participatory public budget hearings.

Paraćin is one of the rare municipalities in Serbia with stable political situation, and with the same mayor since 2004, which enabled continuity of participatory processes because it allowed establishment of a core team of skilled, experienced and highly motivated staff in the local administration, committed to democratic processes, high level of budget discipline and insisting on participatory budget procedures, led by the mayor himself, who believes in direct and open communication with citizens and stated that "Investing in capacity building and professional development of employees, in citizens' awareness raising and particularly in youth mobilization, contributes to better understanding of democratic processes". At the very end of CRDA, ACDI/VOCA supported establishment of the Centre for Sustainable Development, as a legacy organization formed from the CRDA community boards. This organization was, among other things, supposed to provide support and coordination for local CSOs in the policy processes. However, the organization did not succeed in getting enough projects to establish itself as an important player and it ceased to exist. Civil sector in Paraćin is still not strong enough, according to the local government and some

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14   These budget hearings are organized at the beginning of the budget process, in order to report on the previous year budget realization and hear the main problems identified at the MZ open citizen meetings, and in the later stage to present the budget limits, the draft annual budget and reach the final agreement on the MZ priorities for the following year.

15   Local Sustainable Development Strategy process proves this point (it was a comprehensive 3-year process with wide range or stakeholders involved and it serves as a solid basis for reaching agreement with citizens on annual priorities during annual budget planning http://www.paracin.rs/index.php?option=com_content&task=view&id=4683&Itemid=162

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CSOs: there are several active CSOs, but most of them have very small constituencies and depend on 2-3 enthusiastic volunteers. On the positive side, there are several CSOs who are proactive and who have managed to obtain support from the local companies. General impression is that CSOs lack skills and knowledge (primarily in advocacy, fundraising and public awareness campaigns) and need better coordination.

UŽICE

Out of the five selected local self-governments, Užice is the town with the highest level of economic development, the lowest level of unemployment and the highest level of education attainment, and yet it had the lowest LTI score in 2015:

- Public budget hearings are regularly organized but, according to the representatives, they bring no benefit to the participants (neither the local administration nor the citizens)[16].

- Currently, the budget for 2017 is not available on the town web-site, nor are any of the local strategic documents. However, there is evidence in local media that the last public hearing was organized in December 2016 to discuss the annual budget for 2017

- All of the informants agree that the legacy of CRDA community committees can be found in the local assembly councils: for health, employment, social protection, environmental protection, etc. Since they are advisory bodies their influence is limited and their activity depends on the members[17].

Local government attitude towards citizen participation is not supportive enough, according to the interlocutors, which was confirmed by the LTI research. Town management believes that "leaving decision to the elected members of the town council and the mayor and his team would be much more efficient and effective way to work – representative democracy works better that direct democracy". On the positive side, they think that citizens and CSOs should be involved in monitoring and controlling policy and budget implementation, not in all phases of the budget cycle. According to them, local community councils (saveti MZ) and local institutions should be the ones assessing local needs and priorities. Some of the interlocutors believe that Užice has a long tradition of organizing self-help groups and engaging in voluntary work called "kuluk", and it still boasts with strong civil society mainly in urban areas. CSOs state that due to outdated strategies, priorities are defined arbitrarily by the town political leadership, and new strategies are not being drafted.

FACTORS OF SUSTAINABILITY NOT RELATED TO CRDA APPROCH

Based on the findings elaborated in the previous chapter and the entire research, there are a number of factors that have had both positive and negative influences on citizens participation.

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16   Town management believes that "leaving decision to the elected members of the town council and the mayor and his team would be much more efficient and effective way to work – representative democracy works better that direct democracy". They think that citizens and CSOs should be involved in monitoring and controlling policy and budget implementation, not in all phases of the budget cycle. According to them, local community councils (saveti MZ) and local institutions should be the ones assessing local needs and priorities.

17   Criteria for selecting council members is somewhat questionable and according to the interlocutors only Social protection and Green council invited CSOs to delegate their representatives. Representatives of the Gender equality council, who participated in its establishment, are not members of that council any more

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Historical factors

- Democratic changes in the early 2000'– all interlocutors agree that high hopes for rapid democratic reforms had a very positive impact on CRDA citizen mobilization

- Unsuccessful and slow reforms resulted in disillusioned citizens and loss of trust in democratic processes and active citizenship in 2010', according to the interlocutors

Political factors

- Pro-democratic and ambitious political leaders – Bačka Topola had two successive mayor during 1,5 decade who had been previously active in civil society and applied skills and knowledge gained in participative policy dialogue; Paraćin still has an ambitious mayor, committed to maintain direct and transparent communication with citizens and to support professional development of local staff and raise awareness of citizens

- Discontinuity of participatory processes after local elections – Užice, Leskovac and Ivanjica (and Bačka Topola in the last couple of years) are examples where established participatory processes are discontinued or performed pro forma if they are obligatory by law.

- Party interests over citizens and community interests – interlocutors are unanimous that priorities identified by citizens and communities are often put aside due to different party interests, the decision-making process is getting more and more centralized (one of the examples is provide in case of Leskovac. CSOs in Užice replicated opinion of their colleagues from other municipalities that political connections are the only means of influencing local policy.

Institutional factors

- Legislative framework – current legislation regulating budgeting procedure[18] requires publication of annual budget, preparation of "citizen budget" and participative processes, particularly in preparation of programmatic budget. However, it does not explicitly stipulate citizen and CSOs participation and there are no efficient mechanisms for monitoring legislation implementation and quality of participative processes

- Delayed and inconsistent decentralization process (particularly fiscal decentralization) is mentioned by many interlocutors and further explained in Bačka Topola and Paraćin cases[19]. This goes in hand with the decreased autonomy and decision-making powers of local communities. Since recently, all funds must be administrated by the municipality, which often means that the municipality, and not the local communities (MZ), defines priorities. Furthermore, local communities can apply for funds with national authorities, but only via their municipality.

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18 Budget System Law, *("Official Gazette RS", No. 54/2009, 73/2010, 101/2010, 101/2011, 93/2012, 62/2013, 63/2013 - am., 108/2013, 142/2014, 68/2015 - 103/2015 i 99/2016) and Ministry of finance annual guidelines for budget preparation at local level* http://www.mfin.gov.rs/UserFiles/File/lokalna%20vlast/2017/uputstvo%20za%20lokal.pdf

19 Slow and inconsistent decentralization process is leaving LSGs with less and less decision-making autonomy and resources. This is confirmed by recent Seventh Socio-economic research – budget revenues at central and local tiers of government in Serbia (USAID, Nacional coalition for decentralization, Serbia on the move, Media &reform Center, Nis), which shows that in 2015, local and provincial government budget revenue was nine times less than central government revenues. This means that very little money remains for supporting developmental projects and citizen initiatives. The situation is even worse as of January 2017, with the new Law on the Financing of Local Self-Government which stipulates that instead of 80% of tax revenues being redistributed to local governments, Belgrade now receives 66%, municipalities receive 74% and towns 77%. (*Zakon o finansiranju lokalne samouprave ("Sl. glasnik RS", br. 62/2006, 47/2011, 93/2012, 99/2013 - usklađeni din. izn., 125/2014 - usklađeni din. izn., 95/2015 - usklađeni din. izn., 83/2016, 91/2016 - usklađeni din. izn. i 104/2016 - dr. zakon)* http://www.paragraf.rs/propisi/zakon_o_finansiranju_lokalne_samouprave.html

- Problems with human resource management at local level were mentioned as a restraining factor particularly in Bačka Topola, Paraćin and Leskovac, municipalities that have maintained high level of civic participation and where there is awareness of how important local administration employees skills, knowledge and attitude are for effective participatory processes.

Economic factors

- Economic growth in early 2000 boosted civic participation and local government readiness to respond to citizens' needs. However, with the economic crisis in 2008 local communities are left with reduced revenues and less money for addressing local community needs. This is clearly the case of Ivanjica, who was successful in applying citizen participation during CRDA projects, but with the deteriorating economic situation has been abandoning the practice. Poor local communities have less and less resources for self-contribution. However, Užice case shows that high level of economic development does not boost citizen participation per se.

- Individual citizens poverty has been mentioned by many interlocutors mainly in poorer municipalities like Ivanjica, Leskovac and Paraćin. People are more oriented towards individual needs and survival and their perception is that they do not have time or resources to dedicate to community development

Social capital

- Presence of strong local community leaders has proven crucial for citizen participation: in cases of Bačka Topola they were of crucial importance for mobilizing citizens during CRDA, but also for maintaining "pressure" on local government after the end of the program.

- Legacy of civic participation is important factor but not determining for citizen participation: its effect was more visible at the beginning of CRDA when it allowed easier mobilization in places like Bačka Topola and Užice, that had such legacy. However, after the end of the programme this legacy was not sufficient to maintain high level of citizen participation in case of Užice where other factors had stronger influence

- General lack of CSOs capacities and decline of civic activism were identified as important factor in all municipalities, except for Bačka Topola . Interlocutors are undivided in the opinion that CSOs should play more important role in mobilizing citizens and influencing local policies, and not only in the field of their primary activities.

- Depopulation, aging population and emigration is a common problem in Serbia and reportedly has big influence on citizens' motivation and enthusiasm for civic activism and participation in policy dialogue

Cultural capital

- Lack of values of philanthropy, tolerance, participation, accountability and responsibility, transparency – these values have been identified as important for both citizens' and government engagement in participatory process.

- Many interlocutors share a common opinion that democratic processes and values need to be integral part of the education curricula and training that both politicians and administrative staff receive as well as citizens and CSOs

THE APPROACHES AND EFFECTS OF IMPLEMENTING PARTNER'S MODUS OPERANDI

SPECIFIC APPROACHES OF IMPLEMENTING AGENCIES

USAID encouraged CRDA implementing partners to implement tailor made approach in response to specific regional and municipal needs. The following table provides summary findings of different approaches applied by the five CRDA partners.

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Table 3. CRDA implementing partners approach

Approach	ACDI/VOCA	ADF	CHF	IRD	MC
Selection criteria and duration – Longer support had more sustainable effects:	Gradually included all 22 municipalities in Central Serbia. First group of 12 towns with the largest population had the longest support (4 years).	Worked with selected local communities in 14 municipalities in Vojvodina from 2001 and 12 in Eastern Serbia from 2004.	Worked with all 32 municipalities in Southeast Serbia working with each group of communities for 1000 days.	Worked with 12 municipalities in western Serbia from 2001.	Worked with all 18 municipalities in Southwest Serbia. Each year included more local communities.
Unit of intervention: Community definition **MZ vs cluster** **MZ approach proved to have longer lasting effects on individual level and for ultimately strengthening MZ:**	Grouped MZ into larger geographically defined communities (15,000 to 20,000 inhabitants). Capacity building for a smaller number of MZ representatives.	Worked for the most part with individual communities (MZ) (600 –9000 people). Capacity building for a wider range of MZ representatives.	Worked with individual communities (MZ), (from 2002 onwards with more than 1000 people). The best communities got one more project on submission of a long-term development plan – became trainers for new communities. Capacity building for a wider range of MZ representatives.	CCs formed based on administrative and geographical boundaries but not MZ, as well as around issues (app 12,000-14,000 people). Capacity building for a smaller number of MZ representatives.	Worked with individual communities (MZ), from 2003 started organizing them in cluster groups (Krusevac and Prokuplje office). Capacity building for a wider range of MZ representatives.
Use of local community mobilization staff from targeted municipalities and more frequent work with CCs proved to be more effective:	2 offices and Community Support Teams (CSTs) comprising two-thirds of local fulltime staff and short-term local consultants, but not local staff from targeted municipalities.	Used trained Community Mobilization Specialists (CMS) from targeted municipalities to meet with local groups, leaders and work with CDGs, provide expert assistance. Each CMS was responsible for several CDGs.	CHF had the biggest number of local staff (many from targeted municipalities) and 5 local offices and worked more frequently with individual community councils and wider range of citizens than other partners.	IRD had 3 field offices and worked more with heads of Community Committees who were then responsible for engaging other people.	MC had 3 field offices. Community mobilization staff covered 4 communities each and worked with all members of individual CCs.
CC Capacity building: mentoring, learning by doing and developing municipal development strategies or MZ development action plans had longer lasting effects:	An extensive list of trainings in PCM, communication, project related skills and knowledge provided to community boards. There was a rigorous set of by-laws and regulations for CCs. Mentoring in project proposal development.	A considerable number of trainings in PCM, advocacy, project related skills and knowledge provided to community boards. Mentoring in project proposal development. Supported development of municipal development strategies.	The only partner who actually supported development and provided mentoring for MZ development action plans and not just project proposals. A set of training for project proposal development and writing, business plan preparation, financial management, advocacy.	From 2001 to 2004, all CRDA program grantees attended a series of 14 training seminars aimed at increasing their management, marketing and production capacities; 3 training seminars were specifically designed for CRDA micro grantees.	Trainings provided only for special initiatives and project related capacity building. Capacity building mainly built through the regular joint work and TA.

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Approach	ACDI/VOCA	ADF	CHF	IRD	MC
Competition enhanced quality of project proposals and encouraged communities to work together – avoiding sense of entitlement in MZ:	Initially CCs had a predetermined amount of funding. Later CCs proposed three projects in each annual cycle. ACDI/VOCA tried to fund one project in each community but funding was not guaranteed.	Project competitions from the beginning with citizens voting for the best proposal and proposals required to meet ADF technical requirements.	Funded most technically sound projects proposed by each CC.	Cluster organization implied competitiveness.	Mercy Corps instituted a more competitive approach after their first year because of the impression that communities were coming to view CRDA as an entitlement.
Institutionalization strategy – proved to be a crucial factor of sustainability – timely and more complex support (ADF) proved essential for sustainability:	ACDI/VOCA prepared sustainability exit strategy with 3 solutions: 1) Community Development Councils; 2) Citizen Advisory Boards; 3) NGOs. Provided training and expert advice from mid 2005.	ADF supported establishment of 51 Community Development Associations and later a network of CDAs. Provided training support, TA and supported several projects of the newly established Associations.	No institutionalization strategy. Part of municipality graduation process is putting the CCs in touch with national and international donors so they can continue to fund projects once CRDA ceases.	Established 3 types of Municipal Working Groups: Infrastructure and Environment; Economic; and Health, Education, & Social Services. Triggered establishment of permanent citizen advisory boards in local Assemblies working on specific issues.	No institutionalization strategy.
Capacity building to local government and cooperation with SLGRP proved important for sustainability of participatory approaches:	SLGRP worked with LSG to improve budgetary processes, ACDI/VOCA trained local government representatives in public and stakeholder outreach and effective public hearing organization.	ADF trained local government representatives in public and stakeholder outreach and effective public budget hearing and SLGRP continued with financial management.	CHF trained local government representatives in public and stakeholder outreach and effective public budget hearing.	Support to local government only through establishment of working groups and engagement of LSG representatives in these groups.	Direct support only in the CRDA_E stage.

EFFECTS OF IMPLEMENTING APPROACHES

Although USAID encouraged CRDA implementing partners to be creative in applying different approach to community mobilization, the research concluded that there are many common characteristics in CRDA partners' approach as well as several crucial differences

Common factors contributing to sustainability

In addition to the above listed approach-specific factors, interlocutors stressed a number of common aspects of CRDA implementation that had positive effects on citizens participation and government responsiveness:

- **Focus on behavioral change and change of misconceptions about individual inability to influence policy and dependence on government support:** interlocutors are unanimous that the most important change brought by CRDA was at the level of individual citizens who started believing that they could do something to improve their living conditions and con-

tribute to their community revitalization, without waiting for the "higher instances to do something". As one interlocutor stated: "I come from a very patriarchal family, where it was thought that, as a woman, I have no decision-making power and that we (citizens) have to be patient and rely on the authorities to solve our problems. CRDA has thought me just the opposite and completely changed my views and my life."

- **High level of professionalism:** most partners established multiple teams comprising of different profiles of experts engaged full time, expanded by short-term local consultants, international experts and volunteers. They had programs of extensive training for team members and especially community mobilization specialists.

- **Frequent and continuous work with community committees:** all interlocutors that participated directly in CRDA stressed that the teams were always there to provide support, consultations, mentoring, resolve problems and push the processes, but also withdrew when they saw that the capacities were sufficient for independent work – this was crucial for building self-confidence among CC members.

- **Participatory processes**: CCs comprised of volunteers who met on a regular basis to discuss community needs and develop project priorities. In some cases, sub-groups worked on particular projects. Open citizen meetings on an annual or more frequent basis allowed for broad consultations with different stakeholders, preparation of decisions, and negotiation among interest groups, which contributed to the success of the programs. Although most interaction occurred within communities, committees at the cluster level brought citizens together from different communities to discuss shared needs. Through this process stakeholders were "learning" what policy dialogue means and getting prepared for future strategic planning.

- **Learning by doing:** citizens had an opportunity to implement the knowledge gained through training, identify priorities and develop project proposals, lobby with the local government and participate in project implementation and monitoring.

- **Assigning new responsibility to citizens:** brought high motivation to participate. CRDA participatory mechanisms confirmed that when citizens have more responsibility they are also more motivated to invest their efforts in dealing with communal matters.

- **Quick and tangible results:** during the 90 day initial phase each partner started at least 60 projects in 60 communities, selected by the newly established CCs, which gave confidence to citizens and inspired mobilization. However, this approach had its drawbacks – there wasn't enough time to focus on quality of project proposal and competition from the very beginning.

- **Strengthening the role of community leaders:** all partners worked on identifying and strengthening community leaders, which proved to be one of the crucial factors of sustainability of citizen participation and even government responsiveness, when these leaders decided to run for mayor or members of local council or MPs.

- **Focus on results:** many interlocutors stated that USAID approach of focusing on achieving set results was a crucial factor of success. This translates into the flexible, tailor-made approach to program design, taking into account regional differences and conditions, rather than stressing uniformity, especially when the AORs cover economically and socially distinct regions.

Approach-specific factors contributing to sustainability

Based on the research and interviews there were only a few approach-specific factors contributing to sustainability of civic participation:

- **Unit of intervention – local community (MZ) or cluster of MZ – breadth vs. depth.** All partners started their processes by approaching the municipalities to help them select the communities in which they worked to set up CCs. Mercy Corps, CHF and ADF initially worked for the most part with individual communities (MZ). ACDI/VOCA and IRD chose to group MZs

into larger communities in order to ensure equal access to the program. As time went on, Mercy Corps and ADF began emphasizing cluster committees, as this approach allowed them to work in more or even all communities. Working with individual local communities allowed ADF, CHF and MC to access more people in individual local community and provide more opportunity for the wider range of citizens to participate in policy dialogue and gain direct experience through practice. This knowledge had long lasting effect on civic participation because individual activists in local communities continued mobilizing people and maintained effective dialogue with local government. By selecting only several local communities to work with, ADF intended to influence other MZ by showing the benefits of the participatory decision making. Interlocutors stated that this approach provided better results and inspired more communities to join the project or replicate the mechanisms. On the other hand, working with clusters formed from multiple MZs enabled access to more local communities and representation of wider range of interest groups. Positive aspect of this approach was that it encouraged boards to identify projects on a regional level, to address the needs of smaller communities and to benefit larger numbers of beneficiaries. It also avoided creating a parallel structure at the MZ level, as there was an absence of local government citizen councils that brought together multiple local communities. MZ council presidents were not automatically members of the community boards but they were often delegated by the citizens to represent their MZs. The main shortcoming of this approach is that ACDI/VOCA and IRD worked mainly with limited number of representatives of local communities. Another problem was that by attempting to cover as many MZs as possible geographically distant MZs were merged into a single CDC; these communities rarely shared common problems and opportunities[20]. Research results are not conclusive but, having in mind that individual awareness and strong community leaders and activists had an important effect on sustainability of participatory processes, it seems plausible to assume that the in-depth approach produced longer lasting effects because it raised awareness and built capacities of more people in one local community.

- **Embeddedness of implementing staff in local communities.** Interlocutors expressed more satisfaction with the work of those partners who used Community Mobilization Specialists from targeted municipalities (e.g. ADF, CHF) since they had a better understanding of the local context and a better approach to different stakeholders. They were also more satisfied with those partners that had a more direct and frequent presence in the field and the grassroots (like CHF) than those that had a more corporate top down approach (ACDI/VOCA).

- **Approach to CC capacity building.** Partners who built CCs capacities for strategic planning and not only for project proposal writing and management ensured long-term effects because it helped MZ and citizens to develop capacities for strategic thinking and planning – that were crucial after the end of CRDA. CHF was the only partner who supported local communities (MZ) to come up with local MZ development action plans and not only project proposals. These action plans were regularly revised and served later as excellent basis for negotiation with the local government after the end of CRDA. Some partners supported development of Local and Regional Development Strategies. Other partners combined extensive training and mentoring (ACDI/VOCA, ADF, IRD) while Mercy Corpse provided trainings only for special initiatives and project related capacity building. **Competition.** Interlocutors agree that competitive approach in project selection, which stimulated communities to work together to produce the best proposals, enhanced participation and reduced the threat of donor dependency. [21] **Simultaneous sup-**

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20   This was the case in Merc Corpse Krusevac AOR. As a result the Regional CC rarely met outside of required meetings with Mercy Corps. Thus, the CDCs never developed institutional capacity to become focal points for regional development.

21   Mercy Corps initially had pre-established fixed budgets for CDCs (and municipalities) within which to identify and manage project implementation. In the later stage in Krusevac and Prokuplje AORs CDCs began to compete on a regional level for projects within their AOR, while Novi Pazar allocated fixed budgets to each CDC. As a result, although Novi Pazar formed significantly more CDCs, they implemented fewer and more shallow projects overall than in Krusevac or Prokuplje. ACDI/VOCA used a competitive approach for all projects after initial predetermined amounts allocated for each cluster: the CCs would propose three projects in each annual cycle and ACDI/VOCA tried to fund one project

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port to citizens and local government: the focus of CRDA intervention was on citizens and building their capacities to participate in policy dialogue. However, ACDI/VOCA, ADF and CHF targeted local government representatives with the training in public and stakeholder outreach and effective public budget hearing and cooperated with SLGRP. As a positive example, we can point to developments in ACDI/VOCA's region where some municipalities appointed officials to be liaisons with the CCs (still exists in Paraćin). This approach of targeting both local government representatives and citizens proved to be one of the crucial factors of sustainability because it simultaneously target different stakeholders and elements of the local decision-making process.

Common factors restraining sustainability

Research discovered several common restraining factors in partners' approach

- **Establishment of parallel informal structures (CCs) and lack of in-depth analysis of the existing system and historical legacy.** There was no evidence that USAID performed a thorough analysis of the existing system and although the legacy of socialist self-government could have provided certain grounds for development of new forms of civic participation, there was no evidence that it was taken into account during program design. In spite of the fact that majority of the interlocutors believe that at that particular moment it was necessary to establish parallel structures in form of informal citizens' groups in order to boost citizens' participation, others believe that direct involvement of MZ representatives and strengthening their capacities from the start would have made a bigger difference and ensured better sustainability. Hence, it is reasonable to conclude that civic participation would have had better chances to sustain had CRDA opted to work through existing structures and chosen to strengthen MZ.

- **Lack of mechanisms for monitoring government policy and budget processes after the program.** Based on the document analysis and the interviews it is clear that CRDA did not work on establishing oversight mechanisms for monitoring government policy and budget processes, which undermined sustainability of these mechanisms. Even when some of the mechanisms became legally obliged, only constant monitoring would have contributed to the quality of these processes.

- **Focusing only on one stakeholder in the policy cycle (citizens):** building capacities for citizen participation in political and economic decision-making was not sufficient for sustainability. In the towns where CRDA partner did not work on building local government capacities to accept and organize participatory processes (through trainings and practical learning by doing), citizens had much bigger problems to ensure cooperation and support from their local government after the end of CRDA. Although there was a complementary SLGRP project targeting local government and administration structures, it required better coordination with CRDA activities, so that both elements of the process (government and citizens) are targeted simultaneously.

- **Lack of focus on establishing supportive legal framework:** CRDA did not focus on changing respective legislation framework or working with national government to ensure supportive legislative framework that would have ensured better sustainability of participatory processes. The initial hypothesis was that strengthening local communities and boosting citizen activism would be enough to establish democratic processes at local level and that other donors (e.g. EU) would continue providing support in that direction. Also, the complementary SLGRP project was supposed to provide enabling legislative environment, However, that happened much later and with the end of the project and donor financial support, local governments had very little incentive to continue with participatory and transparent processes.

- **Little or no focus on CSO institutional development (capacity building fro advocacy and sustainability):** proved to be detrimental for sustainability of participatory processes. As one of the interlocutors stated "strong civil society is a vehicle for maintaining democratic processes".

in each community, but funding was not guaranteed. Mercy Corps also instituted a more competitive approach after

their first year because of the impression that communities were coming to view CRDA as an entitlement.

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- **Shift from CRDA to CRDA-E:** brought a decline of civic participation as it was not a participatory decision, and it was opposed to the whole logic of the program which fostered citizen participation. According to the interlocutors and final evaluation, many of the communities that joined the project later, were waiting for their priorities to be supported through CRDA, which never happened due to the shift in focus. Interlocutors stated and final evaluation confirmed that CCs completely lost their role and were mainly abandoned after the shift, or partially integrated in the local economic development councils, offices.

- **CC focus on project proposals rather than budget oversight:** according to the key informants and project documentation, CCs were mainly trained to identify local community priorities and prepare good project proposals. They were not helped to oversee implementation of the municipal budget other than within sphere of their own priorities.

- **Obligatory co-financing for municipalities:** This factor had both positive and negative effects. Most of the interlocutors at local level stated that this motivated local governments o include citizens because that was a necessary precondition for receiving much needed funds for investments. However, the hypothesis that this meant establishing real partnership and ownership of the participatory process from the local government side, proved wrong, as local governments often abandoned the participatory approach when donor support ended. This was confirmed by the interlocutors.

Approach-specific factors restraining sustainability

Finally, there were modus operandi factors that made individual partner's approach less effective and sustainable:

- **Length of the process.** All the interlocutors share undivided opinion that CRDA ended too soon and too abruptly with activities supporting citizen participation, without proper follow-up. As to individual partner's approach: ACDI/VOCA started with 12 biggest towns in their region and in years 2 and 3 added more. IRD and ADF in Vojvodina worked with same municipalities and communities for the length of the CRDA project (ADF was given 12 additional municipalities in Eastern Serbia in 2004). Mercy Corps worked with same municipalities but added new communities to the same CC. Based on these cases it is clear that municipalities that joined later did not benefit from this experience to the same degree, as they did not have time to improve their learning curves and establish durable organizational legacies. CHF is the only exception: they worked in communities for 1000 days, and then "graduated" them out of CRDA and started with a new group. CHF continued working with the most successful graduated communities by using them as resources for the new communities. The advantage of this approach is that communities had known from the start that they had a limited amount of time in CRDA and that CHF planned to monitor graduated communities after the program officially ends.

- **Planning for sustainability of civic participation mechanisms** There were several problems identified by the interlocutors: there was no sustainability strategies from the start of the program. They were tailored towards the end of the programs with different approaches and successes. Although CRDA did not intend to make CCs sustainable it turned out that the exit strategy and institutionalization of participatory processes played an important role. IRD encouraged the CCs to work with municipalities to form permanent working groups on a variety of municipal issues. While these working groups became the main vehicle through which the citizen participation in local economic development and cooperation among citizens and local governments was institutionalized, IRD continued efforts to strengthen these groups by bringing the additional expertise to achieve economic development objective. In CHF's AOR, part of their graduation process consisted of putting the CCs in touch with national and international donors so they could continue to fund projects once CRDA ceases. Many CC members planned to run for public office. Institutional legacy can be found in local community committees (saveti MZ). It is interesting to analyze the difference between the ADF and ACDI/VOCA approaches. Both partners prepared a detailed institutionalization strategy with ACDI/VOCA

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designing a three-

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phase sustainability strategy for community boards with 3 different scenarios and ADF came up with only one. Both partners provided extensive training to newly formed NGOs in advocacy and fundraising, in generating public and media interest in the community development activities. However, in case of ACDI/VOCA they did it from mid-2005, while ADF started with establishment of Local Development Associations in 2004, giving them sufficient time to support the newly established organizations through several projects, in order to position themselves as relevant partners to local administration and local CSOs. This proved to be crucial for sustainability of the Bačka Topola Development Association, which was not the case of Paraćin Centre for Sustainable Development.

KEY FINDINGS

Comparative analysis of these five municipalities provides strong support to the hypothesis that the development and evolution of particular forms of civic participation was dependent on a variety of historical, political, economic, social and cultural factors, but *particularly* on the specific approaches and 'modus operandi' of the different implementing agencies.

The most important **municipal/ community factors that were supportive of sustainability** were:

- Pro-democratic and ambitious political leaders or political leaders with a civil society background.

- Presence of strong local community leaders.

- A legacy of civic participation.

- (To a certain degree) the legislative framework regulating budgetary procedures that ensured sustainability, but not the quality, of some mechanisms.

The key **municipal/ community factors restraining sustainability** were:

- Political factors: discontinuity of participatory processes after local elections, party interests come before citizens' and community interests, authoritarian decision-making, political divisions which prevent cooperation.

- Institutional factors: the legislative and institutional framework does not sufficiently institutionalize new, participatory mechanisms and processes, including delayed and inconsistent decentralization, local communities (MZ) losing autonomy and decision making powers and human resource management at the local government level.

- The economic crisis and the poverty level of individual citizens.

- Declining civil society capacities and civic activism.

- Lack of knowledge of citizens' rights and obligations and general low level and value of education.

The most important **factors in the CRDA approach that were supportive of sustainability** were:

- Focus on attitude change and change of misconceptions about the ability of individuals to influence government policy

- Strengthening the role of local community leaders.

- Learning by doing: CRDA provided models of consensus building and actual practice in consensual decision-making processes.

- Assigning new responsibilities to citizens brought a high level of motivation.

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- A project management approach: focus on results and flexible, tailor-made approaches; a high level of team professionalism and adequate allocation of resources.

- Frequent and continuous work with community committees, participatory consultative processes with a wide range of stakeholders in all phases.

- Some partners provided coordinated support to both citizens and local government

The **key CRDA approach factors restraining sustainability of participative processes** were:

- Sustainability of civic participation mechanisms was not planned from the start (some partners started addressing this issue more or less successfully in the last phase of project implementation).

- Establishment of parallel informal structures (CCs) and a lack of in-depth analysis of the existing system and historical legacy.

- Lack of established mechanisms for monitoring government policy and budget processes.

- Focusing only on one stakeholder in the policy cycle (citizens).

- Lack of focus on establishing a supportive legal framework.

- Little or no focus on CSO institutional development.

- Abrupt and premature end of support to participatory process without ensuring their main-streaming and follow-up.

- CC focus on project proposals rather than budget oversight diminished their capacities to pre-form oversight function after the end of CRDA.

LESSONS LEARNED

Based on this in-depth study, the following lessons learned and recommendations should be taken into account for any future programming:

- Citizen participation depends primarily on the awareness and commitment of local politicians and capacities and enthusiasm of community leaders. Improving the demand and supply side of the process is crucial to its sustainability.

  o It is recommended that the focus be on raising the awareness of and building the capacities of Mayors, their teams and members of local councils to embrace and support participatory processes and understand the benefits it brings.

  o It is also recommended that a focus be given to enabling local community leaders to participate in wider community affairs, mobilize citizens and actively engage with local governments.

- Using parallel systems and establishing informal citizen groups may be a good vehicle for citizen mobilization, but it does not ensure sustainability of participatory processes beyond the intervention.

  o It is recommended that a focus be given to strengthening existing structures and mechanisms, together with consideration of the introduction of new, formal mechanisms to ensure citizen participation in policy dialogue through:

    – Assessment of existing formal mechanisms envisaged to provide citizen participation and provision of support for their improvement.

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- – Assessment of informal mechanisms and processes and provision of support for their strengthening.

- – Provision of support for institutionalization and mainstreaming of newly established mechanisms and processes.

   o It is recommended that this process be supported over the medium to long term (minimum of 5 years), as it is critical that the change process carries through to the institutionalization of the mechanisms and practices.

- Targeting only certain stakeholders in the policy process, or targeting them independently and in an uncoordinated manner, does not have a positive effect on participatory processes.

   o It is recommended that a funded initiative address all stakeholders in the policy cycle at the same time, in a well-coordinated manner, as well as during all phases and with all elements of the policy cycle at the local government level: citizens, CSOs, private sector, public institutions, local communities, municipal administration, municipal government (mayors and local council), municipal assembly

- The unfavorable legislative and institutional framework threatens the quality and sustainability of participatory processes.

   o It is recommended that a funded initiative provide support to both the revision and implementation of respective legislative and institutional frameworks by:

   - – Providing technical assistance and lobbying for continuation of the decentralization process and greater policy autonomy of local government.

   - – Assessing the shortcomings of the current policy planning and budgetary procedures (particularly programmatic budgeting) from the perspective of citizen participation and providing recommendations for revision – the underlying intent of this enabling legislative framework is the establishment of simplified and efficient procedures and inclusion of both sanctions and incentives.

   - – Providing assistance for strengthening relevant legislation implementation control and oversight functions.

   - – Providing assistance to improving human resource management and institutional development in local self-governments, and focus both on local administration employees and the political leadership of the municipality to strengthen their acceptance of and long-lasting support to all newly established processes and mechanisms.

   - – Providing assistance to improving processes, skills, knowledge and attitudes of key actors in all tiers of government regarding citizens participation and governance responsiveness.

   - – Advocating for bigger transparency and encouraging and supporting use of social media and ICT in local administration.

- The current electoral system provides space for party interest led decision making processes that disregards the interest of citizens and local communities.

   o It is recommended that USAID consider supporting reform of the electoral system to provide for direct election of mayors and MPs.

   o It is recommended that any focus here included strengthening of local Assembly representative and oversight functions.

- Civil society organizations should play a more active role in policy dialogue, oversight of policy and budget implementation, advocacy and citizen mobilization. Currently most CSOs have very

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limited influence on local government budget allocations, mainly through applying for budget support for their project activities. Strong CSOs can positively influence participatory processes and government responsiveness.

- o It is recommended that USAID invest in further improving legislative and strategic framework related to civil society organization to facilitate better financing from the national and local budgets.

- o It is recommended that USAID strengthen CSO capacities to participate in and perform oversight of policy and budget making processes, to avoid pro forma processes, through establishment of networks and coalitions of CSOs, building CSO capacity to monitor policy and budget execution. These coalitions would lobby, and hold government accountable for the implementation of policies.

- o It is recommended that USAID strengthen CSO capacities to engage in mobilizing and providing support to citizens to participate in policy dialogue and public hearings.

- o It is recommended that USAID support establishment of government/private/civil sector partnerships to better respond to identified priorities, and strengthen citizen participation on a range of issues

- The key strengths of the CRDA program were its focus on long term objectives, its flexible and tailor-made approach, its high level of professional expertise, its use of local expertise and local activists for community mobilization, its grassroots work with citizens, its participatory consultative processes with a wide range of stakeholders in all phases of the project, and its capacity building that included training, mentoring and learning by doing.

- o It is recommended that USAID make use of CRDA's successful approaches to improve civic participation and government responsiveness, and to focus on the further development of these approaches, adjusted to the current situation.

- o It is recommended that USAID plan for sustainability of civic participation mechanisms from project initiation.

- o It is recommended that USAID combine the best of two approaches: working with local community (MZ) and clusters of MZ – without abandoning the MZ level approach.

- o It is recommended that USAID provide citizens with opportunities to become engaged again and to again sense that they really can contribute to the revitalization of their community.

- o It is recommended that USAID address the needs of vulnerable groups in order to enable their direct participation.

- o It is recommended that USAID design youth focused participation activities.

- Citizens are not aware of their rights and obligations, there is a general lacking of the values of philanthropy, participation, accountability and responsibility, transparency, low level and value of education, hidden and open discrimination.

- o Maintain a focus on developing social capital and cultural capital by:

  - – Providing support to improving formal civic education curricula.

  - – Providing support to CSOs to provide informal civic education, tolerance and democratic values and awareness raising campaigns.

  - – Special attention to youth and vulnerable groups in civic education and tolerance.

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ANNEX 6

DETAILED STUDY 4: FUND FOR SUPPORT TO GRASSROOTS INITIATIVES

OBJECTIVE, HYPOTHESIS AND METHOD

The objective: to explore what the effects were of the small, grassroots grants, provided by BCIF/Trag, on the sustainability of local civic initiatives and citizen mobilization in local communities. This research aims at exploring and explaining how the simultaneous impact and sustainability of BCIF/Trag, as a mechanism for support to grassroots forms of citizen participation, and the impact and sustainability of these grassroots forms in local communities are interrelated, reinforcing each other and providing a complex form of intervention in fostering citizen engagement.

Hypothesis: A fund specifically dedicated to support small, civic grassroots initiatives for local, development-related actions is of particular significance to civic participation. This significance is due to:

• The otherwise greater difficulties found in approaching more complex funding sources.

• The focus of these smaller, civic, grassroots initiatives on implementation of changes tailored to the interests and needs of citizens.

• The greater potential for sustainability due to local ownership.

Unit of the analysis, sample and rationale: In line with objectives and hypothesis, this research was conducted on two types of units of analysis:

1) the BCIF/Trag Foundation for support to grassroots initiatives **as single mechanism** of support to citizens participation,

2) set of grassroots initiatives (5) that represent small-scale mechanisms of citizens participation in various forms: citizen mobilization and advocacy, protection of human rights of different groups, improvements to social services, environmental initiatives, local manifestations.

BCIF (today the Trag Foundation) is a fund that was an implementing partner in CSAI for funding grassroots initiatives through five different programs between 2006 and 2013. A phone survey was conducted with the objective of mapping grassroots initiatives and identifying the effects, several years after the CSAI program, of the small grant support initiatives received. BCIF supported 158 initiatives (one organization could have more initiatives or projects). 37 organizations responded to the survey, of which five were selected for an in-depth study. Selection of the initiatives was informed by the responses obtained in the mapping survey, according to a criteria of thematic and geographical diversity, although it is noted that more organizations were approached with a request to be interviewed, and five did not respond. The organizations that were interviewed present a mix, in terms of the themes of their activities, the number and complexity of initiatives, the level of success of the initiatives, the sources of funding and the current situation.

Data collection methods: interviews with members of BCIF/Trag Foundation; five phone (of which one Skype) interviews with representatives of grassroots initiatives who were awarded BCIF grants.

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Informants:

- 3 representatives of BCIF/Trag Foundation.
- 37 local organizations whose initiatives were supported by BCIF grants.
- 5 representatives of local organizations whose initiatives were supported by BCIF grants.

The organizations that were included in the case study are local organizations (Velika Plana, Sabac, Priboj, Zagubica, Cajetina) that received grants from BCIF programs, as well as other grants under CSAI. Of the five organizations studied, three can be considered to be a medium to larger organizations, one is still a small local initiative, active in the environmental field and one organization has not succeeded in accessing sustainable funding and is struggling to remain active.

CONTEXT OF THE INTERVENTION

In the period after October 2000, when CSOs played an important role in ousting the Milosevic regime and installing a democratic political system, civil society started to gain a recognized role for its influence on governance processes and on key political and social issues. These changes gave inspiration and hope to citizens to again start actions aimed at change in their communities. The population of Serbia was generally impoverished and excluded from decision-making (except for a small elite), political reforms were centralized and reached citizens only slowly. With the low level of trust among citizens in more traditional local communities, a general negative perception of non-governmental organizations, reinforced by the media ("enemies of the Serbian nation" as one respondent cited), a negative sentiment towards Western donors, and with a high concentration of resources in Belgrade-based organizations, it was difficult for local level activists to gain support for actions aimed at changes in their communities. The lack of a strategic approach, in how to empower and promote citizen participation in addressing concerns, in the decision-making process, and in how to enter into a productive relationship with local government and community institutions, was a major problem that the CSAI program was intended to address.

In 2006, the USAID-funded Civil Society Advocacy Initiative (CSAI) began, with the aim of supporting Serbian civil society in its ability to influence public policy, serve as a watchdog of government and conduct sustained advocacy campaigns on a wide variety of reform issues.

Under the program, the Balkan Community Initiatives Fund (BCIF) was contracted by the Institute for Sustainable Communities (which was the USAID/CSAI implementing agency), to provide assistance through innovative, original and advanced programs for local communities throughout Serbia. It was already in the BCIF's theory of change that locally-based initiatives, enabling citizens to make a difference in their communities by mobilizing over issues ranging from the cleaning of rivers and illegal waste dumping sites, to the revitalization of school yards and playgrounds, to advancing human rights in their communities, would spur the development of active and stable local communities, leading eventually to an overall stronger civil society and democracy in Serbia.

Over the seven years of CSAI, BCIF provided targeted support to grassroots initiatives and active citizenship via several sub-grant programs within the CSAI objectives:

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1) *Grassroots Advocacy Grants (GRAG)* for small community CSOs and informal groups: 57 CSOs received grants in amounts between $3,000 and $5,000, totaling $247,294.42, participated in Grantee meeting to promote the program and facilitate networking of supported CSOs.

2) *Advanced Community Advocacy Program (ACAP)* for mid-capacity CSOs to engage in community advocacy efforts – 27 CSOs received grants between $7,500 and $15,000, totaling $445,051.74 and 11 advocacy trainings.

3) *Proficient Community Advocates Program (PCAP)* supporting CSOs efforts in budget advocacy through grants of approximately $12,000. 7 CSOs received $95,408.00 as well as three training initiatives in budget advocacy

4) *Green List of Serbia (GLS):* establishment of a unique network of grassroots environmental organizations in Serbia that formally registered as a coalition in 2013. BCIF granted members of the GLS with 49 grants totaling $170,001.61. Additionally, BCIF, together with Young Researchers of Serbia, provided nine training sessions in campaigning, advocacy and strategic planning, and five orientation meetings for GLS members. This initiative was recognized as contributing to genuine grassroots work, as it resulted in significant civic engagement throughout country.

5) *Successful Fundraising (SF)* intended to challenge a select group of existing grantees to raise funding from individual, corporate or state sources that would be matched by BCIF, changing the fundraising strategies for CSOs. Seven CSOs were supported with grants totaling $36.097.91, together with three training sessions, 45 technical assistance and consultation services and 6 monitoring visits. This innovative approach was appreciated by respondents, as it matched private donations in a 1:1 ratio, which motivated further fund raising from other donors, including the business sector.

BCIF implemented a transparent and fair grant awarding process. For all programs there were distinct procedures and rules for providing support for advocacy efforts. The process had several phases, beginning with public calls for proposals for projects that were then evaluated in an objective and transparent procedure, according to a clear set of criteria. Among other requirements, proposed projects needed to specify activities of empowerment, and the promotion of citizen participation in problem-solving and decision-making in the community, and to demonstrate the potential to change policy, practices, procedures, rules or funding at the level of public institutions, and in this way improve the quality of the lives of citizens. Selected projects were further developed with technical assistance provided by BCIF professional staff, in training modules that assisted in transforming initial proposals into a final project. Finally, awarded projects received ongoing technical assistance throughout their implementation, from BCIF and its external consultants.

Through these programs, BCIF provided 151 grants totaling $958,497.52. Along with the grants, BCIF provided tailor-made capacity-building to grantees, including technical assistance and consultations, training sessions, orientation meetings, mentoring, promotional visits, facilitation and networking and also invested efforts in monitoring grantee projects.

Following CSAI, BCIF/Trag continued to strengthen CSOs skills in achieving long-term sustainability and supporting grassroots level initiatives, in its role as a local capacity-building provider and grant-maker, under the USAID-funded Civil Society Forward program, awarding 34 grants, targeting sectors such as community advocacy, social services and social entrepreneurship.

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IMPACT OF THE FUND AND GRASSROOTS INITIATIVES

IMPACT OF GRASSROOTS INITIATIVES

According to project documents, the anticipated results from the grassroots projects included: more than 1320 activities and leaders from 239 CSOs trained in the principles of advocacy and effective citizenship, provision of the legal and policy reforms needed to enable the environment for CSOs, and support to numerous initiatives based on advocacy campaigns and on social and economic rights, government accountability and the environment. These results appear to have been reached in many cases.

Program documents, interviews, and surveys describe results that can be roughly divided into three types of impacts: 1) general civic engagement and mobilization; 2) improvements in specific reform thematic issues; and 3) improvements in organizational capacity.

A general impact was the fact that these grants appear to have sparked some level of engagement. Citizens were mobilized, often for the first time at the local level, on issues such as budgets, planning, environmental protection and so on. Projects and initiatives in remote and rural locations in Serbia got funding through BCIF, while it also provided a platform for dialog and networking.

Furthermore, data suggests that grassroots advocacy programs placed CSO organizations and their members, as well as citizens, some for the first time, at the forefront of political discussion, at least at the local level. These organizations had a chance to educate, and to engage, membership, with information that directly impacted on their communities, and to innovate and have a positive impact on the policies and practices in their sectors. In many communities, members had an opportunity to communicate directly, without filters or watering down their personal message and thoughts, having learned about governance and decision-making processes at the local level.

Thematically, the grassroots initiatives specifically identified improvements in areas such as:

- New and/or improved social services, particularly for youth with disabilities and the elderly, including an increase in the volunteer base ("Youth for Elderly").

- The LGBTI population.

- Women's economic empowerment and increased women's participation in decision-making, particularly by rural women.

Finally the program has had a positive impact on the capacities of CSOs who were beneficiaries of grants. Grantees speak about the improvement of internal organizational capacities that also brought them stability. They specifically mention:

- Expertise and professionalism.

- Improvement of their lobbying and advocacy capacities.

- Increased outreach to citizens and better mobilization for action, including volunteering.

- Improvement in raising awareness on human rights issues and a decrease in discriminating practices.

- Improvement in partnerships.

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Increased capacities to influence legal and institutional changes.

• Better public services to citizens, better capacities for fund raising and income generation.

• Improved status of the LGBTI population.

• Cleaner environment and upgraded public space.

1.3.2. IMPACT OF THE FUND FOR SUPPORT TO GRASSROOTS INITIATIVES

Under CSAI, BCIF funded a total of 158 projects across Serbia. Although this number might not seem significant, it is important to remember that according to the Center for the Development of the Nonprofit Sector, there were only 1,935 active NGOs in Serbia – out of over 20,000 registered – at the beginning of 2005[1], which means that roughly 10% of active NGOs were included in the advocacy capacity-building support scheme.

Furthermore, BCIF initiated formation of a coalition in the area of environmental protection, where citizen activity had been extremely low prior to the start of the program. The Green Initiative coalition succeeded in mobilizing 12,000 citizens from 14 communities in Serbia, who collected more than 74 tons of waste. Also, the Green List is a formally registered coalition of environmental organizations in Serbia, with the majority of organizations originally gathered still active at the local, regional and national levels.

BCIF has facilitated development of capacities in some new areas such as Sexual and Reproductive Health and HIV-prevention and protection, as well as LGBTI-targeted support and services and gender equality.

SUSTAINABILITY OF THE FUND AND THE GRASSROOTS INITIATIVES

SUSTAINABILITY OF GRASSROOTS INITIATIVES

How the different impacts described have been sustained is the key focus of this in-depth study.

The general data from the survey suggests very positive results. Overall, of the 37 organizations that implemented projects, 34 (92%) reported that the results of their initiatives are still sustained. Among the remaining three, one was focused on affirmation of the creative potential of high school students, one on setting up a center for combating violence against women and one on the establishment of a publicly-funded counseling service for rural development.

These positive results, however, require some contextualization. In a closer look at five very different organizations, we first see what was achieved at the end of the grants and then we look at what is still present. From this we see that sustainability is manifested in different ways.

Women in Action from Velika Plana was established in 1999, inspired by changes in the political environment. After registering as an NGO, they started with small-scale activities, advancing gender equality, not even sure what activism was possible in a community of 50,000 people where there was very little citizen participation. In its long history of work, the organization has had numerous funding supports but mostly small scale. It has worked with various organizations such as Civic Initiatives, was a member of the Astra network for

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1   CRNPS Directory 2005, as cited in Final Evaluation Report on CSAI, 2013.

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providing support to victims of trafficking in women, were funded by the Open Society and ECHO to provide psychosocial support to refugees and also worked with the Reconstruction Women's Fund for gender-based violence and with the Friedrich Herbert Foundation for establishing referral mechanisms at the local level to respond to gender-based violence.

The funding from BCIF was valuable and was received under more than one call. It fitted their needs and there was no conditioning as to the type of projects, but rather the funding supported their work and contributed to overcoming gaps in their capacities. The funding opportunity was visible and accessible as the information was available on all networks and in printed media. The project implemented under the BCIF grant assisted in improving the functioning of the SOS help line, offering direct support to women victims of gender-based violence through legal and psychological counseling, self-help groups and creative workshops. It is noted that the local Municipal Council had only male members, and the SOS help line was the first project addressing gender-based violence and gender equality, as well as building awareness on the need for an SOS help line. The SOS help line was provided, as an additional service at the local level, by this Municipal Council. This initiative and consequent advocacy also contributed to the establishment of a Gender Equality Commission, as well as ensuring that this commission be part of the local governance system. The last project was indeed the most ambitious and financially the largest, aiming to establish a center for support to victims (of violence, reintegration, etc.). Although the center did not succeed in becoming sustainable after the project ended, results of the projects are visible as it has influenced changes to the legislation providing for prosecution of perpetrator of domestic violence or provision of basic services.

The Rainbow Association from Sabac was officially established in June, 2004, first as an enterprise, and then in November 2009, re-registered under the new law on registration of citizen associations. *Rainbow* was founded by LGBTI persons to improve the quality of life for the LGBTI population. After five years of work, and with increases in their capacities, Rainbow entered into service provision, in addition to being active in the policy arena. After the re-registration they changed their approach towards more programmatic work in several sectors, with an overall focus on supporting the LGBTI community in achieving their rights and accessing needed services. The Rainbow Association has a president of the Assembly, 5 members of the Managing Board, 5 coordinators of program boards, 8 external co-workers and 39 members. Its first programs focused on work directly with the LGBTI community, providing health and social services and reducing discrimination and violence against individuals. Most of these programs are still ongoing. Rainbow is active in Sabac, as well as in surrounding municipalities. Aside from the local funding from the municipality where they work, Rainbow has managed to access some of the large UN global funds, such as the Global Fund to Fight AIDS, Tuberculosis and Malaria (GF), their largest project support, to set up drop-in centers in four communities.

The BCIF grant supported advocacy for respect of the human rights of the LGBTI population, provided training and capacity-building for social entrepreneurship, and indirectly led to accreditation of their social program. This helped the organization to gain recognition in the community and more widely. Today they are able to sustain their work by having funding from different sources, while 50% of the income generated by the hostel they run is invested in the Association's prevention services related to HIV. Rainbow has found its specific niche,

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become a significant player locally and nationally for the LGBTI community, and for HIV and Aids prevention. Rainbow has certainly created a platform and space for the LGBTI population to engage in dialog with authorities and have their voice heard.

The **Zlatibor Circle** organization was established in 2001, as an initiative of a Belgrade-based activist, with the overall goal of improving the quality of life in the local community, and more specifically, targeting women in the rural area to improve their lives, and to include them in decision-making processes in the municipality. A later focus was on young persons, and particularly young persons with disabilities, and a further focus on elderly people. This has been the organization's constituency since its beginning. Today, the organization has 14 permanent members and a coordinator of young and adult volunteers, as they provide a social volunteering service. Cajetina is a municipality located in South-Western Serbia. It has about 15,000 inhabitants living in 23 local communities (mesna zajednica – MZ) which also include settlements on the mountain of Zlatibor. At the time Zlatibor Circle was founded, the general community perception of Serbian NGOs was extremely negative, while today Zlatibor Circle is a key actor in the local community, having achieved significant improvements in the lives of citizens, particularly rural women, children and young people with disabilities, and elderly people. Under the 2014 Law on Social Services, Zlatibor Circle is licensed (with a temporary license due to the insufficient number of fully qualified professionals) to provide social services to elderly people in all 23 MZs (a gerontology service), as well as setting up and running a day center for children with disabilities. Zlatibor Circle also provides other types of support (health, psychosocial, economic) to women in rural areas.

Zlatibor Circle implemented three projects under the BCIF granting scheme: an environmental project, a project funded under the advanced community advocacy program aimed at the establishment of a gender equality body within the local government and the project *Youth for Elderly* – a public campaign to create local strategies for the elderly (CSAI AP grant in 2010). The results of the projects are still visible – the gender equality committee is fully functional, the local public campaign contributed to improved services for elderly citizens in the community as reported in the survey and confirmed in phone interviews. Cajetina even featured in the Serbian press, as a community reporting an increase in the birth rate which is directly connected to the regular budget allocations for support to families with children. The knowledge and skills received through the advocacy training, as well as the mentorship of and cooperation with BCIF staff throughout the implementation period, are all indicated to have contributed to the success of these projects. In addition, as an added value, Zlatibor Circle still has contacts with and feels connected to the other organizations that participated with them at the training; as a group that can continue sharing knowledge and experience and that can also apply and implement programs together.

Agronomic Center Priboj was established in 2004, based on the perceived need for resources and an expert center for the education of farmers in Priboj and surrounding communities, with the aim to create a more profitable production of healthy and organic food, as well as to support the development of rural eco-tourism in Priboj and the surrounding areas. Although it was a fairly new and inexperienced organization, as a result of the founder's previous experience in FAO programs, Agronomic Center Priboj had excellent insight into the needs of farmers and the local community. Immediately upon its registration, the organization gained access to donor funding, firstly to FAO grants and later to cross-border EU funds.

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Initially the organization had 18 active members, at the height of its work in the community it had over 100 members, but counts around 40 active members, mainly farmers paying membership dues of between 4-5 Euros, which the organization uses to fund its field work.

The specific funding from BCIF was awarded to the organization for conducting public discussions and lobbying Municipal Council members and working groups to influence a decision to establish a counseling service for rural development at the municipal level. However, the initiative did not succeed in securing funds from the Ministry of Agriculture, due to the lack of support from local governance structures. Despite demand for its assistance, the organization's functioning today depends on income generated from farmer payments for expert services, which is insufficient. Much like Rainbow that has found its niche, Agronomic Center is a technical resource in the field of agriculture. Although not completely successful in terms of fundraising, it is successful in addressing the needs of local communities (specific need for technical advice for agriculture). Knowledge sharing is the key of the organization's work, it empowers citizens by providing technical advice and creating a potential critical mass of beneficiaries that will be empowered to demand their rights and hold the government accountable.

The Bicycle Hiking Society "Lisac", a significantly smaller organization than the others that were studied, is a citizens' association based in the small municipality of Zagubica in eastern Serbia, focused on promotion of a healthy lifestyle for nature enthusiasts through hiking and bicycle riding, as well as mobilization of citizens in protection of the environment. Lisac was established at the end of 2007, and the BCIF grant was the first funding they had received for their activities. The organization was established by a group of 12 enthusiasts that loved biking and hiking and wanted to do more to ensure that the people from their community, in particular children, had areas to play in and enjoy. Lisac received BCIF grants on a number of occasions during the implementation of CSAI, and most significantly immediately after the establishment of the organization, first to support work on the construction of a green area, a park, in front of the municipal Health Center, which in turn positioned them well to receive small co-funding from municipal authorities. The second grant was given at a later stage, to support the organization's participation with the Green List Coalition in a series of activities undertaken at regional and national levels.

The aim of both projects supported through the BCIF grant mechanism was to enhance the organization's capacity to cooperate with Zagubica municipal authorities, as well as to mobilize citizens to participate in environmental actions and to motivate greater citizen participation. These activities were successfully implemented and although the organization currently does not have any funding available, aside from the income generated from the rental of the bicycles which were bought with the funding from the municipal authorities in 2012, the results of their work are still visible, in particular in terms of the park which is still in a very good state, with existing play equipment for children, and which is regularly maintained by the Health Center.

This is a good example of a small initiative led by ordinary citizens that grew into an organized association but kept their original goal and purpose of promoting healthy lifestyles and protecting the environment. Some their initiatives were never meant to be big, but rather to inspire other small-scale actions in the field, which Lisac seems to have done, as it has partners in other municipalities, is a member of the Green List, and is part of the tourist association, among other things.

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The research found a number of diverse ways in which small, grassroots organizations provide sustainability and sustainable effects of their action in the local communities. The following forms of sustainability were found:

Gains remain in terms of thematic issues

The example of Women in Action from Velika Plana demonstrates that sustainability should be considered in relation to whether the issue of concern is still being addressed, even if not by the organization initiating discussions/ actions. In this case, legislation assisting victims of domestic violence, put in place during the time of the project, is functioning, and is a legacy of the earlier efforts that were undertaken.

Thematic issues have been embedded in community and local government mechanisms

The example of the Third Zlatibor Circle demonstrate the ideal of local ownership of initiatives – from the support for the elderly to support for families – which are a combination of community and local government working groups.

Continuation of citizen empowerment in issue areas

The Agronomic Center Priboj highlights the legacy of citizen empowerment. Its provision of technical assistance is linked to citizens being able to further their own demands for accountable government.

A positive example of empowerment and engagement is replicated

The Bicycle Hiking Society "Lisac" highlights the point that not all actions or organizations have a long-term need or perspective. However if such actions are a 'demonstration effect' for others, the legacy of such initiatives continues.

Thematic issue focus continues through different organizational composition

An organization can continue its efforts on an issue area in various ways. The Rainbow Association's shift towards social enterprise provides an interesting example of how an organization and an issue area can be combined, to continue addressing objectives.

Networking for increased sustainability and impact

There are also examples of increased sustainability and effects due to the networking supported and promoted through the granting scheme, such in the case of 'Green List'. Establishment of the network increased the capacities of member organizations, and enabled more effective joint action in areas that were not sufficiently in the policy focus in the local communities covered by the initiative.

SUSTAINABILITY OF THE FUND FOR SUPPORT TO GRASSROOTS INITIATIVES

When the CSAI program began in 2006, BCIF had seven employees, an annual budget of approximately $600,000 and was fully dependent on international funding sources. When CSAI ended in 2013, BCIF had 18 employees and an annual budget of approximately $1.7 million. BCIF's efforts toward sustainability resulted in diversification of funding sources which now include businesses, individuals and independent income from renting property and delivering services. BFIC's Strategic Plan 2012-2016 identified BCIF primarily as a grant

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maker with 50-60% of its budget directed to grants. With the support of the U.S.-based Mott Foundation, in 2012 BCIF started its Endowment Fund, which has provided funding for BCIF programs on a long-term basis.

This is important when having in mind that, as indicated in interviews with key informants, assistance from some donors has been reduced by almost 70% in the past five years. This is seen as a threat to Serbia's new grassroots groups who are forced to search for new funding sources. In this context, it is important that the Trag Foundation has secured its status as a Serbian foundation committed to long-term grant making to local civil society initiatives, tackling specific problems that would otherwise have difficulties being supported. BCIF/ Trag grantees have appreciated the good quality of training, and competent, well designed and delivered technical assistance and support, in the development and implementation of projects, all of which has helped them learn and grow. Recognizing that it could benefit from the business community's strategic approach to solving social issues, and that a growing number of local companies are looking for a long-term way to engage with their communities, Trag is also helping local initiatives to communicate their impact, to be better understood by the private sector. Together with other organizations such as SmartKolektiv, the Divac Foundation and an increasing number of socially responsible companies, Trag is recognized as playing an important role in sustaining Serbia's civil society.

The study has found that BCIF/Trag is a well-capacitated and knowledgeable organization capable of providing a high level of expertise in managing a fund that provides support to the development of local communities, with a clear strategic orientation and diversified, stable sources of funding Furthermore, the innovative approach introduced through BCIF's Successful Fundraising grants scheme, in matching private donations in a 1:1 ratio, has motivated further fund raising from other donors, including the business sector, and has facilitated medium-sized organizations in developing valuable partnerships.

FACTORS OF SUSTAINABILITY

FACTORS RELATED TO THE MODES OF INTERVENTION

A key factor in the impacts and sustainability noted above appears to be the manner in which BCIF undertook implementation of the grassroots initiatives.

Being approachable, and working with organizations in a way that provided tailored assistance and capacity development appears to have gone a long way towards both assisting the organizations and furthering their activity objectives. Specifically, respondents identified the knowledge and skills that they gained and developed during the grant implementation processes as a major factor that helped them learn:

• How to increase their own individual and institutional capacities.

• How to enhance their constituency/engage citizens/mobilize and create a stable base of volunteers.

• How to better communicate their messages via media.

• How to influence government by leading it towards a desired solution to problems of concern to citizens.

• How to effectively increase funding possibilities.

• How to grow into bigger organizations.

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Medium-sized organizations in particular have benefited from the comprehensive advocacy training programs that included project writing and management skills development, learning about working with the media and the skills necessary to enter into a policy dialog with government. This new policy-focused strategic approach enabled these organizations to step-up their advocacy efforts and aim at more ambitious changes, such as the setting up of services for the LGBTI community in Sabac. The new knowledge on philanthropy, corporate social responsibility and social entrepreneurship, brought by the CSAI program, was well appreciated by local level organizations as it also expanded their areas of work and was deemed sufficient for their further successful growth. Social entrepreneurship skills were particularly pointed out as vital for the sustainability of organizations (Rainbow) which has set them apart from others, so they are able to compete in the provision of standardized health services, on an equal footing with other accredited agencies/institutions, for government funds, and to be able to obtain resources on the basis of the quality of services they provide to end users, in particular those from the LGBTI community.

However, sector expertise and advocacy skills were not enough for some organizations, such as Agronomic Center, which did not adequately identify reasons for their failure to establish a counseling center in their municipality – "a too ambitious project". Despite the failure, the respondent confirmed that support from BCIF through that project had effects in introducing young people to the potential of employment in the rural sector and provided knowledge about the actual local governance structures and processes.

Second, specifically targeting the funding of small, local organizations and grassroots initiatives allowed accessible resources and technical support to an otherwise marginalized set of actors. Procedures for applying, implementing and reporting are more appreciated than other, complex and heavy, administrative requirements that only large organizations (mostly Belgrade-based) can meet. Small organizations and grassroots initiatives have benefited from the BCIF funding as it helped them to survive and diversify their funding. They are heterogeneous in terms of themes, geographic coverage, ability to engage citizens and form sustainable partnerships, but mostly do not have ambitions to grow or form coalitions, but to stay stable at the local level and engage citizens in local actions. Such organizations need access to this type of funding scheme to support their actions, make their results visible and gain wider support and engagement from the community.

Third, the method of working with small, stable groups of 10 or so, through various training programs, workshops etc., appears to have assisted in creating a sense of an informal community of peers. Supported organizations have remained a sort of informal coalition or association, continuing to exchange information and expertise today. This was particularly important to ensure that mobilization of citizens was done outside of large cities, and it appears to have had lasting effects, at least for the potential of bringing groups together.

And finally, building the capacity of the local BCIF foundation itself appears to have affected implementation performance. This happened on two levels, building a solid base for the foundation as an organization and building a stronger programming expertise. And, in relation to building programming expertise, BCIF had had previous grant-making experience in working at the grassroots level, but under CSAI their focus shifted toward enhancing their training capacity for their grantees. The long-term funding provided under CSAI allowed BCIF to test and fine-tune their advocacy training approach, to make it more effective for the grantees, as well as enabling BCIF to act as a knowledge repository/resource and mentoring facility.

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Institutional factors have been cited as critical to increasing government responsiveness to local issues, as changes to the legal, policy and institutional framework enabled introduction of new services to citizens and the institutionalization of CSO participation in local government bodies. For example, the changes to the Law on Social Protection in 2014 made provision for social services provided by CSOs to be fully funded out of the budget of the local and national government (Ministry of Labor and Social Protection). Zlatibor Circle used this opportunity and established two new services: a gerontology service and a day care center for children with disabilities. However, key informants indicate that in some communities, setting up of such services has not been possible despite the issuance of required licenses to qualified individuals, which is characterized as "clear obstruction" by local government. Zlatibor Circle was also successful in influencing the establishment of the Gender Equality Committee of the Municipal Assembly and secured their membership on this Committee. Still, more legislative and policy changes are needed for an enabling environment: laws on philanthropy, volunteerism or social entrepreneurship are still lacking.

Social capital: Respondents who still lead the organizations that were studied are clearly leaders and influencers in their communities, enjoying also political support and recognition. They have managed to develop the individual professional and institutional capacities of their organizations which enable them to keep their work going. The budget support that they have managed to secure from their local governments has made a significant difference in ensuring the stability of expertise within the organizations. They have established cooperation with the business sector and have promising results in terms of corporate donations. Contacts with other organizations that they established, through the BCIF granting process, have been kept. However, some of them voice concerns over "transition", meaning recruitment of representatives of younger generations, with skills (such as the English language), in particular in remote communities where young people are leaving for further education or job prospects.

Economic development: As for economic factors, they have been both an obstacle and an opportunity: obstacle as most municipalities were not developed, and grassroots organizations could not benefit from local budgets, big companies or corporate social responsibility, but opportunity as well, as organizations have actually aimed at and have contributed to the better economic development of municipalities – by starting eco-tourism, organic farming, etc.

KEY FINDINGS

The Research confirmed the hypothesis. The Fund represents an important mechanism of fostering and sustaining citizen participation, articulated through small grassroots initiatives which attempt to provide impact in local community development. Through the Fund, grassroots organizations get the access to funds that would otherwise be less available, their actions are more appropriately tailored to specific local needs and the interests of citizens, and the combination of financial and other forms of support by the Fund, and local ownership of the results, makes outcomes more sustainable. On the other hand, the sustainability and effectiveness of grassroots initiatives reinforces the capacity of the Fund, to become itself sustainable as a needed and effective mechanism for this kind of locally-rooted and focused citizen participation.

The Research has shown that the immediate results have also translated into many intermediate results in local communities, on engaging with issues in their communities important to them. Sustainability takes many forms, but the research suggests that a combination of a certain confluence of elements provide the mostly likely chances for some types of sustainability. As the research indicated, there are clearly different forms of sustainability. One form of sustainability is found in the case of BCIF/Trag Foundation as significant mechanism that has role in fostering and supporting small forms of citizen participation. This form of sustainability means, above all, a stable organizational structure, effective methods of work, and good positioning in relation to partners, donors and other relevant stakeholders

When small grassroots initiatives are at stake, sustainability takes forms that rely on local ownership, providing financial support for results introduced for local community development by initiatives, but taken further by local government or other stakeholders. It can also take the form of sustainability of normative changes introduced by the local initiatives, in creation of new, more formal mechanisms within local government, through which better responsiveness to citizen needs is enabled, or through changes in legislation. It also appears in the form of new capacities, skills, values and motivations of citizens, developed through initiatives that becomes a more permanent feature of citizen participation due to the initiatives. Or, it exists in the form of new alliances, networks that push previously neglected issues higher on the local development agenda, such as in the case of ecological initiatives. Sometimes sustainability is provided by good practices being replicated by other organizations and communities, because they were shown to be successful. Sometimes it is shown through a shift in organizational focus, from advocacy to service delivery or social enterprise.

The research further showed that good ideas and initiatives, tailored to respond to citizen needs in a quality manner, are not sufficient. The evidence on implementation of grassroots actions supported through BCIF/Trag Foundation, within the CSAI program, indicates that a recipe for success is a combination of appropriate resources, know-how and local leadership. In regard to this, the interaction between funding mechanisms and local initiatives is of key importance. The Fund was able, due to its own increased programming expertise, and ability to transfer knowledge and to guide and supervise in flexible manner, to provide appropriate support to local initiatives. On the other hand, the success of local initiatives enhanced the capacity of the Fund to ensure its own sustainability and to develop further capacities to work with local initiatives, as it has demonstrated in being an effective mechanism for support to local initiatives.

CONCLUSIONS

Based on these key findings, key conclusions in relation to design and implementation considerations are put forward here.

- A tailor-made, well-designed and expertly implemented grant scheme can assist the translation of project ideas that tackle specific local concerns or problems into sustainable interventions that have an impact on people's lives. The process helps small organizations to overcome their capacity gaps, as well as organizations with a medium level capacity to develop and sustain their professional and organizational skills and knowledge and to improve their advocacy strategies. Having in mind the different ways through which initiatives provide sustainable effects on local development and citizen engagement, donor support is most effective when it is tailored in a manner that provides for diversity of sustainability.

- It is recommended that this approach in provision of a grant scheme is further supported, as a careful preparation process that includes a mapping of organizations, in order to deliver an effective training series that fits organizational needs, and also assists organizations to benefit from being brought together in future activities, so they can continue their contacts.

- It is recommended that the practice of not placing conditions as to the types of projects, but of supporting the work that organizations are already doing in terms of thematic areas and project objectives, should continue in order to enable diverse forms of sustainable effects.

- Sustainable fundraising, as part of organizational sustainability strategies, can take many forms, and innovative approaches have proven beneficial and effective, and should be considered for support, given their likely long-term impact.

  - It is recommended that future design of support to grassroots initiatives takes into account the variety of sustainability forms, and in line with this, planning to better design and track the momentum that certain actions create would be beneficial for a better understanding of programming effects in a particular community.

  - It is recommended to take into account the fact that organizational growth can be multi-directional (towards service delivery or social enterprise, or membership based services) and donor support should allow and assist in guiding these processes, which would further strengthen the likelihood that local actors have the options to finance the efforts they believe in.

  - It is recommended that innovative approaches to sustainable fundraising, such as the scheme with matching private funds in a 1:1 ratio, be given strong consideration in development of support approaches, particularly where they assist organizations to gain skills in diversifying their funding sources, including in the formation of partnerships with the business sector.

- Attention to rural communities appears to have 'paid off' and should continue to be emphasized, even as it is an implementation challenge. Concentrating on small communities can have a knock-on effect to other small communities in the vicinity; modest projects can have significant community effects.

  - It is recommended to support organizations that working in rural areas, or are open to extending their services or activities to remote rural areas, in their region, by assigning a certain weight to their applications during Calls for Proposals.

  - It is recommended that future assistance programs continue the good practice of promotional visits, and gathering events for grassroots initiatives and community-based organizations.

- Support provided for strengthening organizational capacities and improving the policy-focused advocacy strategy can result in legislative changes, as has been the case in regulating protection from and prevention of domestic violence and introducing needed services. This is a legacy of the program intervention that is difficult to undo in the future. Furthermore, it motivates citizens to participate in building a democratic society from the local level up as the effects of their action were visible and immediate.

  - It is recommended that good effects of the local initiatives influencing national policies are communicated and promoted widely as they show empowerment of ordinary citizens and a potential for democratic actions starting at the local level and having wider significance and scope.

- Venturing into the area of social entrepreneurship, as a consequence of their growth, has proved successful for some organizations. It has helped them to stay focused on the issue, and have brought them an important source of income that they are able to re-invest in other activities – to improve other services, infrastructure, to expand their activities etc.

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o It is recommended that the missing legislative framework for social entrepreneurship is adopted as soon as possible so that social entrepreneurship practice can be further developed. In any case, it should be specifically targeted with funding and knowledge transfer programs, as a rising opportunity for local development throughout the country.

o It is recommended to either provide space for social entrepreneurship component of the local initiatives or directly and exclusively design the program in support to social entrepreneurship in local communities, as they simultaneously pursue economic and social objectives important for community development and to enable citizen participation.

- Those organizations that have developed and profiled their expertise towards service provision at the local level appear to be most stable and sustainable organizations, and can become a resource for others in key reform areas. These organizations have recognized and addressed the needs of their community, particularly of certain groups (rural women, children with disabilities, elderly persons, LGBTI persons) and were able to provide them needed services mostly in an innovative way. They have generally grown into larger organizations and became important local actors and partners of local government.

  o It is recommended that in further programs these organizations are used as resource or reference organizations that can transfer their particular approach and lessons learned to the smaller organizations that are striving to find their niche, and assist them to develop their capacities. Although these organizations mostly do not need capacity-building support, they could also benefit from a mixing and matching of larger with smaller organizations in future programs.

  o It is recommended that this new generation of initiatives be recognized in future programming as they assist in addressing structural problems in development, such as poverty and unemployment, that have not been sufficiently addressed by current local initiatives.

  o It is recommended that particular consideration be given to urban regeneration and access to services in deprived areas..

ANNEX 7

"BETTER BUSINESS FOR BETTER SOCIETY"[2]: SMART KOLEKTIV AND CORPORATE SOCIAL RESPONSIBILITY

The purpose of this chapter is to provide an insight into understanding CSAI's contribution to civic participation, in the framework of corporate social responsibility (CSR). The chapter also shows that today in Serbia the concept of corporate social responsibility is generally better known, and its practices have grown, through some innovative and effective approaches. Evidence for the chapter has been collected through an interview with a key informant in Smart Kolektiv, relevant documents and publications provided by Smart Kolektiv, information on web-sites and CSAI reports. The concept of CSR as it has been adopted and promoted in Serbia today has a potential to increase citizens participation both in addressing issues of concern in their communities and also in influencing policy.

SMART KOLEKTIV AS AN IMPLEMENTING PARTNER UNDER CSAI

In 2006, the Institute for Sustainable Communities (ISC) initiated the implementation of the USAID-funded CSAI program and integrated Smart Kolektiv as one of four implementing partners into project activities. Smart Kolektiv was a relatively new organization, specialized in communications and social marketing. Under CSAI, they played a key role in CSO media training, civil society outreach strategies, promoting high profile events and in efforts to promote CSR, leading to the establishment of a business-led forum to promote best practices in corporate-CSO partnering. Further, having a focus on philanthropy and CSR helped Serbian organizations in finding new opportunities for local funding and support, and as a result, Smart Kolektiv and BCIF together raised $264,992 through their business partners in the last two years of CSAI implementation.

Being a young organization, SMART Kolektiv required close monitoring by ISC in order to meet both administrative and programmatic requirements of project implementation. In turn, as CSAI's implementation was long-term and its funding comprised a significant portion of Smart Kolektiv's budget, they were able to focus on their own growth and capacity building. Smart Kolektiv itself acknowledges the great significance of the project implementation, and support by USAID/CSAI, in the development of their capacities with respect to financial management, project management, internal procedures and public relations. They recognize that they were a young organization which developed through the work with USAID and ISC, who taught them how to strengthen their administrative and financial capacities and project management, and not as a bureaucratic requirement, but to develop as an organization with a clear strategic orientation. They also learned to be transparent, more effective and efficient, and developed their capacity to for complex projects and to manage them successfully. Smart Kolektiv was able to clearly show the development of their capacities by comparing the number of initiatives implemented before and after CSAI, and also subsequently as a direct USAID grantee. Smart Kolektiv is clear that their capacity and strength today is demonstrated by the fact that they are a direct USAID grantee – they were able to concentrate on activities and improvement of the quality of these activities, without being distracted by fund-raising activities.

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2   The name of the publication/slogan of the Responsible Business Forum.

CORPORATE SOCIAL RESPONSIBILITY UNDER CSAI AND ITS LEGACIES

At the time of the development of CSAI, philanthropy, corporate social responsibility and social entrepreneurship were virtually unknown concepts among the general public. CSAI's theory of change included forging CSO-corporate partnering and promoting strategic corporate philanthropy. Through Smart Kolektiv, a **Business Leaders Forum** was established in 2008. The Forum coincided with initiatives of 14 leading companies in Serbia that recognized the necessity of an active and responsible engagement of business in society. The Business Leaders Forum increased its membership, promoted the idea of CSR, and engaged in an active sharing of knowledge and best practices. At the time there was a low demand for CSR and only a few actual strategic partnerships between CSOs and corporations. Smart Kolektiv's approach to CSR was strategic and long-term, the Business Leaders Forum represented a strategic, solid approach on which it was possible to build future efforts.

Smart Kolektiv supports and administers the activities of the Forum, by implementing action plans adopted by members, developing and implementing the projects together with members, making the work of members more visible and recognizable among the key actors. Smart Kolektiv also provides expertise to the Forum, and proposes guidelines for the activities of the Forum. The Executive Director of Smart Kolektiv is also the executive director of the Forum.

In 2014, the Business Leaders Forum changed its name to **Responsible Business Forum**. Its priority is to promote both the concept of corporate social responsibility and the importance of the topic for the business community and society as a whole. The Responsible Business Forum launched key research initiatives in this area, research that has enabled insight into public opinion on the role of business in society and the state of CSR in Serbia. This research, together with the promotion of concrete CSR practices of member companies, including the **CSR Forum** as a high-profile event organized annually, has helped this topic enter into general discussions in the country.

CORPORATE SOCIAL RESPONSIBILITY INNOVATIVE PROGRAMS STARTED UNDER CSAI: ENHANCED CITIZENS ENGAGEMENT

The following statistics from 2013 show the contribution of the members of the Responsible Business who:

- invested nearly $4 million to support community development;

- supported and co-operated directly with 1,357 partners from the public and civil sector;

- contributed to the implementation of 1,262 projects in local communities;

- involved 4,155 employees who donated 9,990 hours of work.[3]

The concept of **Employee Volunteering**, as modeled against a program existing in European countries, and recognized in the awarding of the European Employee Volunteering Award, has been developed and promoted by Smart Kolektiv. At the beginning of CSAI, the concept was virtually non-existent in Serbia. The aim of the program was to motivate and promote volunteering by employees, in local communities, and to increase the scope and quality of

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3   Better Business for Better Society. Responsible Business Forum, Belgrade, 2014.

their volunteering activities. The Forum recognized that the knowledge and skills of their employees were the most valuable resources that companies could invest in their local communities. In 2011, Smart Kolektiv, under CSAI, organized the first Employee Volunteering Award ceremony in Serbia, supporting employment through the development of employability skills in a variety of target groups. The initiative included internship/trainee programs for students, training and counselling in the processes of restructuring, and mentoring activities for the development of entrepreneurial skills among youth and socially vulnerable groups.[4]

Today, employees of a number of socially responsible companies give their time and expertise to non-profit organizations in local communities, organizations that are dealing with issues such as the social inclusion of vulnerable groups, environmental protection and education. Approaches include:

- Mentors – to organizations that need to be lead through a business process;

- Consultants – providing expert consultations as required;

- Trainers – delivering trainings on specific topics from within their expertise.

The individual volunteering program started by the Responsible Business Forum was directly inspired by the success of the "Naš Beograd" (Our Belgrade) action, which was a part of the **"Our Town"** volunteering program. This action, supported under USAID/CSAI, became part of the international "Give and Gain Day" that took place in 14 countries around the world and, in 2009, gathered around 30,000 volunteering employees. In the seven, large volunteering actions organized by the Responsible Business Forum to the end of 2014 (five in Belgrade, one in Niš, and one in Gornji Milanovac) more than 2,500 employees from 30 companies gathered together and engaged in activities that directly improved the quality of life for over 7,000 fellow citizens. Initiatives included a focus on vulnerable social groups, improvements to public spaces in cities and protection of the environment.[5]

The **Corporate Responsibility Index** as a systemic methodology and benchmarking for measuring and reporting on the social and environmental impact of business operational processes in Serbia, was created under CSAI and is still in use. It provides an insight into the level of development of corporate social responsibility in Serbia, but is also an opportunity for companies to assess their business from the point of view of sustainability. It is a tool that provides companies feedback information useful for their growth and development, as well as for their public promotion as a social responsible company. The first national CSR index list was announced in 2016. Although the actual ranking of the companies is not public, their position on the list indicates that these are the companies that practice what they preach and quite detailed reports are available to the general public on their socially responsible initiatives.[6]

Finally, the **National Strategy for Sustainable Development** adopted by the Government of Serbia in 2008, was a result of Smart Kolektiv's advocacy efforts. This was the first public policy document related to CSR, and included CSR as a central governmental approach to achieving sustainable development in the economic sphere.

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4   European Employee Volunteering Awards – background and details

5   Better Business for Better Society. Responsible Business Forum, Belgrade, 2014. pg. 12

6   For an illustration: https://www.telenor.rs/sr/o-telenoru/o-nama/drustvena-odgovornost/odgovorno-poslovanje

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In this way, by recognizing importance of giving back to the community, the participating socially responsible companies have provided an opportunity for their employees to make an impact toward something that is relevant to them and have encouraged them to not just be better employees, but also better citizens. Corporate social responsibility in Serbia can be said to be still developing both as a concept and practice. This illustration shows that it is a vast potential for enhancing citizens' involvements in initiatives that will positively impact their colleagues, partners, communities, environment and a society at large.

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ANNEX 8

SUSTAINABILITY OF CIVIL SOCIETY NETWORKS AND COALITIONS

The objective of this part of the research was to learn which factors enabled development of sustainable and effective networks of organizations and coalitions and what was the added value in terms of civic participation and mobilization of these networks and coalitions, in comparison to single organization activism.

Hypothesis: *CSO networks and coalitions are more sustainable, and have stronger mobilization power and advocacy effect, when they are the outcomes of the strong grassroots activism of cooperating organizations, when they are effectively and professionally managed, when they are gathered around concrete objectives, and when they are closely connected to target groups and beneficiaries and financially supported.*

Unit of the analysis and sample: Two networks/coalitions funded through CSAI, with differential levels of success and sustainability. As an example of a sustainable and effective coalition, the „Open Parliament" will be selected, while the „Crno na belo" network will be used as a case for testing arguments on factors of success (in terms of sustainability and effectiveness).

Data collection methods: Three interviews with representatives of CSOs from selected networks/coalitions were held.

The CSAI program aimed to change the then existing pattern of making a project-based coalition, but networks and synergies of various expertise. They wanted to move from project-based to issue –based coalitions that would not be only a „business model" (Interview, implementing agency).

The „Crno na belo" coalition was formed based on the project „Decent work for everyone" implemented over the course of 2012 and 2013. The aim was to motivate and strengthen citizens to fight for their economic rights, and to network various actors involved in the quest for decent work. As part of the project, numerous media events were organized on and off line, direct communication was established with various local and national stakeholders, three rounds of coordinated street actions in 12 cities were carried out, policy analyses were published, legal advice was provided to thousands of citizens etc. In addition to this, 5000 signatures supported the Declaration of Decent Work, a petition with basic requirements of employers and the state, including regular payment of salaries, less tolerance for unregistered labor, respect for workplace health and safety, reductions in employment and workplace discrimination, and prevention of mobbing and bullying in the workplace. The campaign was carried out by the Foundation Center for Democracy, the Center for Development of the Nonprofit sector, the Center for New Commutations Dokukino, the Timok Club, the NGO Zajedno and the Majdanpek Resource Center. The project was financed by USAID through CSAI. According to websites and interviews the initiative is still active.

„Open parliament" was a joint initiative of several NGOs led by CRTA, together with the National Coalition for Decentralization, YUCOM, the Zajecar Initiative and Secons. The aim was to increase the visibility and accountability of the National Assembly of the Republic of

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Serbia, to establish open and direct communication between MPs and parliament on one side, and citizens on the other and to change the prevailing negative public image of the parliament. A new web portal was established where parliamentary transcripts are published, including a total of 150,000 speeches from 98 parliamentary sessions over the past 15 years. In addition to this, the portal has published various analyses of the lawmaking activities of the parliament, information on activities of MPs, a form for direct communication with MPs etc. In this way, the regular practices of the Serbian parliament were changed, its activities were made closer to ordinary citizens and voters, while data on voting patterns and transcripts became available to journalists, policy analysts and academics. The project was supported by USAID through CSAI, the British Embassy in Belgrade and the National Endowment for Democracy.

Both initiatives continued their existence after the end of the financial support. It seems, however, that the „Open Parliament" exists in the form of a web portal while „Crno na belo" appears to continue with certain activities that built on the project work, such as public meetings.

Interviews suggest the following factors had a strong impact on the overall effectiveness of the network: (1) type of goals (technocratic versus political, narrow versus broad etc.), (2) correlation of the goals of the coalition to the mission of the leading organization and (3) management arrangements and composition of the coalition.

The „Open Parliament" objectives were more technocratic and de-politicized. They seem to have moved the practices of the Serbian Parliament to another level, including publishing machine readable transcripts, making public records of work, establishing stronger communication of MPs with citizens etc. This means that they aimed at changing the way parliament works in relation to the public: making data available and supporting MPs in establishing direct communication with citizens. They were far less politically contested that in the case of „Crno na belo", and the required changes could be attributed to a single actor (parliament). However, even after the campaign, many practices remained unchanged and numerous aspects of parliament's work still remain to be improved (e.g. parliamentary committee sessions are still not recorded, neither transcripts nor voting patterns are publicly available) and some of the established practices can still be questioned. There were and still are numerous points of resistance to making parliament open and accountable to citizens.

Unlike „Open Parliament", the second coalition „Crno na belo" had a more general goal in mind, raising the awareness of workers about their social and economic rights, and changing practices related to decent work, particularly the activities of the labor inspectorate and the business sector (e.g. more rigorous implementation of labor regulation and reduced number of informally employed workers). When they reflect on it, representatives of this coalition speak more in terms of numbers of visits to web portals and media visibility (Interview, Fund Center for Democracy). This was, among other things, a consequence of the type of goals chosen – „Crno na belo" had more broad political issues in front of it. The achievement of the later was far less dependent on advocacy efforts carried out within the coalition and more dependent on wider social and political processes.

Both coalitions applied a non-adversary approach to state actors, an approach that has often been phrased as a „critical friend approach" (Interview, NGO). Both coalitions were obviously

reluctant in applying „naming and blaming" and similar strategies. They wanted to achieve better working relations with state institutions, to establish long-lasting partnership and for this they needed mutual trust to be built, particularly in light of the bad public image of the NGO sector (Interview, NGO).

„Open Parliament", just like „Crno na belo" was created around a single effective NGO who was a leader in the process. However, there appear to be two differences. First, interviews suggest an additional added value was that the core mission of the coalition strongly corresponded to the core mission of the leading NGO. CRTA was generally working in the field of transparency and accountability and „Open Parliament" was seen as a natural extension of their previous work. Unlike „Open Parliament", „Crno na belo" had at its center an NGO, the,Fund Center for Democracy that was less focused on labor rights in their regular work, although it broadly continued to be engaged in the field of social and economic rights. It included various NGOs but not trade unions. After the end of the project cycle, the Fund Center for Democracy signed a long term cooperation agreement with one of the leading trade unions, but its effects on „Crno na belo" were not yet visible.

Second, the „Open Parliament" coalition was composed of several NGOs with complementary skills that strongly contributed to the positive effect. This seems not to be the case with the second coalition „Crno na belo" where the role of various NGOs was far less clear. „Open Parliament" was led by a strong management coordination role of CRTA (NGO) that was able to identify various other actors from civil society who had particular organizational strengths and particular roles in the coalition that corresponded to their strengths. Interviews suggest that it was difficult to maintain the network, that it required tremendous work and coordination, but that the synergy of various capacities gathered in a coalition of various CSOs did prove to be a positive outcome (Interview, NGO). It appears that the various management techniques (strong and effective coordination, good PR etc.) have had a positive impact on the overall effectiveness of the coalition. On the other hand, „Crno na belo" had the Fund Center for Democracy as it driving force but, the overall level of management coordination was less satisfactory (Interview, implementing partner).

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ANNEX 9

FACTORS OF SUSTAINABILITY

HISTORICAL FACTORS

To understand the effects of the programs it is important to understand how program designers saw the historical factors that set the context in which interventions would be implemented and what was the historical momentum in which interventions would take place.

Some historical factors contributed to the success of the programs at the time of their implementation. In the first years of the 2000s, after the change of the Milosevic political regime, a decade of wars, conflicts, economic destruction, the everyday hardships of citizens in providing successful livelihoods, isolation from the international community and destruction of pillar institutions that organize the life of the society, the programs faced a situation of hope, prospects for democratization and enthusiasm for reforms. Basically, this was good momentum to initiate reforms in local communities that would develop, simultaneously, a responsiveness of local governments towards citizen needs, as citizens had just recently demonstrated the power to bring down a political regime, and to further boost citizen participation, transforming the action potential from informal (movements, protests, demonstrations, boycotts) to formal (institutional forms of participation).

On the other hand, there were many historical factors that were not in favor of the programs. This includes deeply rooted clientelistic relations in local political and economic elites (Cvejic, et al, 2016), a lack of legacy of democratic participation of citizens (although the legacy of socialist self-government could provide certain grounds for development of new forms of civic participation, there was no evidence that it was taken into account during program design), lack of trust among citizens, lack of knowledge and values of democratic governance and active citizenship, citizens rights, divided communities, etc.

In some aspects interventions had to start not from scratch but against these legacies. For example, at the beginning of the SLGRP program, budgets were non-transparent, or even secret documents, and the public had no access to them. There seemed to be a discretionary right for political winners to influence budget documents at their own will. The SLGRP first aimed at raising awareness about responsiveness and accountability of public servants and institutions as well as awareness that budgets were open documents.

Some key informants indicate that the programs were designed based on a theory of change that did not take into account some of these legacies. Some basic assumptions that guided the interventions were not fully adequate to the context. One example is the theory of change behind the CSAI program. According to expressed opinions, the theory of change was too policy focused and (incorrectly) based on the assumption that democracy will increase if civic participation increases by strengthening the organizational capacities of CSOs to analyze, advocate, lobby and influence politicians, who will then change the legislation and policy in favor of democratic reforms. However, according to this opinion, citizens do not participate in decision-making, there is not that kind of legacy and politicians do not represent citizen interests but rather the interests of their political parties.

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POLITICAL FACTORS

Political factors that influence sustainability of interventions that were recognized through research process so far include:

- Presence of pro-democratic local leadership, leadership who values participatory policy making, or at least recognizes that programs could contribute to the strengthening their position

- Relations between political parties and groups in the community (divisions and competitions vs. cooperation)

- Type of the election system for local government (change from direct to indirect election of mayors)

- Existence of party patronage

Presence of pro-democratic, or at least ambitious political leaders who saw opportunity to enhance their power using SLGRP or CRDA instruments, contributed to higher chances of sustainable effects of the programs. Key informants indicated that the SLGRP program successfully utilized basic political incentives that local politicians easily recognized as well. Local politicians saw potential political gains in the opportunity to directly address the local population, recording their needs and grievances. When this practice was established, local politicians seemed to be happy to support it as they clearly saw political benefits in it. In addition to this, they also used it for better utilization of public resources as they were able to gain deeper insight into particular local priorities in, for example, certain MZ for which they made relocations of funds.

Mayors and other political leaders who had previous experience in civil sector recognized and valued more participatory policy making mechanisms, and some of them were very eager to introduce participative processes in public administration practice when they came to power.

Political divisions in the community were factor preventing sustainability of democratic mechanisms established through USAID programs. Divisions and competitions between political parties often prevented cooperation between representatives of different political options and continuity as new authorities often dismissed practices established by previous ones. The opposition parties often obstructed the work of public hearings. There were also cases where local political leaders were not willing to accept inputs from certain communities (MZ or villages) that were known to have supported other political parties.

The research indicated that introduction of indirect elections of mayors decreased their accountability to citizens and increased accountability to political parties from which they come. The overall predominance of party structures over the formal administrative ones, further contribute to the decreased effectiveness and responsiveness of local administrations.

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INSTITUTIONAL FACTORS

Institutional factors appear as factors related to the legal, policy and institutional framework that defines the conditions for the implementation of interventions, while on the other hand institutionalization of practices and procedures is a factor per se that contributes to the sustainability of newly established mechanisms of government responsiveness and citizen participation. Research indicated importance of following institutional factors:

- Institutionalization (formalization) of practices introduced through USAID programs

- (In)supportive national legal framework and ineffective implementation of laws

- Presence of regular monitoring of participatory practices and public services and efficient oversight mechanisms

- Delayed and inconsistent decentralization

- Human resource policy in local administration

Institutionalization refers to the precise legal definition of procedures and obligations of parties involved in the process. When institutionalized various mechanisms of participatory decision-making can sustain, because all key elements (actors involved, procedures, time frame, content, outputs, responsibilities and other) are defined precisely in the normative documents. This does not guarantee the respect of formalized procedures, as we often see that laws and formal rules are not implemented, but provides better ground for establishment, maintenance and monitoring of these practices or mechanisms. As our research indicates, the lack of institutionalized practices, results in the public consultations and participatory budgeting process falling into the „form over substance" trap.

One of the biggest problems causing discontinuity of participatory policy and budget making processes, after the end of CRDA and donor financial support, lies in the legal framework, state of (de)centralization and financing of local self-governments. Respondents are unanimous in stating that municipalities currently receive less funds than they used to, and at the same time have many more delegated tasks. This leaves them with very little space for the „developmental budget", i.e. there is very little money left for supporting developmental projects and citizens initiatives. Current legislation regulating budgeting procedure requires publication of annual budget, preparation of „citizen budget" and participative processes, particularly in preparation of programmatic budget. However, it does not explicitly stipulate citizen and CSOs participation and there are no efficient mechanisms for monitoring legislation implementation and quality of participative processes.

The absence of regular monitoring or efficient oversight mechanisms was found in majority of municipalities and this lack of controlling mechanisms contributed to the degradation of participatory practices established through SLGRP and CRDA programs. CSOs do not have the capacity to monitor local government policy and budget implementation and hold government accountable. This is mainly due to the fact that they depend on government support (regardless of the government tier), they are financed by projects and they try to survive 'from project to project' which leaves no room for independent, regular oversight.

Even in some communities that were best examples of success of programs and sustainability of government responsiveness and civic participation, there are now reversed trends, such as dismantling of participatory budgeting, public hearings and other forms of participation of citizens in local policy making.

Delayed and inconsistent decentralization process (particularly fiscal decentralization) goes in hand with the decreased autonomy and decision-making powers of local communities. Since recently, all funds must be administrated by the municipality, which often means that the municipality, and not the local communities (MZ), defines priorities. Furthermore, local communities can apply for funds with national authorities, but only via their municipality.

Representatives of local administration systematically emphasized that present human resource policies undermine government responsiveness and quality of public services. Low salaries, no means for positive incentives, a lack of continuous professional and career development, no policy or culture of passing on gained knowledge and best practices, the poor image of local administration staff, etc, undermines the capacity of local administration to perform in line with standards promoted by SLGRP and CRDA.

Key informants indicated that various legal factors were not in favor of implementation of the programs: the law on civil society association was obsolete and participatory budgeting was not coded in law at that time. However, some changes in laws enabled more active civil society. For example, the changes to the Law on Social Protection in 2014 made provision for social services provided by CSOs to be fully funded out of the budget of the local and national government (Ministry of Labor and Social Protection). The research indicated that still, more legislative and policy changes are needed for an enabling environment for CSOs: laws on philanthropy, volunteerism or social entrepreneurship.

ECONOMIC FACTORS

Research indicated following economic factors having impact on sustainability of government responsiveness and civic participation:

- Broader economic situation in the country (economic growth or recession)
- Level of economic development of local community which influences availability of development funds and funds for financing CSOs
- Economic wellbeing of citizens

Some key informants indicated that based on the experience of program implementation, a higher level of economic development of the local community was linked to a stronger potential for civic participation due to the availability of funds for developmental projects, financing services provided by CSOs or financing other, more political engagement of local civil society. Research found many indications that economic growth in early 2000 boosted civic participation and local government readiness to respond to citizens' needs, while with the economic crisis in 2008 local communities are left with reduced revenues and less money for addressing local community needs. The lack of financial support to grassroots initiatives

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by a municipality has been, on many occasions, a key to their (lack of) sustainability. Most companies and SMEs at the local level do not support grassroots initiatives either.

Research findings indicate also that the lack of funds for local CSOs weaken their capacity to independently advocate with or monitor local self-government. This is particularly true for small NGOs that are dependent on municipality funds. On the other hand, larger and more influential NGOs rely on international donors for funding and find it easier to survive a lack of cooperation with local self-government of even confrontation with it.

The economic crisis affected grassroots civic activism in another way as well: people became much more oriented towards their individual survival and expressed less interest in the common issues.

SOCIAL CAPITAL FACTORS

A set of factors that are related to social relations, ties, civil society features are grouped as 'social capital' factors. The essential idea behind interventions aimed at fostering civic participation is that a necessary precondition for active citizens is a strong social 'fabric', cooperation among various actors, strong bonds between organizations, a cohesive society. Research findings indicated following factors belonging to the 'corpus' of social capital:

- Legacy of civic participation in the community and already established mechanisms of representation of interests of vulnerable groups of citizens

- Ethnic composition of community

- Presence of strong community leaders

- 'Type and density of social relations' in rural and urban communities

- Demographic factors related to ageing and migration

- Gender regimes

- General decline of activism and civic mobilization

Several key informants confirmed that communities with a legacy in civic participation or informal groups that were active prior to CRDA showed better results in mobilizing communities. However, during the early stages of development of citizen participatory mechanisms, attention and efforts were focused on attempts to mobilize a large number of citizens and sometimes vulnerable groups with specific needs did not get enough space for participation and for their interests. Some informants stated that vulnerable groups often had a problem getting their proposals approved, particularly for Cluster committees, as their members were more focused on large infrastructure and economic projects.

Evidence of the effects of a multi-ethnic composition of communities from the CRDA program are inconsistent. An assumption behind the CRDA program was that ethnic divisions in post-conflict countries represented a special challenge for civic participation and that working in multi-ethnic communities required special attention and approach: working jointly in a CC on common problems eventually builds community cohesion. However, some of the key stakeholders actually stressed that these communities share common problems and that it was actually easier to work in multi-ethnic municipalities since they are ,,used to relying on

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their own resources and helping each other". The same stakeholders stressed that sometimes it was more difficult to get people in the mono-ethnic communities to decide on priorities.

Another important social factor is the presence of strong local community leaders. This is of particular importance when institutions (of participation) are not strong. All CRDA implementing partners confirmed that strong local leaders among citizens represented key drivers of change, and therefore focused their attention on identifying local leaders, building their capacities and providing them with technical assistance and continuous operational support as well as with the opportunity to practice obtained skills and knowledge through project preparation, implementation and monitoring, and thus assisted them to substantially contribute to community revitalization, which resulted in a sustainable effect on the revitalization of local communities.

There were some regional effects related probably to the specific social relations and practices in rural and urban areas. According to key informants, rural areas were marked by higher mobilization than urban due to the more densely-knit society in rural communities.

Many local communities suffer suffers from an aging population, increasing emigration of qualified and young people and a lack of experts. Most respondents agree that with younger people and whole families leaving, the older generation is left alone and becomes more pessimistic and less motivated for any engagement in community life.

Gender regimes also play a part in the impact and sustainability of programs in regard to civic participation. With certain regional or local variations, dominant gender regimes in Serbia are still patriarchal, meaning that women are not encouraged to take roles in the public sphere, particularity in areas related to power and making decisions on key economic, financial and infrastructure projects. The CRDA design assumption was that, particularly in rural communities, it was necessary to prescribe at least 30% of female participation in CCs in order to ensure equal access to decision-making processes. The assumption was that women had less personal political ambitions and more knowledge of daily communal problems facing their families. Some informants confirmed that women were bigger optimists and women-led initiatives were more participative and addressed important communal issues. The switch to CRDA-E changed that, creating new obstacles to further affirm active participation of women, as economic issues were more easily used for excluding them from activities. On the other hand, in less patriarchal communities, with longer tradition of women's grassroots associations (like some in Vojvodina) participation of women was higher.

Research indicated that the voluntarism that thrived in the 1990s and 2000s has been lost, and people are now not willing to contribute without being paid. Generally, interlocutors believe that there is a feeling of apathy and a lack of spirit of activism.

KNOWLEDGE, EDUCATION, SKILLS, VALUES (CULTURAL CAPITAL)

As important factors for sustainability of democratic mechanisms established through programs were identified:

- Education, knowledge and awareness of democracy, civic participation, government responsibility and accountability

- Knowledge about some 'new' forms of civic participation, such as philanthropy, corporate social responsibility, social entrepreneurship

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- Knowledge and skills of democratic participation – advocacy, lobbying, budget procedures, etc.

Since there was no 'culture of democracy', activities related to knowledge sharing, education, learning civic participation through doing, understanding democratic institutions and processes, cultivating values of participation, responsiveness, responsibility, transparency, were important factors of success and sustainability. Key informants speaking about CRDA programs indicated that these were actually major contributions of the programs for development of democracy at the local level. Change was induced at the individual level, every person who participated changed their 'mindset', perceiving active participation as a key to protect or reflect their interests in local policies. All three programs invested a lot of effort in training citizens and representatives of government and other stakeholders in various skills related to the process of participatory policy-making.

New knowledge on philanthropy, corporate social responsibility, and social entrepreneurship, as specific forms of civic participation, was achieved through the CSAI program, and the seeds of these new practices were placed and cultivated by providing new knowledge and skills to participate in these forms of civic engagement.

However, there were some factors that weakened the effects of the CSAI program, according to the testimony of some informants. The program was more focused on 'soft skills', than on developing essential knowledge about democratic systems and processes. There was no literacy on democracy, on mapping the money flows from the public budget; skills to trace how much local money was spent. Citizens did not know what a budget was. It was also not useful that terms that were not linked with the processes in the past were used, and it was not explained to citizens how systems functioned. Citizens did not know what the role of CSOs working on certain issues was, what the government was supposed to do and similar. Some basic political literacy was lacking. Research indicated a lack of technical knowledge about budget procedures among citizens and CSOs. It was consistently reported that ordinary citizens do not understand the codification system that the law prescribes nor are they able to assess the relative significance that is given to a particular budget line. It seems highly questionable whether ordinary citizens can at all be knowledgeable enough to actively participate in budget making, and monitor its execution. The same applies to NGOs.

METHODOLOGY, 'MODUS OPERANDI'

There are numerous factors related to the approach of the intervention, to the project methodology and the 'modus operandi' of the implementing agencies.

- Allocation of significant professional resources;

- Methods of increasing citizens' knowledge and skills for participation;

- Participatory processes, broad consultations with stakeholders, preparation of decisions, and negotiation among interest groups;

- Assigning new responsibility to citizens that brought high motivation to participate;

- Tangible effects during first 90-day initial phase which gave confidence to citizens;

- Selecting local communities as units of intervention;

- Strengthening the role of community leaders.

High level of professionalism and allocation of significant professional resources that were available full-time and on a continuous basis. Most of the implementing partners established multiple teams comprising of different profiles of experts engaged full time, expanded by short-term local consultants, international experts and volunteers. They had programs of extensive training for team members and especially Community mobilization specialists.

Work with citizens was intensive in CRDA, providing support and capacity building through trainings, mentoring, problem solving. It was also important part of CSAI program boosting capacities of CSOs for advocacy, lobbying. An important factor that contributed to sustainable change is that citizens had the opportunity to learn by doing. For example, town hall meetings were also forums for public education related to understanding democratic processes, and for initiating interest among citizens and local government authorities in strengthening dialogue and improving cooperation.

Participatory processes, broad consultations with stakeholders, preparation of decisions, and negotiation among interest groups contributed to the success of the programs and is precondition for sustainability of their effects. For example, CRDA town hall meetings were prepared with identification of and consultation with various stakeholder groups before each meeting and the formation of numerous working groups that volunteered to research and develop proposals in their area of interest for submission to their respective community boards (on average 50–60 people volunteered for working groups after each meeting).

Assigning new responsibility to citizens brought high motivation to participate. CRDA participatory mechanisms confirmed that when citizens have more responsibility they are also more motivated to invest their efforts in dealing with communal matters.

Quick and tangible results during first 90 days initial phase of CRDA gave confidence to citizens. However, this approach had its drawbacks – there wasn't enough time to focus on quality of project proposal and competition from the very beginning.

Selecting local communities as units of intervention was estimated as beneficial in all three programs. According to informant assessments, the focus on the local level in fostering grassroots activism within CSAI had a positive impact because the political context in Serbia is inaccessible for small initiatives. It was easier to mobilize citizens at the local level – people make alliances easier around local, practical issues and not ones that are too far from their everyday life, such as constitutional change. Factors related to the administrative structure of local communities were also recognized as important. There is inconsistent evidence of the impact of different units selected for building citizen participation through Community Committees within the CRDA program that will be explored more during next stages of research. Some evidence points to the fact that CCs established at the level of communities were faced with the problem as MZ – they were not part of the public administration system, just remaining structures from the previous system, so they were not developing and had little or no influence on policy making. On the other hand, „artificially created" bigger cluster communities ceased to exist after the end of CRDA which indicates that this was also not proper solution.

All implementing agencies in CRDA program worked on identifying and strengthening community leaders, which proved to be one of the crucial factors of sustainability of citizen

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participation and even government responsiveness, when these leaders decided to run for mayors or members of local council or MPs.

Focus on results was important for success in all three programs. In CRDA focus on economic development projects was often a good framework to learn and develop both government responsiveness and citizen participation. However, narrowing the focus to economic development, and neglecting a participatory approach was linked to the withdrawal of positive processes, such as in the case of a shift from CRDA to CRDA-E which occurred through a unilateral donor decision to change the community revitalization oriented program to an economic development and job creation oriented one. This decision was made in a manner that was opposed to the very essential logic of the CRDA program, which fostered dialogue between governments and citizens, and broad participation in deciding on local infrastructure and economic investments.

There were also factors identified during research as obstacles to sustainability:

- **Establishment of parallel informal structures of citizens participation in CRAD (CCs) and lack of in-depth analysis of the existing system and historical legacy.** There was no evidence that USAID performed a thorough analysis of the existing system and although the legacy of socialist self-government could have provided certain grounds for development of new forms of civic participation, there was no evidence that it was taken into account during program design. In spite of the fact that majority of the interlocutors believe that at that particular moment it was necessary to establish parallel structures in form of informal citizens' groups in order to boost citizens' participation, others believe that direct involvement of MZ representatives and strengthening their capacities from the start would have made a bigger difference and ensured better sustainability. Hence, it is reasonable to conclude that civic participation would have had better chances to sustain had CRDA opted to work through existing structures and chosen to strengthen MZ;

- **Focusing only on one stakeholder in the policy cycle (citizens):** building capacities for citizen participation in political and economic decision-making was not sufficient for sustainability. In the towns where CRDA partner did not work on building local government capacities to accept and organize participatory processes (through trainings and practical learning by doing), citizens had much bigger problems to ensure cooperation and support from their local government after the end of CRDA. Although there was a complementary SLGRP project targeting local government and administration structures, it required better coordination with CRDA activities, so that both elements of the process (government and citizens) are targeted simultaneously.

- **A lack of durable oversight or monitoring mechanisms after the program period** continuous oversight of mechanisms for government responsiveness undermined sustainability of these mechanisms.

- **Shift from CRDA to CRDA-E** brought a decline of civic participation as it was not a participatory decision, it was opposed to the whole logic of the program, which fostered citizen participation.

- **Sustainability of civic participation mechanisms was not planned** at the beginning of the program they were tailored towards the end of the programs with different approaches and successes.

- **As financial support ceased** there was less space for direct participation and local governments were not open to citizen priorities.

- **The focus on large infrastructure and economic projects** prevented vulnerable groups from having a stronger impact in line with their interests.

- **Obligatory co-financing for municipalities:** This factor had both positive and negative effects. Most of the interlocutors at local level stated that this motivated local governments to include citizens because that was a necessary precondition for receiving much needed funds for investments. However, the hypothesis that this meant establishing real partnership and ownership of the participatory process from the local government side, proved wrong, as local governments often abandoned the participatory approach when donor support ended.

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