



The Community Development Fund

A case-study of donor engagement in post-war reconstruction

Kosovo 2007

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1. Introduction

This paper is a positive case study of donor engagement in post-war reconstruction, which had a deep impact on the well-being and livelihood of local communities in Kosovo. The key player of this story is the Community Development Fund (CDF), a local NGO founded by the World Bank immediately after the war in 1999. The task of the CDF was to channel the World Bank's funds to local communities by investing in priority projects as identified by the communities themselves.

The objectives of the CDF are: (a) to improve the quality, access and availability of community infrastructure and services in poor and conflict-affected communities, especially for the most vulnerable groups, including returnees; and (b) to promote institutional capacity building at the community and municipal levels so as to improve the quality and sustainability of service delivery, and enhance stakeholder participation and empowerment in local development.¹

To date, the CDF has managed over Euro 18.5 million of donor funds (not including community participation). Its work has been divided into two programme cycles: CDF I, covering the period from 1999–2003, during which period a total of USD 13.6 million (donor funds including community participation) were translated into 276 projects across Kosovo;² and CDF II, ongoing since 2004, with Euro 7.3 million allocated so far. Sixty-seven projects were completed in the period 2004-2006, and 36 other projects are currently ongoing.³ The funds came from a number of donors, including the World Bank, the Swiss, the Dutch, the Austrian, the Canadian, and Kosovo governments, the UNDP and Oxfam.⁴

One of the main features of the CDF is that it funds only small-scale projects – up to USD 75,000 – on a grant basis, on condition that the community itself makes cash contribution of at least 15% of the value of the project.⁵ Community participation was the idea of the founder of the CDF, the World Bank, who had been involved in similar projects in other parts of the world, in order to encourage a sense of ownership and to ensure follow-up maintenance by the community itself.

Even though the World Bank appraises and supervises the technical and financial aspects of the CDF's activities, final decisions on the type and location of investments rest with the CDF's Kosovar staff – one of the crucial factors behind the CDF's success.

There are three main reasons why we selected the CDF as a positive example of donor support in Kosovo. First, the CDF channelled significant amounts of donor funds to Kosovo's most needy communities without having its name mired in allegations of corruption or financial mismanagement. Thus, we feel that the CDF provides a text-book example of reconstruction with integrity in a post-conflict context.

Second, the CDF's work concept – requiring community approval and participation – has led to higher benefits for local communities and hence to more effective management of donor funds. Independent evaluations have repeatedly shown that beneficiary satisfaction

with the CDF is quite high, while community involvement in setting project priorities and their financial participation has led to higher sustainability upon project completion.⁶

Third, the CDF's founder and main donor, the World Bank, has distinguished itself for its constructive attitude, flexible approach and consistent financial and institutional support for the CDF. The World Bank has channelled a total of about USD 10 million through the CDF, whilst supervising and controlling its local management only in a light and non-intrusive manner. This way it has helped create a highly professional and effective organisation firmly grounded in the Kosovar context.

2. Country overview and the post-conflict context

Kosovo covers 10,887 square kilometres and has 1.86 million inhabitants.⁷ It is landlocked and borders Montenegro to the Northwest, Serbia to the North and Northeast, (Former Yugoslav Republic of) Macedonia to the South, and Albania to the West and Southwest. Around 90% of the population of Kosovo are Albanian, 8% Serb and Montenegrin, while others (Turks, Roma, Ashkali, Egyptians, and Bosniaks) make up 2% of its population.⁸

The year-long war in Kosovo, ongoing from the summer of 1998 until the summer of 1999, brought the total number of victims to more than 11,000 people whilst displacing near one million Kosovars.⁹ It was estimated that overall in Kosovo more than 120,000 houses were partially or fully destroyed.¹⁰

Since the end of the war in 1999, Kosovo has been a UN protectorate, although it is still legally a part of the Republic of Serbia. Negotiations to settle the 'final status' of Kosovo have been underway since early 2006. The official administration in Kosovo is led by the United Nations Mission in Kosovo (UNMIK), whose authority derives from the UN Security Council Resolution 1244. Following the first national elections in 2001, UNMIK facilitated the creation of the Provisional Institutions of Self-Government (PISG), which include the Office of the President of Kosovo, the Assembly of Kosovo, the Office of the Prime Minister, and 15 ministries. In addition, elected local governments also operate in 30 municipalities since 2000.

In order to help the reconstruction process, starting from June 1999 to December 2004, Euro 2.8 billion donor funds were committed to Kosovo, of which the largest donations went to 'housing' and 'public utilities' – around Euro 380 million and Euro 650 million, respectively.¹¹ The World Bank committed over USD 116 million to Kosovo since the end of the conflict, all provided on a grant basis.¹² The World Bank's funds focussed on economic development and education, and did not go directly in the physical reconstruction of private houses.

The CDF was in charge of disbursing the World Bank's social fund, where USD 10 million were spent on funding small-scale infrastructure and social projects in Kosovo's poorest and most war-afflicted communities. The World Bank had already managed

similar funds in over 85 countries, including Albania, Bosnia and Herzegovina, the West Bank and Gaza, and many countries in Eastern and Central Europe.¹³

The main difference between the CDF in Kosovo and the funds the World Bank had set up in other countries is that the former is a NGO, while the latter are governmental agencies. The main reason for this different approach was that after the end of the war in Kosovo there were no operational local government institutions, whilst UNMIK was also in its infancy. Hence, a quick disbursement of funds through governmental channels was impossible.¹⁴ A further difference is that – unlike the government-agencies in the other countries which manage World Bank *loans* – the CDF is responsible only for *grants*, because as a UN protectorate and not a formal state Kosovo cannot yet take loan commitments.

3. The institutional makeup of the CDF

In order to set up the CDF in the chaotic immediate post-war days of the summer of 1999, the World Bank turned for assistance to the Kosovo Foundation for Open Society (KFOS), the Prishtina office of George Soros's network of non-profit foundations. KFOS provided the CDF with a legal umbrella during its first year of existence and also housed its offices in the first couple of months.¹⁵ Within a year, however, the CDF spun off completely from KFOS, being established as an independent local non-profit foundation in November 2000.

The first Executive Director of the CDF was Flaka Surroi, a law graduate with previous experience in running the UNICEF office in Kosovo. When Surroi left in 2004 she was succeeded by her deputy, Linda Bunjaku, who continues to head the CDF to date. An architect by training, she worked with the International Committee of the Red Cross during the conflict in 1999.

In addition to the Kosovar Executive Director, the World Bank also appointed a so-called 'Task Team Leader' (TTL) – a World Bank employee whose task was to support and assist the World Bank's various CDF-type organisations around the world. Initially, the TTL had widespread powers and responsibilities: for example, the TTL's approval was necessary for adopting project 'blueprints' (e.g. the architectural design for constructing schools would be approved once and then used whenever needed), but she or he could also oversee even the day-to-day activities of the CDF if it was deemed necessary. Nowadays, the role of the TTL has been reduced mainly to supervision, although the approval of the World Bank is required in specific cases.

The institutional structure of the CDF has changed substantially over the years in pace with developments in the wider Kosovar society and institutions. The two bodies existent since the start of the CDF are the Executive Office and the Board of the CDF. The Executive Office, headed by the Executive Director, is responsible for the day-to-day management of the organisation.¹⁶ The Executive Director is appointed by the Board of the CDF and is responsible for managing all aspects of the programme, including management of the staff, procurement and disbursement, annual budget, fund-raising,

international relations with donors and partners, quarterly and annual reporting, training, monitoring and evaluation.¹⁷

The CDF's Board is composed of prominent local personalities representing a wide spectrum of Kosovo's ethnic communities, while the World Bank and other donors can participate in Board meetings as observers. The main roles of the Board are to define the fundamental policies of the CDF and supervise its work, as well as to approve annually the assets, liabilities, income, expenditure and programmes of the CDF.¹⁸

In addition to the Executive Office and the Board, since the start of the programme cycle CDF II, a number of other bodies were brought into the organisational structure of the CDF. A new Project Steering Committee (PSC), comprised of representatives of 9 Kosovo ministries, was established in 2004. Its main goal is to check that the CDF's activities are in congruence with the government's policies. However, the PSC is obliged to recognise the full autonomy of the CDF management, and thus has no authority over staffing decisions, financial management and other day-to-day operational activities.¹⁹ In addition, UNMIK and the Ministry of Economy and Finance (MEF) were brought fully on board of the process, with the World Bank's CDF II funds being channelled to the CDF via UNMIK and MEF accounts.

The CDF started with a staff team of 4 people: the Executive Director, an IT manager, an accountant, and an Appraisal Implementation Engineer. By 2006, the staff list increased to 20, 15 of which are based in the head office, one is an engineer in the field, and 4 are auxiliary staff (cleaners and guards). They are organised in four departments, all of which report to the Executive Director: the Project Implementation Unit (further split into a department for Infrastructure and another one for Social Services); the Procurement Unit; the Information Management Unit; and the Administration/Finance Unit.²⁰

In addition to these full-time staff, the CDF also makes use of external consultants of different profiles. Initially, they tended to be international consultants, but because they are relatively expensive with time the CDF began to increasingly use local capacities, having compiled a list of some 200 independent local experts who are called up on the basis of need.²¹

4. Bringing water to Prekaz: the CDF's work in practice

The village of Prekaz, counting some 3,500 inhabitants, is located in one of the most underdeveloped, poor and devastated parts of Kosovo, the Drenica region, which comprises the municipalities of Gllgovc and Skenderaj. A traditional stronghold of Albanian resistance to Serb authorities, the region was institutionally neglected for decades, the results of which can be seen today in its poor infrastructure and lagging economy.

The recent war took a really heavy toll on Prekaz. An offensive by the Serbian military and police on the home of the Kosovo Albanian fighter, Adem Jashari, in 1998, killed 49 members of the neighbourhood, including 20 of the Jashari family. Out of Prekaz's 590

houses, only three had their rooftops intact once the war came to an end.²² In fact, the whole municipality of Skenderaj experienced massive damages during the war: up to 4,000 houses were fully destroyed, and another 3,500 were partially destroyed.²³

Like the rest of the villages surrounding it, Prekaz suffers from an acute shortage of drinking water. The village has never had a communal water system, while its location – a mountainous terrain at 800 m above sea level – has meant that even the village wells do not have enough water.

To deal with this issue, the head of the village of Prekaz organized a meeting with his fellow villagers in 2003. They agreed that the lack of drinkable water was the number one priority for the village and decided to contact the municipality for help. The issue was discussed in the Municipal Assembly of Skenderaj and it was decided that a project to build a water supply system in the sub-municipal unit of Prekaz would become a municipal priority. As the Director of Planning and Rural Development of the municipality of Skenderaj, however, explained:

‘it is not enough [for a project] to enter the list of [municipal] priorities... the implementation of a project depends on many other factors, such as the community’s ability to contribute financially or the willingness of a donor to provide assistance.’²⁴

Aware of the CDF’s work in Kosovo, both the municipality and the representatives of the Prekaz community and sub-municipal unit, decided to contact its office in Prishtina. However, there are cases where the CDF’s promotional team takes the initiative to identify appropriate projects, making public announcements and approaching the communities themselves. They usually begin by approaching the municipal authorities with the request that they identify at least 5 priority projects and villages in their territories, indicating also a provisional budget and the key data on the respective villages (such as their population number, ethnic composition, investments already made by other donors etc). The CDF advises the municipal authorities to compile their list of priority villages based on 3 basic criteria: (a) the suggested projects must be compatible with the strategic development plans of the municipality itself; (b) they must fall within the CDF’s typology e.g. economic infrastructure, social infrastructure, social services; and (c) they must not be set in villages in which the CDF has already invested once so far.

Having spoken to the municipal authorities of Skenderaj, the CDF team proceeded to visit Prekaz itself. Before deciding to fund the water project, the CDF wanted to verify that this was indeed the top priority of the village and asked village representatives to hold a meeting in which this would be discussed.

In fact, as part of its Operation Rules, the CDF requests from each village which it may potentially support to hold a General Community Meeting (GCM), in which a Project Committee is elected and where community priorities are usually determined. These meetings are open to everybody, but a minimum number of representatives must be present depending on the size of the village: if the village is larger than 50 households

and has distinct neighbourhoods, then a representative from each neighbourhood is required. A team of representatives from the CDF team is also present at the GCM to help with procedural issues, such as explaining voting procedures or giving the villagers voting forms. However, the substance of the meeting is always managed by the community itself. The Project Committee is elected by secret ballot, and is normally comprised of a Committee President, a financial officer and at least 3 more members.²⁵

The village priorities are often determined at the GCM. All those present have a right to propose projects and then vote on each of the proposals. When they went to Prekaz, CDF representatives informed the community that they fund a wide variety of project types and asked them to consider their options carefully. They could benefit from any of CDF's **Community Works Projects**, which include 'Social Infrastructure Projects' (schools, playgrounds, cultural centres etc.), 'Economic Infrastructure Projects' (water systems, irrigation systems, roads etc.) and 'Sanitation and Environment Infrastructure Projects' (sewage systems, dams, tree planting against erosion). The second category of CDF projects available to Prekaz's inhabitants consisted of **Community Service Projects**, which include services in 'Education', 'Healthcare' or 'Social Issues'. As a part of these projects, the CDF could also fund the purchase of equipment and furniture.²⁶ Having listened to these options, all of the 97 Prekazi villagers present at the GCM in 2004 voted for building a water supply system.²⁷

A crucial benefit of this elaborate and inclusive process of consultation developed by the CDF is that it guards against the possibility that one person or narrow interest group amasses and abuses power or funds. As the current executive director of the CDF, Linda Bunjaku, explained, 'we never meet with only one person, but approach the communities through groups of at least two people, whilst all the important decisions, for example on village priorities, are taken by even larger groups.'²⁸

Once the village priorities are determined, the Project Committee is asked by the CDF to prepare the application package and collect the community's contribution to the project. The Committee is given a form listing all the documents that must be attached to the project proposal: (a) proof of agreement by the municipality, (b) an engineering project idea, giving at least a preliminary calculation of the cost of the project, and (c) a proposed solution for the future maintenance of the project, be it a 'Memorandum of Understanding' with the municipality or a commitment of the community to be in charge of maintenance itself.²⁹

Because the CDF normally approaches at least 2 villages in a municipality, and their applications are considered on a 'first-come-first-served' basis, the project preparation phase is rather speedy. In effect, villages are in competition with each other to submit their applications as early as possible.³⁰

The substance and logistics of collecting the community contribution is left in the hands of the Project Committee. In Prekaz the Committee decided that households would be classified into 3 categories: families which the Committee considered to be relatively well-off were expected to contribute Euro 500; those less well-off would give Euro 300;

whilst poor households were to give Euro 100. The community of Prekaz was so poor, however, that many could only afford to give Euro 50. Indeed, more than 10 families ended up selling their cows in order to participate in the project – underlining the absolutely vital importance of this project for the community.³¹

In the end, the community did not reach the target of Euro 70,000 necessary for the project as they had foreseen it, even after the municipality committed to assist them with a contribution of Euro 9,000. They managed to collect a total of Euro 55,250, of which Euro 50,250 came from the community of Prekaz, whilst the rest was raised by the nearby village of Libovec, who also wanted to connect to the system in the future.³²

At the start of CDF's work in 2000, communities could contribute to the project through cash from their own pockets, municipal funds or other donations sought by community representatives themselves, and through voluntary labour. In fact, the pilot idea at the start of CDF I was to receive only half of community contributions in cash, while the rest could be given through voluntary work. However, by the time Prekaz came to implement its water project in 2004 during CDF II, the principle of labour contributions was dropped entirely because so many difficulties had ensued in previous projects. Essentially the problem was that the communities would commit to completing relatively simple parts of the physical work involved – usually opening and closing canals for which not much expertise was required – but would not actually deliver when the time came, and the contractor would end up shouldering the labour and the cost.³³ So when Prekazi residents – who could contribute to the project only through cash – fell short of the target, the only solution was to simply downsize the project by reducing the length of the network by 13,000 meters.

It is a principle of the CDF that before a project goes to tender, all the funds have to have been collected and deposited into a CDF account, allowing the Executive Office full control over the management process. The contractors who will implement the project are always selected through a competitive bidding process. The final decision rests with an Evaluation Committee, made up of representatives of the CDF and the respective community. In Prekaz around 22 companies applied and the bidding envelopes were opened in the village school. Once the CDF evaluated the credibility of the offers presented, the implementation of the project was awarded to two companies: 'Diamanti', from the neighbouring Gllgovc municipality, was to open the canals and lay out the pipes, whilst 'Ideali', from Kaçanik in South Kosovo, was to build the water tank.³⁴ The villagers and the Project Committee were satisfied both with the transparency of the process and with the companies eventually selected.³⁵

In fact, the community of Prekaz was satisfied with the project in general and the CDF's overall conduct and professionalism. As the head of the Prekaz sub-municipal unit, Nuredin Hasani, said: 'I have only good words for the CDF, they helped us very much.'³⁶ This is all the more surprising considering that the Prekaz project did not actually bring running water to individual village houses: the CDF project was intended to build the main water infrastructure around which 7 surrounding villages could be connected, but the water supply network within the villages requires further investments of some Euro

150,000, which the communities have yet to raise. It is due to CDF's transparency and openness in communication with the whole village that no false expectations were raised and no disillusionment ensued.

Indeed, independent evaluators found that the level of community satisfaction with CDF projects was high all over Kosovo not just in Prekaz. In the 2003 beneficiary assessment, a cumulative 88% of the interviewed beneficiaries claimed to be either satisfied or very satisfied with the effects of CDF projects, while only 2% of them expressed dissatisfaction.³⁷ Similarly, the 2005 beneficiary assessment of CDF II programme cycle noted that:

'... there is much more satisfaction with the CDF's work than with any other organisation/institution. While only just more than a quarter (29.4%) of respondents expressed satisfaction with the assistance from the municipal authorities, around three quarters (71.9%) of respondents expressed satisfaction with the CDF's assistance.'³⁸

Prekaz is only one example of water system projects built by the CDF across Kosovo. To be precise, during the two CDF cycles 66 water system projects were implemented, directly benefiting an estimated 111,000 people and costing in total Euro 4.6 million.³⁹ But the CDF also invested massively in other project types. For example, during programme cycle CDF II, the CDF built 7,356 meters square of school space in 8 municipalities in Kosovo, with total project value of Euro 14.3 million. Over 3,200 people were direct beneficiaries of these projects, while another 63,000 were thought to have benefited indirectly.⁴⁰ The CDF also invested massively in social service projects: for example, during CDF I it funded a total of 77 social services projects all over Kosovo, allocating over Euro 0.63 million and benefiting directly over 270,000 people, including disabled people, single mothers, the youth and the old.

5. Analysis: The sources behind the CDF's success

Three main factors combined to make the CDF a success story of donor support in post-conflict reconstruction: (a) a work concept revolving around community participation and involvement; (b) a decisive, effective and efficient management; and (c) constructive donor involvement and support. What makes this organisation particularly interesting is that all these factors could be successfully brought together in other contexts and settings, making the CDF a useful case study of how to effectively manage donor funds in post-conflict environments.

5.1. Community involvement and participation

A key factor behind the CDF's success was undoubtedly the World Bank's premise that long-term project sustainability is best ensured if the beneficiary community is closely involved in defining its own priorities and in implementing the project at hand.

The CDF institutionalised this basic concept in its rules and procedures and further adapted it to Kosovar needs and expediencies on the ground. Everything about the CDF – from the name it adopted to the condition that communities must contribute at least 15% of the total value of projects – was done to get maximum community involvement in its work.

To start with, the CDF's name was deliberately chosen to be in English because the CDF's staff, all of whom had extensive experience working with local communities before the war, knew that this way they could win over their trust much faster. The reasoning was simple: the CDF was the first fully Kosovar organisation to be involved in aid work, and staff thus expected to be met with some scepticism by the local communities, who were used to receiving assistance only from international organisations. As the former executive director, Flaka Surroi, confessed:

‘It was very difficult to change communities’ perceptions that Kosovar organisations are not worthwhile in reconstruction work... At the beginning even when we told people we were ‘locals’ they did not believe us, insisting that we were a Dutch or Swiss organisation. It took time to gain their trust, but we got there in the end.’⁴¹

However, in spite of their ‘international’ name, on a day-to-day basis the CDF was run by Kosovars only, which was crucial in communicating well with the communities. According to the current Executive Director of the CDF, Linda Bunjaku, a key factor in the success of the CDF was that:

‘... it was never necessary to translate the words of CDF or World Bank officials to community members – if the community was ethnically Albanian, we spoke to them in Albanian, if it was ethnically Serb we spoke to them in Serbian... We even have staff who can speak Turkish to ethnic Turk communities.’⁴²

Indeed, a condition for joining the CDF team was to have had previous experience of working in the field with local communities because, as Bunjaku explained, ‘it is important to recognise the specific mentality of Drenica [Central Kosovo], for example, and to be able to distinguish it from that of Gjakova [South-West Kosovo] or Gjilan [South-East Kosovo].’⁴³

But, in order to win over the trust of local communities, the CDF at times had to fully adapt to their specific mentalities – in the short-term, at least. At the beginning particularly, in order to determine community priorities they decided to hold two separate meetings, one with women, the other with men. As Linda Bunjaku explained:

‘Women felt intimidated to speak up in front of their husbands and there were even cases when only men would turn up [at the meetings], claiming that they are there to also represent the views of their wives whom they had consulted at home... in which case our Promotion Officer would walk off saying “well, I’m a woman, so I’ll go home too!”’⁴⁴

Realising that the management of the organization is actually run by women helped to gradually change the perceptions of some of the village men – by CDF II programme cycle, all community consultation meetings were unified and in some cases, such as in our example of Prekaz, women were actually elected as Presidents of Project Councils. Moreover, not only are women ‘more and more present at these meetings... [they are also] active, which is more important.’⁴⁵

The communities were thus closely involved in the process of identifying priority projects. As Surroi explained: ‘Generally we asked the communities “What would you prefer to have built in your village if you had the opportunity?”’ What they often found, as Surroi humorously remarked, is that the largest number of men requested roads ‘to drive their BMWs’, while the women requested water-supplies ‘to help them wash their clothes.’⁴⁶ These sentiments were heard out by the CDF, which in the period up to 2006 invested 12% of its total projects in roads and 33% of them in water-supply infrastructure projects.

Involving the communities in identifying village priorities meant that they were more likely to commit their own resources because the projects selected were closer to their hearts. In turn, once becoming co-investors, communities would be more committed to project maintenance, thereby ensuring long-term sustainability of investments. The efficiency gains were, thus, twofold. On the one hand, donors’ funds were channelled towards projects which were really appreciated by the respective communities and served their most immediate needs. On the other, these projects would yield higher benefits for longer periods of time because they tended to receive better maintenance.

The CDF, however, demanded from the outset that such local ownership be reciprocated with greater responsibility to the communities themselves. For example, the CDF always insisted that the communities should apply for construction permits for all their projects, even in the early days after the end of the war, when the issuing local authorities were poorly organised and most other donors were not as strict. However, the CDF was there to offer a helping hand to the issuing authorities, by assisting them in the permit drafting process or by putting them in touch with other municipalities which had already gone through a similar process before.⁴⁷

The CDF was committed to the highest standards of transparency with the local stakeholders: after completing each project, the CDF gave municipal governments and local communities full copies of the relevant documentation, identical to the ones it kept in its own archives.⁴⁸

Although the CDF prefers to leave project maintenance in the hands of institutional authorities (e.g. the municipality or a regional water company), it sometimes formally trains community representatives in basic maintenance work. This is done especially if it is apparent that the project may not be sustainable because municipalities lack the resources necessary for adequate maintenance. In such cases, the CDF asks the respective Project Committee to select a village representative known for his or her practical skills and, alongside a basic training in maintenance and fee collection, it gives them tools and

Euro 150 for the first maintenance needs. The funds for future maintenance are usually raised from the community itself.⁴⁹

This approach to maintenance was especially effective when there was close cooperation between the community and the municipality, as was the case in the village of Brestovc, in the municipality of Rahovec (South-West Kosovo). The CDF rehabilitated a road – greatly damaged by tanks during the war – to enable the inhabitants of three nearby villages to cover a much shorter distance to get to the nearest market. Since the municipal authorities intended to tarmac the road in the near future, they decided to supply the Brestovc ‘handyman’ with gravel to fill the potholes, while the village agreed to pay him a salary of DM 150 per month. According to the former CDF Executive Director, Flaka Surroi:

‘That handyman was on that road every day, covering the holes after each car! It was phenomenal! And, of course, much cheaper for the municipality when it eventually came round to asphaltting the road. It is in really good condition even today.’⁵⁰

Finally, a further frequent benefit of CDF’s approach to project implementation was that these projects would often generate temporary paid employment for at least some members of the local community. As the current Executive Director, Linda Bunjaku, explains:

‘It makes more sense for a contractor from Mitrovica [North-West Kosovo] working in the municipality of Prizren [South Kosovo] to hire his physical labourers from among the villagers, rather than transport his workers from his home city.’⁵¹

In a poor country like Kosovo where, according to local communities, unemployment constitutes the most serious single problem they face, finding temporary employment in a local project is often valued as much as having a permanent infrastructure built in the village.⁵²

5.2. Management

It is obvious in the case of the CDF that good management played a crucial role in making this organization effective. A number of policies on cost-efficiency, staff management, and independent evaluation were put in place very early on and gradually institutionalised over the years.

First, the CDF management was very committed to cost-efficiency, always seeking to maximise the funds used to the direct benefit of the communities. For example, the CDF sought to keep overhead costs at a maximum of 15% of the total value of their grant, which stands in contrast to most other organisations. For example, UNICEF took some 25% of the total value of a project as overhead cost, with its sub-contractors often taking another 20%.⁵³

The CDF also tried to save money by using generic designs when involved in similar projects. For example, it developed two standard designs for school construction – a four- and a two-room plan, respectively. The CDF estimated that these measures helped them save some Euro 150,000, which they used in implementing other projects. When projects called for specialised designs, it was a practice of the CDF to request project implementers to draw the plans up, which were then reviewed and corrected by CDF engineers. The former Executive Director, Flaka Surroi, testified that although some architects requested Euro 12,000-15,000 for designing the plan of a Euro 200,000 construction project, the policy of the CDF was ‘not to grant them more than Euro 5,000, i.e. not more than 2.5% of the total value of the project.’⁵⁴

The CDF was willing to cover up to 10% of the value of the project for the expenses of unforeseen works, but these would have to be justified well: the management would not tolerate excuses for delays in implementation or for the use of poor building material.⁵⁵ Indeed, such companies would face daily penalties of 0.5% of the total project value, which could lead to the termination of the contract if matters did not improve.⁵⁶

It is thus not surprising that:

‘the cost for implemented construction by the CDF is convincingly at lower cost than of... other organisations [UFORK and SDC]... Road projects implemented by the CDF are around 34% lower, schools by around 19% and 22% [respectively]. The cost for water-supply construction is 2% lower than with comparable organisations.’⁵⁷

To take just one example, constructing a school meter square in 2001-2002 cost the CDF Euro 337, while this cost was Euro 415 and Euro 430 for UFORK and SDC, respectively.⁵⁸

A key way in which the CDF kept its costs down was by only using local contractors in implementing projects. World Bank rules allowed international contractors to take part in tenders exceeding DM 100,000, but according to Surroi, ‘their applications gradually dwindled as it was not worth their while to apply for relatively small-scale projects... and on the whole they tended to be eliminated because they were too expensive.’⁵⁹

However, at the beginning the risks of working with local contractors were quite high, because very few of them had worked before or had references from other organisations. In order to mitigate these risks, the CDF demanded that each applicant submit a staff and equipment list to check they met minimum standards, and inserted in each contract a clause specifying that the agreement would be terminated if the works were delayed by more than 30 days. Contractors who violated the contract were blacklisted and the CDF would not work with them again. According to the current Executive Director, Linda Bunjaku, ‘this approach helped raise the standards among applicant companies, and the “blacklist” gradually fell out of use.’⁶⁰

Indeed, the quality of work done by ‘Diamanti’ – the company responsible for opening the canals and installing the water pipes in Prekaz – was so high that a beneficiary, Lendi Aruçi, is still marvelled by it. As he puts it: ‘the water valve looks as if it is the work of an artisan craftsman, and not the product of a machine! It still looks brand new.’⁶¹

Part of the CDF’s cost-cutting measures was also to gradually replace international consultants with local ones who cost much less in comparison. At the start of each year, the CDF puts an announcement in the local newspapers, calling for qualified graduates to send their CVs to be considered for the ‘list of experts’, who are called to work as temporary field supervisors on an *ad hoc* basis whenever the CDF implements projects in their respective municipalities.⁶² This way the CDF developed a list of more than 200 local experts, who can be used as long as they are not employed in the civil service when works on a given project start. This was in fact the way the CDF engaged Ismajl Hadeja, the field supervisor for the water supply project in Prekaz, who was widely praised by the Project Committee of the water supply project in Prekaz. As one member of the Committee elaborated:

‘Ismajl [Hadeja] would never accept anything which was wrong or out of the contract... for example, once we were sitting in the hall when the contractor asked him if they could use a pipe made in Turkey, and not one from Germany... But Ismajl said very clearly that this was not acceptable based on the quality requirements agreed in the contract... Once he even stayed in the field until midnight to supervise the way the reservoir was being filled with cement.’⁶³

Another key source behind the CDF’s success was the great effort put into hiring staff, with much time and resources being spent to get the people with the right qualifications in. Staff was selected following a public competition, comprising of a written test and a formal interview. Each position had different professional criteria attached, such as having university education for the specified field and work experience of at least five years. In addition, each employee would be given a permanent contract only after having passed a three-month probationary period. The first Executive Director, Flaka Surroi, was determined to hire only the best for the CDF: although in need, in 2000 she gave up on recruiting a Project Implementing Manager because the candidates available were not up to the standard required for the position.⁶⁴

However, once on board most staff stayed on with the CDF. Indeed, the current Executive Director, Linda Bunjaku, believes that low staff turnover has been a crucial factor in CDF’s success: apart from Surroi, who left in 2004, and a few engineers who left at the start of the first project cycle, none of the other staff has left the organisation.⁶⁵ Furthermore, even with Surroi’s departure, continuity in the organisation was maintained because the CDF’s Board of Directors decided to select the new executive director through an internal competition, choosing the best out of the three candidates who applied from within the organisation.⁶⁶

Although tough at recruiting, CDF executive directors have tried to foster close relations among the team. As Surroi explains: ‘We practiced drinking coffee together each morning to discuss our work and different problems before heading to the field...’⁶⁷ In addition, each Monday there are formal meetings where staff brief each other on the progress and eventual problems of individual projects.⁶⁸ This ensures a thorough understanding of the projects within the organisation and a consistent approach when dealing with communities, municipalities, and contractors.

Crucially, CDF management insisted upon the highest standards of integrity for the organisation and from the staff. As Surroi puts it: ‘We were very transparent with the funds and did not give tenders on the basis of personal acquaintances. And we did not steal ourselves, of course!’⁶⁹ Indeed, the auditing reports done by ‘Deloitte’ confirm that: ‘... the Project Statement presents fairly, in all material respects, the sources and uses of the funds of the Project... and [it] complies with the financial and reporting requirements of the World Bank...’⁷⁰

In addition, staff has to abide by the internal rule of the CDF to never lunch with investors, even when overseeing projects in the field, leading one contractor to remark that:

‘There’s no way you can corrupt people at the CDF, really, they’re very strange, they have very high criteria... What’s most interesting, they won’t even have coffee with us! Whereas the second day after I signed a contract with the municipality to build a 100 meter road, officials there asked me to take them out to lunch...’⁷¹

Moreover, unlike in many other organisations, CDF staff could not use official vehicles for personal needs, unless – in exceptional cases – they obtained the explicit permission of the executive director herself.⁷²

The management expected similar adherence to principles from the communities the CDF was assisting. In a country spoilt by illegal constructions, the CDF was noteworthy for insisting that each project it funded should have the required construction permit, ‘even if the edifice was to be constructed on top of a mountain.’⁷³ Former Executive Director, Flaka Surroi, did not hesitate to put a stop to a school building project in the village of Palabardh in the municipality of Gjakova after the community – contrary to the CDF’s instructions – proceeded to build a floor beyond that approved in the construction permit. The CDF lost Euro 10,000 as a result, but also the community investment of Euro 60,000 was not reimbursed to the village – this being the first and last such incident in the CDF’s history to date.

The CDF’s management developed a series of measures that simplified project implementation by adapting procedures to local conditions and needs. For example, to the local staff on the ground it was clear that the World Bank’s 300-odd page procurement package was too long for the Kosovar context. As Surroi explained:

‘In Kosovo people are used to work more based on instinct and informal agreements, rather than things written on paper... So, I knew that the Kosovar contractors, the majority of whom are not university-educated, were unlikely to read a voluminous and technical document like that.’⁷⁴

As a result, Surroi asked to reduce and simplify the procurement document to a more manageable 20 pages. The then-World Bank TTL, Sarah Forster, was very supportive in pushing this recommendation through and suggesting practical adaptations based on her experience in Bosnia. Since it is the World Bank’s general rule in the case of its social grants to adapt its procurement procedures according to local conditions, it was not too difficult to get clearance from its procurement specialist – although this was given only ‘on condition that no problems occur in the future.’⁷⁵

The documentation for the CDF’s social projects’ fund underwent a similar simplification process, halving in size from 16 to 7 pages and asking only basic information from the communities. At the end, with the World Bank’s input and approval, the CDF’s application paperwork contained four basic documents: the Rules Manual, the Operational Manual, the Procurement Rules, and the Financial Rules.⁷⁶

However, this simplification was not to come at the expense of quality: the CDF’s management always retained its interest in project quality and sustainability. For example, while in the beginning community meetings to define priorities were organised informally by the communities themselves, with time the CDF developed an extensive manual containing the rules and criteria on how to organise such meetings and what voting procedures to use. Thus, the Operational Manual which contained 40-50 pages in 2000 now has more than 300 pages, even detailing specific rules for environmental protection, for example.⁷⁷

The quality and effectiveness of the work of the organisation and of the management itself was also closely scrutinised. The CDF has undertaken independent assessments of the impact and efficiency of their work on a yearly basis, and tried to implement their recommendations and conclusions during the following years. For example, the 2002-2003 evaluation remarked that in comparison to CDF’s infrastructure projects, its social projects give comparatively lower levels of satisfactions and are less rigorously supervised.⁷⁸ The response in the following year was to commission a separate study to assess in much greater detail the problems and potentials of social projects.

The study found that communities are usually less satisfied with social projects because these tend to improve the lives of only a small and select group of people, and not that of the community as a whole. Thus, from the perspective of the entire village community, infrastructure projects are always of much higher priority. As the current executive director, Linda Bunjaku, explained: ‘When you live in a mountainous village without water supply and canalisation, you don’t think much about educating a group of women who left school at a young age.’⁷⁹

However, after careful evaluation, the CDF team decided to continue with these types of projects, because the level of satisfaction among the project beneficiaries was always very high. Moreover, as Linda Bunjaku elaborated:

‘Social projects are not only about creating know-how or developing skills. Often they are designed to simply bring people together, especially women who had lost families during the war and are in need of social support... And, really, no statistic can capture the sense of worth created in the old lady in Zahaq [Western Kosovo], who after attending a literacy course funded by us, told us that she was so proud to be able to sign her own name on her documents instead of giving her fingerprints at the municipality.’⁸⁰

However, when it decided to retain social projects as part of its portfolio, the CDF became more systematic about the supervision of these projects in the field, which led to improvements in beneficiary assessments as noted in the following independent study of 2003-2004.⁸¹

Finally, the CDF’s management was also keen to pass on its internal know-how and experience to other institutions and organisations. For example, its ‘blacklist’ of 8 contracting companies who had not completed their tasks well in previous projects, was also distributed to other donors and the Kosovo Ministry of Economy and Finance. Surroi claimed that:

‘... to convince the World Bank about the validity of this list was very difficult at first, but they eventually came round to the idea, and the list was seen as being very credible by other donors.’⁸²

Surroi claims that in general in Kosovo there was very good cooperation between donors in sharing information about local contractors. In her words:

‘all I had to do was to pick the phone up and call a colleague at another organisation and they would be happy to give references and share experiences...’⁸³

Indeed, according to her, a contractor felt compelled to eventually shut down his company and register another one under a different name, because no organisation was willing to hire them with such bad references from the CDF.

5.3. Constructive donor attitude and support

Last, but not least, the donors – particularly the CDF’s primary founder, the World Bank – should be credited for its constructive attitude and support. As well as introducing the concept of reconstruction through community involvement, the positive contribution of the World Bank could be summarised in three points: utilising local capacities and know-how, who often had a better understanding of the local context and needs than the (more

expensive) international organisations or consultants; allowing the CDF's Executive Director free hands in the internal management of the organisation and being open to her suggestions for improvement; and backing the CDF with further financial assistance and with institutional support when difficulties arose.

The World Bank's openness and flexibility is perhaps best illustrated by the fact that it decided to operate through an NGO, rather than via a governmental organisation as it had done in all the other countries in which its social fund was active. The logic for this was, of course, very compelling: in 1999, Kosovo did not have any government structures, and even UNMIK was in its infancy. However, this does not at all retract from the fact that working with the NGO was a huge exception for the World Bank. As the first Executive Director, Flaka Surroi, explained:

'We in Kosovo didn't even know how big an exception the World Bank was making in our case... They themselves, of course, knew that, but – after a few team field visits to Kosovo – they didn't hesitate at all to work through us. The decision was taken relatively high within the World Bank – I signed the contract directly with its regional director, Christian Portman.'⁸⁴

In order to mitigate potential risks, the World Bank demanded from the CDF to open an account with a credible financial institution in Europe, which the latter chose to be Commerzbank in Frankfurt. A further restriction was that a maximum of DM 100,000 of the World Bank's and other donors' funds could rest in this account, and only for a period of 5 days, before it had to be disbursed to the contractors. The limit was eventually raised up to DM 500,000 for 5 days, once the World Bank was convinced that the CDF was working appropriately.⁸⁵

The World Bank's flexible approach also stood in marked contrast to that of other major donors. In the emergency months straight after the end of the war, most donors tended to disburse their funds through international organisations and consultancies, with the justification that local capacities were inappropriate or insufficient for this. The World Bank adopted a different approach from the very start, deciding to tap into the knowledge and connections of local organisations and experts in order to set up what became the CDF. The first link in the chain was KFOS, the newly registered office of the Soros network of Open Society Institutes, but which had operated in Kosovo through the Soros Belgrade office ever since 1996. Terrice Bassler, a former World Bank official, then engaged by the Open Society Institute New York as a resident advisor in Prishtina to help establish KFOS and its initial programs, was the natural contact point for this joint venture. KFOS was particularly helpful because it could speed up the process of establishing the CDF by providing it with a temporary legal umbrella and office space for the first few months.⁸⁶ In addition, KFOS also temporarily lent the CDF some DM 80,000 in order to allow it to begin operations until the World Bank money was transferred into the latter's account. Finally, during CDF I, two KFOS Board Members also sat on the CDF Board.⁸⁷

The second important move of the World Bank was to select a Kosovar executive director – international staff were planned to provide advice and assistance, but final decisions were to be made by local inhabitants. Many efforts went into selecting the right candidate and KFOS's knowledge of local experts was also useful in this process. A public announcement for the position of the CDF Executive Director was made, but Flaka Surroi, the candidate eventually selected, was to a large extent 'head-hunted' by the World Bank and KFOS. Terrice Bassler had known Surroi from before the war, when she was the most senior local staff at the UNICEF office in Kosovo, a position she had held since 1995. Bassler and a World Bank representative approached Surroi after they saw her chair a large donor coordination meeting for the reconstruction of damaged schools in Kosovo, and the latter agreed to come to the interview for the CDF's directorship.⁸⁸

Crucially, once it chose the executive director, the World Bank stepped back from the day-to-day running of the CDF, leaving operational decisions in the hands of the local management. As Surroi explained: 'I had an absolute liberty to hire and fire my staff.'⁸⁹ Indeed, the World Bank was even open to changing international consultants, if the CDF management insisted that better results could be obtained by hiring local capacities. So, for example, while Surroi welcomed the expertise and experience of the World Bank TTL, Sarah Forster (and later of Caroline Mascarell, Forster's successor), in the implementation of the CDF's social projects, she managed to convince the Bank to replace an expensive – and, in her opinion, ineffective – international IT consultant with more adequate local staff.⁹⁰

Moreover, although it initially insisted on strict adherence to the rules, once the project implementation phase came along, the World Bank showed enough flexibility to allow projects to go ahead. For example, according to World Bank rules, a construction company must be licensed before starting works in any World Bank-funded project – an impossible feat during the immediate post-war phase in Kosovo when licensing authorities were non-existent. However, the World Bank decided to somewhat soften its rules – by demanding only the registration certificate issued by UNMIK and inserting the term 'to be licensed when applicable' in the contract – thereby opening the door of CDF projects to local Kosovar companies.⁹¹

Finally, the World Bank kept its financial and institutional support for the CDF over the years. A particularly telling example is the approval of the CDF II grant which occurred only after 4 arduous months of negotiations between the World Bank, UNMIK, the Ministry of Economy and Finance (MEF), and the CDF, leading the former Executive Director of the CDF to remark that 'I lost over 20 kilograms in the course of those months!'⁹²

In the case of the first project cycle, CDF I, the CDF had had no problems in getting UNMIK's approval for signing an agreement with the World Bank. As Surroi remembers:

'At the beginning everything ran very smoothly... [the World Bank's TTL] Caroline [Mascarell] sent the papers to the Deputy SRS [Special

Representative of the Secretary General of the UN] of Pillar II, who only said “Where do I have to sign?” And that was that...’⁹³

However, when it came to signing the grant for the second project cycle, CDF II, in December 2003, UNMIK’s Legal Office objected on the grounds that only UNMIK has the legal right to sign international agreements on behalf of Kosovo and its institutions. The process came to a halt and the problem was solved only in April 2004 when, at the suggestion of the World Bank, it was agreed that UNMIK would sign an agreement with the World Bank on behalf of MEF. MEF would in turn sign another agreement with the CDF, which the World Bank insisted should remain the disbursing agency. UNMIK and MEF were brought into the formal governing structure of the CDF through the Project Steering Committee (PSC), which, however, could not interfere in the day-to-day operations of the Executive Office of the CDF and influence decisions on the projects that would be implemented.

6. Conclusions and recommendations

From its inception in 1999 until today, the CDF has managed over Euro 18.5 million of donor funds (not including community participation) – a tiny fraction of the billions of euro spent by donors in the whole of Kosovo in this time period. It is evident, thus, that the aims of the CDF were never to act as the backbone of the entire reconstruction effort in Kosovo. However, the CDF serves as a testimony to the fact that even relatively small amounts of donor funds – when effectively channelled and efficiently used – can go a long way to improving the quality of life of needy communities. Thus, many lessons could be learnt from the CDF’s success and reapplied by donors in other post-conflict reconstruction efforts.

(1) A number of lessons emerge from our analysis of the CDF’s work. The first is the importance of closely engaging the local communities and the local authorities in identifying priority needs as well as in the implementation of chosen projects. The gains from this approach are twofold. On the one hand, there is a gain in allocative efficiency, because the projects invested are those most desired by the communities themselves. On the other hand, community involvement, particularly through financial contributions and capacity building in maintenance work, ensures greater longevity of the infrastructure built.

(2) A second fundamental lesson which emerged from our study of the CDF is that using local capacities and contacts early on in the mission results in a number of important benefits. The most obvious gain, of course, is in terms of financial cost: local managers and local contracting companies cost less than international ones, allowing resources to be focused in the actual implementation of projects directly beneficial to the communities. In addition, employing members of the communities to actually implement the project also helps reduce unemployment in the village, even if on a temporary basis. Local managers, moreover, are more likely to better adapt to local mentalities and exigencies in the field – a must in the early years after the end of a conflict and particularly for community-type projects such as those of the CDF.

We recognise that finding adequate managers immediately after the end of a conflict is often difficult and resorting to international staff may be more convenient in the short-term. However, we feel that – although support from international consultants may be desirable and indeed even necessary at times – better long-term results are achieved if the responsibility for the day-to-day management of the organisation is left to local managers. The latter are not only more likely to have better contacts with community and municipal representatives, but they also tend to be more familiar with the particular culture of the region, facilitating better communication with the various stakeholders. Thus, donors should concentrate their early efforts on identifying adequate people for the management of their projects and should use any existing local contacts – such as KFOS in the Kosovo case – in the process.

(3) The need for a flexible donor approach is the third key lesson taught by the CDF. Strict rules should indeed be put in place in order to avoid any mismanagement of funds – and the World Bank could not be faulted in this. However, donors should be open to suggestions for simplification and adaptation, if there is reasonable evidence that this would lead to a faster and more efficient implementation of projects. The World Bank’s openness to adopting its contracting rules to allow for the use of local companies is a perfect illustration of the flexible approach desired.

(4) Finally, the experience of the CDF holds a further practical lesson for other similar infrastructure-developing projects and organisations in the world. Namely, that it is imperative to devote enough resources to the future maintenance of the implemented projects; otherwise, the long-term benefits of the investment are marginalised. The CDF’s idea of training community representatives in basic maintenance works is a worthwhile alternative to leaving everything in the hands of – often ill-resourced – municipal authorities or to not ensuring maintenance at all.

Annex 1: Funds managed and disbursed by the CDF

Year	Institution	Amount (Million)
CDF I		
1999	World Bank Post Conflict Fund	USD 1
1999	Swiss Government	USD 1.2
2000	World Bank	USD 5
2000/01	Government of Netherlands	USD 6
	TOTAL	USD 13.2
CDF II		
2003/04	World Bank	USD 4
2004	Kosovo Government	Euro 0.5
2004	Kosovo Gov	Euro 0.1
2004	British Liaison Office in Prishtina	Euro 0.09
2004	UNDP	Euro 1.1
2005	Government of Canada	CAND 1.2
2005	Government of Austria	Euro 1.2
2006	OXFAM Novib	Euro 0.25
	TOTAL	Euro 7.3

Annex 2: Examples of other types of CDF projects

Example 1:

In the early days of the CDF, community contribution could be in the form of cash and voluntary physical work. When the 800 household village of Studençan in the municipality of Suhareke (South-West Kosovo) needed a new sewage network, enough people volunteered with physical work valued at Euro 9,500, while Euro 7,500 were given in cash contributions. This was one of CDF's first projects with a total contract value of Euro 74,719. Voluntary work contribution functioned in this case because the firm contracted to do the works was from the village, and so there was a stronger connection between the community and the contractor.

(CDF I – Arkivi: www.kcdf.org; Flaka Surroi 25 October 2006)

Example 2:

The first CDF project was implemented in June 2000, asphaltting a village road in the municipality of Shtime (Central Kosovo). It was one of CDF's 5 pilot projects, used to test the organisational procedures, and so was not a typically poor community as was the case with the later communities.

The leaders of the 1,400 strong village of Vojnoc had known the CDF's director from before the war, and when they heard of the new organisation, they rushed to Prishtina bringing with them DM 50,000 in cash towards community participation requirements. According to the former CDF Executive Director, Flaka Surroi, the Project Committee in this village was the best she had seen during her time at the CDF – members measured the depth of the new road with a ruler every half a meter or so, making sure that the tarmac reached the obligatory 12 cm of depth.

Because the community could bring together more than 25% of the total value of the project (Euro 103,789), the CDF could afford to asphalt the road to their village. This, however, until very recently remained the only road asphalted by the CDF – the cost of laying asphalt is too prohibitive in the majority of cases and most roads are simply covered with gravel.

(CDF I – Arkivi: www.kcdf.org).

Example 3:

The biggest irrigation canal which passes in the middle of Peja town, was not maintained for years and even some of the city sewage was passing through it. The canal though is used for irrigating 400 ha of land in the nearby villages. The total value of the project was Euro 88,459, of which value Euro 25,475 was cash contribution from the Municipal Assembly of Peja while the community itself contributed with physical work in the value of Euro 29,029. CDF staff noted that:

‘This project was implemented slowly, due to the difficulties in physical work invested by the community and the few month delay in the removal of a high voltage electric cable which was supposed to be done by the Electric Energy Company. However, this is still one of the most beautiful projects implemented by CDF.’

(CDF I – Arkivi: www.kcdf.org).

Example 4:

Gradicë is one of the most damaged villages of the municipality of Glllogovc, with 140 out of 150 houses having been destructed during the war. The previous school facilities were used as a field hospital and experienced significant destructions.

The community was very organised after the war, having reconstructed the majority of the houses and rebuilt their roads. Their request to build a new school was approved by the CDF and now the community has a modern school for 286 pupils, including a class for pre-school children and a school library.

(CDF II Power Point Presentation 2004-2006)

Endnotes

- ¹ CDF, <http://www.kcdf.org/eng/aboutus.htm>, viewed on 29 September 2006.
- ² CDF, <http://www.kcdf.org/eng/index.htm>, viewed on 29 September 2006.
- ³ Interview with Linda Bunjaku, Executive Director, CDF, 27 September 2006.
- ⁴ See Annex for full list of donors and their respective donations.
- ⁵ World Bank, Press Release 2000/097/ECA, <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0..contentMDK:20015010~menuPK:34466~pagePK:34370~piPK:34424~theSitePK:4607,00.html>, viewed on 16 November 2006. See also, Deloitte, 'Community Development Fund Project: Independent Auditors' Report and Statement of Sources and Uses of Funds (For the year ended December 31, 2005)', Prishtina, May 2006, p. 7.
- ⁶ See, for example: Ekipi hulumtues i departamentit të sociologjisë, 'Evaluimi i efekteve të projekteve të CDF-së në Kosovë (2002-2003)', Prishtinë, July 2003, p. 2; Ekipi hulumtues i departamentit të sociologjisë, 'Evaluimi i efekteve të projekteve të shërbimeve sociale të CDF-së në Kosovë (2003)', Prishtinë, February 2004, p. 6; Index Kosova, 'Beneficiary Assessment: Evaluation of CDF's Projects Effect in Kosovo, September – December 2005', p. 12.
- ⁷ MEF, The Kosovo General Government Budget 2003, p.2.
- ⁸ For more basic data please refer to <http://Kosovo.starttips.com>.
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- ¹⁰ MESP (Department of Housing and Construction, Reconstruction Section), 'Housing and Reconstruction Process in Kosovo 1999-2002', Prishtina 2003.
- ¹¹ Department for International Economic Cooperation (Donor Cooperation Division), 'Annual Report on Donor Activities in Kosovo January 2004 – December 2004', September 2005, pp. 6-7.
- ¹² World Bank Kosovo, Country Brief 2006, <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/ECAEXT/KOSOVOEXTN/0..contentMDK:20629286~pagePK:141137~piPK:141127~theSitePK:297770,00.html>, viewed on 16 November 2006.
- ¹³ *Op. cit.*, World Bank, Press Release 2000/097/ECA.
- ¹⁴ *Op. cit.*, Linda Bunjaku, CDF, 27 September 2006.
- ¹⁵ Interview with Luan Shllaku, CEO, KFOS, 26 September 2006.
- ¹⁶ Halim Gjergjizi, Zahir Bajrami, Xhelal Llonçari, 'Cost Analysis of Projects Implemented by CDF', January 2003, Annex. The Executive Office consists of: the Finance and Administration Officer, the Appraisal and Implementation Engineers, the Promotion and Social Services Officer, the Procurement Officer, and the Management Information System Officer.
- ¹⁷ *Ibid.*

- ¹⁸ *Ibid.*
- ¹⁹ *Ibid.*
- ²⁰ *Op. cit.*, Linda Bunjaku, CDF, 27 September 2006.
- ²¹ Interview with Flaka Surroi, Former Executive Director, CDF, 26 June 2006.
- ²² Interview with Nuredin Hasani, Head, Prekaz sub-municipal unit, 27 October 2006.
- ²³ *Op. cit.*, MEST, Housing and Reconstruction Process in Kosovo 1999 – 2002, p.10
- ²⁴ Interview with Avdyl Ymeri, Director, Department of Planning, Rural Development and Projection, Municipality of Skenderaj, 27 October 2006
- ²⁵ Interview with Linda Bunjaku, Executive Director, CDF, 24 October 2006.
- ²⁶ CDF, <http://www.kcdf.org/eng/aboutus.htm>, viewed 29 September 2006.
- ²⁷ *Op. cit.*, Nuredin Hasani, Prekaz sub-municipal unit, 27 October 2006, and interview with Haxhi Bejta, Member, Water supply Project Committee, 27 October 2006.
- ²⁸ *Op. cit.*, Linda Bunjaku, CDF, 24 October 2006. See also interview with Flaka Surroi, Former Executive Director, CDF, 25 October 2006.
- ²⁹ *Op. cit.*, Linda Bunjaku, CDF, 24 October.
- ³⁰ *Ibid.*
- ³¹ *Op. cit.*, Nuredin Hasani, Prekaz sub-municipal unit, 27 October 2006.
- ³² *Op. cit.*, Haxhi Bejta, Project Committee Member, 27 October 2006.
- ³³ *Op. cit.*, Flaka Surroi, 25 October 2006; *Op. cit.*, Linda Bunjaku, CDF, 24 October 2006; *Op. cit.*, Avdyl Ymeri, Municipality of Skenderaj, 27 October 2006.
- ³⁴ Because the Prekaz water supply system was foreseen to cost beyond the maximum limit allowed by the CDF, it was split into two separate projects for implementation purposes. As a result, there were two independent tender processes and two separate contractors were hired.
- ³⁵ *Op. cit.*, Nuredin Hasani, Prekaz sub-municipal unit, 27 October 2006, and interview with Lendi Aruçi, Inhabitant, village of Prekaz, 27 October 2006.
- ³⁶ *Op. cit.*, Nuredin Hasani, Prekaz sub-municipal unit, 27 October 2006.
- ³⁷ *Op. cit.*, Departamenti i sociologjisë, ‘Evaluimi i efekteve të projekteve të CDF-së në Kosovë (2002-2003)’, pp. 2-4.
- ³⁸ *Op. cit.*, Index Kosova, ‘Evaluation of CDF’s Projects Effect in Kosovo 2005’, p. 12.
- ³⁹ CDF Power Point Presentation 2000 – 2003 and CDF Power Point Presentation 2004 – 2006.

- ⁴⁰ *Op. cit.*, CDF Power Point Presentation 2004 – 2006.
- ⁴¹ *Op. cit.*, Flaka Surroi, 26 June 2006.
- ⁴² *Op. cit.*, Linda Bunjaku, CDF, 24 October 2006.
- ⁴³ *Ibid.*
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- ⁵⁵ ‘Unforeseen works’ appear mainly in infrastructure projects, when conditions not anticipated during the project design phase appear, for example, while digging a road/water network a rock appears that requires different drilling techniques and machinery from the one foreseen in the design. *Op. cit.*, Linda Bunjaku, CDF, 27 September 2006.
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