

## **FIELD PROJECT RESULTS**

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### **THE UN “SOCIAL RECONSTRUCTION PROGRAMME” IN UNPA SECTOR WEST, CROATIA**

*An experiment in Conflict Transformation between Serbs and Croats  
to rebuild and stabilize economic structures at the ceasefire line in an  
economically and legally unstable environment 1992 – 1996*

**Abstract:** This article examines the “Social Reconstruction Programme” of the UN in post-conflict Western Slavonia, Croatia, its historical background, failures and success in UNPA Sector West, from 1992 and the following years.

Under the framework of the UN “Agenda for Peace” and UNPROFOR’s peace-building initiatives the following central points were the goal of peace consolidation between two conflicting parties, Serbs and Croats: Disarming and demobilizing the Serbian and Croatian armies in the UN protected area, the transformation of local police into multi-ethnic security forces, the protection of all inhabitants, the return of displaced persons, humanitarian support as well as social reconstruction and the economic development in the region.

Summing up, the “Agenda for Peace” and the “Social Reconstruction Programme” did not achieve their goals. The goals had been unrealistically high with respect to the timeframe of the UN mandate, the potential of projects to transform conflicts, procuring and providing experts, funding and know-how. It underestimated warmongering of the Croatian government, which led to termination before the mandate ended and “exported” problems to other regions.

To look at the positive achievements, one may summarize that the Social Reconstruction Programme had a therapeutic effect on war-traumatized people’s lives, helped to normalize everyday life in a war-devastated region, initiated socio-economical development in a politically instable environment, and created lasting international contacts and friendships especially for the youth.

**Keywords:** Social Reconstruction, Conflict Transformation, Pakrac Project, Western Slavonia, UNPA Sector West

#### **Introduction**

The Programme was implemented under the framework of Secretary

General Boutros Boutros-Ghali's "Agenda for Peace" and the Initiative of the United Nations Protection Force (UNPROFOR) in the United Nations Protected Area (UNPA), Sector West. The project became known well beyond the borders of Western Slavonia as "The Pakrac Project".

Under the Cyrus Vance Plan, the mandate's central points were as follows:

- Disarming and demobilizing the Serbian and Croatian armies in the protected area
- Transforming the local police into multi-ethnic security forces
- Protecting all UNPA inhabitants, and protecting minorities in particular
- Returning all displaced persons
- Humanitarian support and economic development in the region

The use of the word "experiment" underlines the fact that in 1992 almost no experience with peace-building projects in conflict zones existed. Neither the UN nor the implementing organizations had undertaken such a project in a crisis area. The acting project participants, including local negotiation partners and workers, proceeded on the basis of "learning by doing". No official final report of the entire project was ever issued.

During the period following the conflict in the former Yugoslav region, the goal of peace consolidation efforts and peace-building measures was to normalize inter-ethnic relationships between the conflicting parties as quickly as possible and to contribute to the region's economic development through specific cooperative projects. Such projects aimed at helping to rebuild and stabilize economic structures. Refugees and displaced persons of both Serb and Croat origin were to be quickly repatriated in order to support their peaceful coexistence.

United Nations Office Vienna (UNOV) was tasked with coordinating the implementation of the "UN Social Reconstruction Programme" as Special Advisor to the UN Secretary General.

### **History of the Pakrac Conflict Region**

Located about 120 km southeast of Zagreb, 280 km from Knin and 300 km from Belgrade, until 1991 Pakrac was an administrative, economic and political centre for health, education, culture and social issues. It had its own district court, police station, banking institutions, a large modern regional hospital and a local newspaper. There were Roman Catholic, Serb Orthodox and Baptist religious communities and churches.

According to the 1991 census [Census of the State Statistical Institute of the Republic of Croatia, April 1992], the political district Pakrac comprised 68 villages and the two cities - Pakrac and Lipik. Prior to the onset of the armed conflict in 1991, the district had a total of 27,589 inhabitants. Of these, 8,197 lived in the city of Pakrac, divided between

3,033 Croats, 3,514 Serbs and 1,650 individuals of other ethnicities, mainly Hungarians and Italians. Before the outbreak of the war, a total of 17 different ethnicities lived in the city of Pakrac. About 40 % of them were joined in mixed marriages.

This ethnic composition was the result of 450 years of turbulent migration history in the region. Serbs were initially settled here during the Turkish sieges in the interest of the Austro-Hungarian Monarchy as a bulwark against the Turks. Another major migration wave occurred at the end of the 19<sup>th</sup> century due to the region's industrialization, with its economic development attracting many other nationalities from the former monarchy to settle here permanently.

The Republic of Croatia declared its independence from the Republic of Yugoslavia in June 1991, thereby rendering the Serb population living in Croatia an ethnic minority. In return, the Krajina Serbs, supported by the political authorities in Belgrade, declared their autonomy, as did subsequently the so-called independent "Republica Srpska Krajina" (RSK), which was not internationally recognized. On Croatian territory, the RSK with its declared capital Knin comprised Krajina, Eastern Slavonia and parts of Western Slavonia.

Already in the summer of 1991, armed conflict broke out between the RSK's paramilitary forces, supported by the Yugoslav People's Army and the Croatian armed forces. As a result of this confrontation (1991/92) Serbian forces gained control over about one third of Croatian territory including the southern part of Western Slavonia, bordering on Bosnia-Herzegovina.

The armed conflict between the two armies resulted in horrendous destruction and human suffering in the embattled areas. Many towns and villages on both sides of the later ceasefire line were destroyed completely and their inhabitants forced to flee, creating scores of displaced persons and refugees.

Following international peace negotiations, the embattled areas were declared a "United Nations Protected Area" (UNPA) in the spring of 1992. Administratively, the area was subdivided into the sectors "UNPA Sector West" (Western Slavonia), "UNPA Sector North and South" (Krajina) and "UNPA Sector East" (Eastern Slavonia). UNPA Sector West was the only sector not fully under the control of the RSK, remaining under Croatian control up to the ceasefire line.

Since the southern part of Western Slavonia under RSK control directly abutted the part of Bosnia-Herzegovina under Serbian control, after the establishment of UNPA West Serb refugees moved into the abandoned houses of Croats who had fled to the Croatian part of Western Slavonia. Displaced persons and refugees who were not the rightful owners moved into such houses in both parts of the Sector, either under Croatian or Serbian control. For example, on the Croat side, 6,000 Croatian refugees from

Kosovo were settled by local community authorities in the villages Vocin and Dulovac in abandoned homes of Serbs who had fled to the Serbian area. In 1993, the community authorities vowed that the aforementioned refugees would vacate the homes if and when the original Serbian owners were to return.

Although 300 Croatian policemen were allocated to the UNPA Sector West in order to maintain law and order, in February 1995, 5,000 armed Croatian militias infiltrated the Sector and were observed in 40 different positions by UNPROFOR. Croatian military units were gathered in the demilitarized zone 30 km outside of the UNPA. Serbian militias were smuggled in from Bosnia in the south. RSK armed forces shelled Zagreb. Croatian armed forces attacked the Krajina Serbs in two of the four UN Sectors. On 1st May 1995, the Croatian forces overran the UN checkpoints and conquered the Sector West in a "Blitz attack". As a consequence, about 5,000 Serbs left the Sector. Of the remaining approximately 6,000 persons, six months later only about 1,500 Serbs had stayed in the region.

**Participating players in the "Social Reconstruction Programme"**

- The "United Nations Peace Keeping Military Force" consisted of 12 infantry regiments with 10,400 UN soldiers and 2,850 additional logistics personnel, including headquarters in Zagreb as well as 100 military observers. Four regiments with 3,500 men were tasked with the implementation of the UNPROFOR mandate in the UNPA Sector West.
- The "United Nations Civil Affairs" unit contained ca. 100 UN experts who were stationed in all four UNPAs and headquartered in Zagreb. They were responsible for civilian affairs and the implementation of political and economic reconstruction.
- The "United Nations Police Force (UNCIVPOL)" was responsible for monitoring the work of local police and supporting the local population in cases of complaints regarding discrimination or human rights violations.
- The United Nations Office Vienna coordinated the following organisations:
  - CARE Austria, member of CARE International (CARE – Cooperative for Assistance and Relief Everywhere) is a politically, ideologically and religiously independent organization giving support regardless of nationality, ethnic origin, language, culture, religion or gender
  - Help Age International
  - The Human Rights organisation Croatia Anti-War Campaign
  - Volunteer Project Pakrac
  - Austrian Peace Servants

**Problems in establishing the UNPA Sector West**

Although a peace-treaty had been signed by the Croatian authorities, the representatives of the local Croat administrative units (Pakrac, Grubisno, Polje, Daruvar, Novska, and Nova Gradiska) were either not informed or incorrectly informed by the Croatian government units in Zagreb regarding the mandate of UNPROFOR and the contents of the Cyrus Vance Plan. The local Croat authorities therefore viewed the deployment of UNPROFOR as an occupational rather than a peace-securing effort, serving the purpose of securing the Serbs and returning the "Serb aggressors" to their villages in Croatia. Local media, radio stations and newspapers contributed continuously to spread such disinformation among the Croat population.

Insufficient financial means and administrative support from the UN centre in Zagreb and the late arrival of qualified personnel delayed the implementation of the UN mandate. The lack of qualified interpreters was a particularly thorny problem.

Interpreters were recruited through a private language firm in Zagreb whose owner had contacts to members of the government. She later became a governmental minister herself. Through this contact, it is suspected that the Croat government was extremely well informed about everything happening in the UN Sector, including negotiations.

At the end of March 1992, the first approximately 40 UNCIVPOL observers arrived in the Sector West without any instructions regarding their tasks or functions. The lack of experienced UNCIVPOL leaders during the first six weeks contributed to the overall confusion.

Precious time was lost in negotiating the exact borders of the UNPA Sector West. The Croat negotiators believed that Croat laws and institutions would be replaced by corresponding UN laws and institutions within the UN Sector, therefore they tried to keep the Sector's size at a minimum.

UNCIVPOL assumed the responsibility for monitoring the local police, which as a rule consisted of former soldiers without any civilian police training. However, about one third of the UNCIVPOL observers were also unprepared for their tasks, manifested by insufficient English and/or the inability to drive motor vehicles. Additionally, most of the observers did not have any prior UN experience.

UNPROFOR finally took control of the Sector in July 1992.

The UN Civil Affairs UNPA Sector West opened sub-bureaus within the Sector, frequently together with UNCIVPOL, in order to enable the population to contact UNPROFOR. Periodic meetings with the respective local authorities with the purpose of explaining UNPROFOR's mandate were held on both sides.

Initially, representatives of the Croat administration as well as the local police in Pakrac showed clear signs of disapproving of UNPROFOR

and largely avoided any formal contacts. It was thus also impossible to organize official contacts between Croat and Serb local politicians at the community level. The UN Civil Affairs unit, however, found that the degree of rejection between the opposing sides subsided relative to the distance from the ceasefire line.

The RSK's central government in Knin appointed the mayor of Okucani as the President of Western Slavonia. Thus, it became necessary in the Serbian part of the Sector to negotiate with two politicians, one from Pakrac and one from Okucani. They had different viewpoints on matters regarding Pakrac. The inexperience of the local politician in Okucani regarding civilian matters and his fear of committing administrative errors with potentially negative consequences from Knin thwarted any activities being undertaken for a protracted period of time.

In the Serb-controlled part of Pakrac, the local authority consisted of a team of experienced Serbian experts who had been dealing with civilian issues already before the outbreak of the conflict. These local Serbian community representatives showed a clear interest in the social and economic improvement of the region. They had many constructive ideas and prepared professional preliminary studies on the destruction that had occurred in their respective communities and its possible remedy. Their willingness to collaborate with UN Civil Affairs and various parts of UNPROFOR to improve the population's social and economic situation led to numerous death threats and two arrests by the authorities from Knin. After the "Blitz attack" of the Croat army in May of 1995, Croatian authorities arrested them, too.

Local police were often the ones to bring activities to a standstill. There were reports that Serbian police forces set fire to Croat houses or blew them up, in addition to confiscating Croat properties.

It took major efforts by UNCIVPOL to lower the rate of destruction through arson and detonation of empty houses on both sides. Especially youth gangs from both sides were involved in these activities. Frequent night-time patrols carried out by both sides together with police gradually improved the situation. During the course of the mandate, however, it was not possible to realize the multi-ethnic police force envisaged by the Vance Plan.

The aforementioned UN concept intended to involve the entire UNPA West Sector in the "Social Reconstruction Programme". Over time, however, activities increasingly concentrated on Pakrac as a result of negotiations within the Sector.

UNPROFOR's peace-building activities built upon capacities in the population, linking both sides across the border. The following cross-border activities for purposes of peace consolidation and social reconstruction included the following topics:

### **Check Point Meetings**

In July of 1992, the affected population was given the opportunity to meet family members and other relatives from whom they had been separated since the outbreak of the armed conflict in 1991 at the checkpoints that had been established along the ceasefire line. These meetings, protected by UNPROFOR, were of particular significance for the local population, especially for ethnically mixed families. On average, about 350 persons participated each week in the Check Point Meetings.

Extremist members of the local authorities on both sides tried to prevent the meetings, since they viewed them as acts of unwanted forgiveness. On several occasions, UNPROFOR was told that the meetings could not take place for security reasons. When UN Civil Affairs pointed out that security was within the purview of UNPROFOR, the local authorities generally cooperated and the Check Point Meetings continued.

Local police on both sides attempted in various ways to keep participants from joining the Check Point Meetings. For example, police harassed and provoked participants through surveillance measures. However, the will of the population to participate in the meetings ultimately prevailed, and the police finally refrained from interfering.

### **UN Parcel Delivery Programme**

In connection with the Check Point Meetings, a Parcel Delivery Programme was organized that made it possible to send food, clothing and other personal items across the ceasefire line. Also in this case, there was significant resistance by the authorities, especially on the Croat side, since the programme was interpreted as aiding and abetting the enemy.

### **UN Village Visitation Programme**

As a next step, a Village Visitation Programme was organized. The goal of this initiative was to enable the displaced population to visit their original villages. These had often been completely destroyed. Many people had not seen their villages since fleeing upon the outbreak of the armed conflict, although in some cases they were as close as 10 or 20 km away. Both sides viewed the introduction of this programme as particularly important. Many displaced persons told UN Civil Affairs that they wanted to return as soon as possible, regardless of the unresolved political situation, and that it was less important under which political system they would live, as long as UNPROFOR could guarantee their safety upon return.

The Village Visitation Programme also encountered many forms of resistance at the community level on both sides. One of the most frequently advanced arguments against the programme was the contention that it would support the return of war criminals.

In spring of 1993, local authorities on both sides allowed displaced inhabitants of the Sector to cultivate their fields on the respective opposite sides of the ceasefire line. Subsequently, the Serbian side presented UN Civil Affairs with the wish of 1,100 individuals to work their fields on the Croatian side. At the same time, 75 Croats wanted to cultivate their vineyards located on the Serbian side. All such agreements and/or decisions having to do with direct contacts with the other side required the additional approval of the respective central authorities in Zagreb and Knin.

### **Social projects for the elderly**

From the middle through the end of 1992, UNDP in coordination with UNOV funded an international social worker whose task it was to organize multi-ethnic teams of social workers. Since the communities did not agree to joint seminars with Serb and Croat participants, the international social worker, in collaboration with communities on both sides of the Sector, organized separate seminars with local social workers with the purpose of providing training for old-age care programmes.

Help Age International funded a visitation program providing at least weekly visits to old people on both sides, assisting them with needed care and humanitarian support. Although the teams of social workers acted separately on their respective sides of the Sector, the visitation programme worked very well, and there was an expectation that it would be continued after the cessation of the international support as part of community activities.

### **The “Volunteer Project Pakrac”**

Based on initiatives from CARE Austria and the Croatian Human Rights Organization “Anti-War Campaign Croatia” in cooperation with UNOV, international volunteers became involved in “Social Reconstruction” in summer 1993. Under the protection of UNPROFOR and the aegis of the “Anti-War Campaign”, they were registered in Croatia as the “Volunteer Project Pakrac”. Throughout the project’s duration, both the goals and organizational form of this flexible “grass roots” organization were adjusted on several occasions in order to respond to evolving events and new insights. For this reason, the “Centre for Peace Studies” outlived the “Social Reconstruction Programme”.



- 1993 "Volunteer Project Pakrac": "... to re-establish links between the divided Croatian and Serb communities which will allow for the eventual re-settlement of displaced persons into their original homes". These goals were formulated on the basis of the Vance Plan. The above quotation stems from the magazine of the "Volunteer Project Pakrac" (no number or year, probably 1994).
- 1995 "Info Centre Pakrac": "The project's aim is to help re-establish hope in the future and slowly begin to re-open communication between the conflicting parties." Such was the formulation of goals after the re-capture of Western Slavonia in 1995, as a reaction to the necessity to primarily make available legal information to the slowly returning population and members of minorities, but also to the NGOs present.
- 1997 "Centre for Peace Studies" (CMS): "To encourage a creative exchange between theoretical and practical perspectives in peace education, conflict transformation and social justice, through nurturing a fruitful relationship between knowledge and action. To extend self-education through providing opportunities for dialogue and provocative questioning, to raise awareness of non-violence within the wider public sphere and to empower new people to develop this awareness and embody it in diverse forms in their life and work. To consolidate the experience of peace-building work in Croatia and other post-Yugoslav countries since 1991, through allowing those involved to deepen their understanding of such work and continue research and networking in an international context. To act as resource centre for existing and future local initiatives in the broad field of peace-building through partnership, support and information sharing." (CMS 1997: p. 2; this was the formulation of goals after the organization was re-named and specializing in new tasks, on the basis of the charter of the Anti-War Campaign Croatia 1991).

The volunteers were recruited from about 20 different countries all over the world, primarily by the "Service Civil International" organization, whose task it has been since World War I to mediate the recruitment of volunteers for work camps. The first group of International Volunteers arrived in Pakrac in the summer of 1993 in order to participate in the work on the "UN Social Reconstruction Programme". The volunteers funded their own stays, most often of a three-week duration. Many of them, however, stayed longer or returned several times. Some of them continued their involvement upon returning to their respective home countries, for example by engaging in fundraising activities.

In cooperation with work brigades, organized and administered by the communities on the Croatian side, members of the "Volunteer Project

Pakrac” spent six hours daily on clean-up activities in the destroyed city. By virtue of these regular daily contacts, many friendships sprang up between them and the local population.

In afternoons the volunteers worked to establish a “Youth Programme”. The goal of this project was to discourage local youth from engaging in ethnically hostile acts by involving them in inter-active learning and to motivate them to gain a better understanding of the “other” side and to reconcile with it by having them participate in constructive after-school activities. A youth club was opened, offering a broad variety of activities that also took into account the psychological and social needs of young people affected by the war. The Youth Programme was implemented in collaboration with the local secondary school.

The project had been planned for both sides of the ceasefire-line. Due to supposed safety concerns for the volunteers, while the city was divided into two parts, it could only be implemented with a great degree of difficulty and only after initial obstruction from the local authorities. This led to a high degree of frustration among the eager, largely very young and inexperienced international volunteers. Some of them even received death threats from their newly won Croatian friends when returning from deployments on the Serb side. In some cases, they were met with open hatred, something they had not been prepared for.

By 1995 more than 250 volunteers from 19 different countries had come and worked with the population in Pakrac. By 1997 their number had grown to 500. They spent a total of 15,000 hours cleaning and repairing houses, thereby supporting the CARE “Reconstruction Fund” with US\$ 22,000. The Funds Committee credited this amount to socially disadvantaged families, selected by the community’s social services, in order to help them re-pay their loans. The connection to the CARE project provided an important synergetic effect for the reconstruction programme.

The most important contribution of the young and untrained volunteers, who were extremely helpful, trusting and untouched by nationalist sentiments, was their ability, through their idealism, enthusiasm and commitment during joint activities with the population of Pakrac, to awaken and strengthen interest in intercultural and participatory learning, tolerance as well as to diminish prejudices and strengthen “Social Reconstruction”. Their presence had a therapeutic effect on a population that had been traumatized by war. Their programmes appealed foremost to the young people of Pakrac.

By 1995 they had spent approximately 10,000 hours of their “leisure time” on social activities, such as language instruction, sports activities and children’s events, the programming of a weekly local radio programme, in addition to building a computer network at the school with the aim of providing students with international contacts. During the pilot phase of this

project 400 individuals from the United States responded by email to the students' expressed desire for contact with U.S. print media.

The volunteers produced a tri-weekly VIP email newsletter and a bi-weekly journal to address innovative approaches to the "Social Reconstruction" project and distribute feedback from readers, donors and former volunteers, as well as other projects.

In April of 1995, with the invasion by the Croat army impending, volunteers went as living human shields to the houses of Serbs who were particularly imperilled politically because of having cooperated with UNPROFOR.

After the re-capture of Western Slavonia by the Croat army in May 1995, the "Anti-War Campaign Croatia" together with local and international NGOs and UN Civil Affairs, established the "Info Centre Pakrac". Primarily to provide the local population, in particular the Serb minority but also people working at the numerous NGOs in the city, with legal information.

Over time, there was an increasingly pressing need for longer-term peace-building training for the project participants, which led to the formation of the so-called "MIRamiDA Basic Workshop" and other courses. The goal of these courses was to communicate the theory and practice of peace building and conflict transformation to activists, local teachers and other interested parties. Therefore the "Info Centre Pakrac" was changed into "Centre for Peace Studies" in the summer of 1996.

Although it was not possible to achieve the original goals as defined by the Vance Plan, according to later analyses, the project, under the auspices of a "grass roots" human rights organization, turned out to be the most sustainable project in the conflict region. It responded with adequate projects, goals and organizational restructuring to local needs and evolving changes. Moreover, countless international contacts and networks were created and continue to exert structural influence on the region even 25 years later.

### **CARE Home Repair Programme**

As a follow-up project to the Village Visitation Programme, a pilot project for rebuilding destroyed homes was planned. Based on Article 20 of the Vance plan, the goal of the project was to enable the return of displaced persons to their homes. It sought to demonstrate that it was possible for both ethnic groups to return to a relatively normal pre-conflict status and to coexist.

According to official information, in Pakrac 1,101 houses (about 70% of all homes) had been affected by different degrees of destruction through the war in 1991. Less damaged homes urgently needed repairs to be winterized to make them habitable before the onset of the next winter.

With UN Civil Affairs leading the negotiations, community representatives from both sides agreed on a street that had been inhabited by a multi-ethnic population before the armed conflict, now located on the Croatian side. The street “Ulica Malesevic” directly abutted the ceasefire line somewhat outside the city. It consisted of several family homes and was located between the destroyed hospital on the Croatian side and the Canadian UNPROFOR position on the Serbian side. Croats called the street “Ulica Vukovarska”, while UN personnel called it “Street of Hope”. Both names had major but controversial symbolic significance.

Local authorities on both sides of the ceasefire line assured their full support for the project. Owners of the destroyed houses willing to participate in the Reconstruction Programme were subjected by the “other side’s” police to stringent security checks, regarding their possible participation in the former armed conflict.

It was planned to lend the equipment to the families and subsequently make it available to other parties interested in reconstruction of their houses, together with the residential containers provided by CARE.

Before the families could begin their work, however, the clearing of mines from the street and its surroundings turned out to be an intractable problem. This made it impossible to implement the pilot project according to plan. Therefore, the reconstruction project design had to be planned anew and CARE Austria had to re-negotiate its donor agreements.

Meanwhile, on the Croat-controlled side, the tools that had been made available for the pilot project in agreement with the Croatian community administration were commandeered, without CARE’s prior agreement, for general clean-up operations and the renovation of communal facilities, such as schools, kindergartens, the youth club, the culture hall, the community centre, the club house, the former boarding school, the soccer club, the health centre, the Red Cross building Pakrac, the old-peoples’ home, the park, as well as private homes chosen by the local social services. The equipment was also made available to repair war-damaged homes of the so-called “labour brigades”. These homes had been chosen by the community’s social services in accordance with certain social criteria, such as socially disadvantaged families with many children, single old people or the families of war-wounded individuals. The labour brigades consisted of local men who had not been drafted in the war and who were deployed against little pay by the Croat central government for clean-up work on facilities chosen by the community. They worked alongside international volunteers.

During the second phase of the reconstruction project in the summer of 1993, an agreement between CARE Austria, UNOV and the community administration of the Serb-controlled part of Pakrac was signed. The agreement allowed debtors to obtain building materials for the repair of their homes according to a so-called “Bricks for Work” scheme. Bricks and other building materials were “sold” in return for project-related community

services or neighbourly assistance. The communal administration documented such input and offset it based at a fixed hourly rate. The necessary building materials and tools were purchased on the Serbian side. During this project phase, a total of 33 houses in the Serb-controlled side of Pakrac could be winterized in time. The Croatian side thought that the legal framework conditions only entitled aid organizations to "give away". Since the concept of "give-away" did not conform to the guiding principle of CARE – "Help in order to enable self-help" – the project had to be planned anew, in addition to conducting new negotiations with the financial donors.

During the reconstruction project's third phase, CARE negotiated the creation of a revolving fund with the respective communal administrations in order to finance the repair of 100 houses on each of the two sides in the fixed destruction categories I through IV. Giving special consideration to the economic situation in both the Croat and Serb areas, the negotiations led to the establishment of a credit fund with social aspects, granting interest-free loans. This, however, meant that the fund would shrink due to its revolving nature and thus would have to be continuously replenished.

Meanwhile, building materials were again freely available in the marketplace on the Croatian side. Therefore, the establishment of a store for additional building materials was no longer necessary and the absence of a legal framework for aid organizations was no longer an issue.

The process for granting loans from the credit fund worked as follows: On the Croatian side, the population was informed about the lending guidelines for the reconstruction loans through posters, newspaper ads, radio announcements, etc. Credit applicants submitted their requests to the international project manager in the joint UNOV/CARE office that was made available by the community in its administrative building.

Since on the Serb-controlled side electricity had been shut off, applications were announced on posters or through word of mouth and submitted to the manager of the local building materials store.

Funds committees with community representatives were established on both sides by the respective communal administrations. The international CARE coordinator had observer status in the committees. The committees were responsible for determining lending criteria and deciding on loans and repayment specifics. Both sides reviewed, among other things, the applicants' ownership documentation, the requested loan amount and the needed work input and building materials.

Applicants had the option of repaying the credit either in cash or in kind – as for example through building materials that had been donated by other organizations, or in the form of communal work or neighbourly assistance. The hourly repayment rate was set by the funds committee at DM 2,10 - a median rate between the local minimum wage and a teacher's hourly wage.

In cases in which persons were unable to repay the loans through their

labour on account of their age, weak physical condition or other handicaps, neighbours and international volunteers offered help. The labour input provided by such neighbours or volunteers was also valued at DM 2.10 per hour.

Applications were submitted to the fund's committees, which decided on loan distributions. Credits were granted to applicants who met the lending criteria. Repayment terms varied between three and fifteen years, depending on credit contract's terms and affected home's degree of destruction.

Upon being granted a loan, credit recipients were issued vouchers that entitled them to acquire building materials and/or labour inputs on the free market at competitive prices negotiated by the international CARE coordinator.

The goal of the revolving fund could not be achieved. According to the repayment plan, the repayment of the loans that had disbursed did not start before the premature end of the project. Effective 25 Oct. 1995, the credit repayment collection became the responsibility of the Pakrac community. At the project's handover the community assumed the contractual obligation to finance social projects from the fund.

In accordance with the plan, 100 houses were renovated on the Croatian side. While 160 credit applications were positively reviewed on the Serbian side, the goal of "100 houses" was not met due to procurement problems. On account of the international embargo against Serbia, building materials and tools were in scant supply. When taking into account all project phases of the reconstruction programme, a total of about 500 individuals in 150 households benefitted from the CARE reconstruction project.

Most community representatives and private persons welcomed the presence of CARE. Some individuals indicated that they wanted CARE to continue its work after the completion of the UN mandate. Considering that the populations on both sides were informed that CARE was implementing the same project on both sides, people's trust and positive view of CARE should be seen as a positive achievement in conflict transformation.

Due to the Croat military intervention and occupation of UNPROFOR positions in May 1995, about 15,000 Serbs left Western Slavonia, most of them for Eastern Slavonia, and some for Bosnia. The technical director of the Serbian CARE Building-Market was shot dead. Confirmed by the Helsinki Federation for Human Rights in Zagreb, about 1,100 persons were killed while fleeing during the "Blitz operation". According to the Croatian government's statement of 22 May 1995, 188 Serbs were killed during the "Blitz operation", among them 54 civilians. In the middle of May, international human rights observers discovered large areas of recently moved earth in a cemetery south of Okucani. The Croatian government did not comment on these findings and no further investigations took place.

Of the about 2,000 remaining Serbs, a significant majority were beneficiaries of the "Social Reconstruction Programme". Following the "Blitz operation" the Croat authorities arrested 300 Serbs and accused them of war crimes. Among those arrested were UNPROFOR's most important negotiators, the signers of the "Daruvar Agreement" for the Infrastructure Projects and the Serbian manager of the CARE Building Materials Market. Of the Serbs remaining in the Sector, 1,070 applied for Croatian citizenship. Six months later, only about 1,500 Serbs remained in the Sector.

The following aspects of the Croat military intervention that impacted the project, merit special mention:

- Changes to legal framework conditions
- The loss of the majority of the Serb population
- The loss of co-workers on the Serb side, one of whom was killed, and the other one arrested
- The dissolution of the funds structure on the Serbian side
- The partial destruction of the infrastructure on the former Serbian side
- The loss of project documents
- The premature termination of the project and its hand-over to the Croatian community administration

### **The CARE Small Business Programme**

After the end of the Cold War, the society of former Yugoslavia underwent a significant structural change, transforming from a centrally planned economy to a free market economy in the context of a competitive European market.

Authorities and population recognized that developing a small business sector and the accompanying privatization would contribute to normalizing life. However, politicians in Knin and Zagreb supported policies that were unfriendly to the economy, which stalled the successful implementation of certain projects.

As a consequence of the war, economy on the Serb-controlled side of the Sector had ground to a complete halt by 1992. The Croat side, too, was plagued by high unemployment and the lack of productivity. Most males on both sides were part of the local "Milicija". It was thus of paramount importance to initiate activities that would divert these men from their paramilitary activities and involve them in a working process.

In March 1993 CARE Austria conducted a study in the Pakrac region to identify possible projects for supporting small business development on both sides of the ceasefire line. Due to the post-conflict situation, however, here were major challenges for founding private enterprises, including a centrally controlled legislature, the absence of a functioning banking sector,

confusing new tax and legal regulations, as well as the embargo on the Serbian side.

Financed by UNHCR, despite a rather difficult start and a few setbacks, including three different CARE project managers within a short period, 60 small business enterprises made satisfactory progress and achieved important direct and indirect successes for the community:

Austrian professional specialists from the Austrian Working Society for Regional Development trained a group of promising young entrepreneurs and provided basic knowledge about private economic concepts. The young entrepreneurs were expected to pass on this knowledge to others in the region. Joint seminars were planned in Austria for members of both ethnic groups, but since the Serbian side refused to issue passports, finally separate local seminars had to be held.

An “information library” was opened, offering information on Croatian tax and commercial law, banking system, privatization of nationalized property and issues pertaining to the embargo. The library was connected to a network of specialists in both Pakrac and Zagreb.

Seed capital was made available for founding private enterprises.

Synergies were created with the CARE “Reconstruction Project”, especially in the Serb-controlled part of Pakrac, where the embargo made it difficult to procure basic goods.

In light of the extremely difficult economic environment and absence of a normal market, in the Serb-controlled part of UNPA West, CARE decided only to carry out projects, that could be implemented immediately and that could be organized in a production cycle; in order to guarantee a sales market for the products, thereby procuring income for the entrepreneurs so they could re-pay their loans.

On the Croatian side, a “fowl production ring” was created. It consisted of ten chicken farms, a feed company and a slaughterhouse, a transport company with a mini bus and another transport firm with vans, and an agricultural marketing enterprise.

CARE provided the feed company with grain and paid for the processing. The farmers were given a first delivery of chickens and feed. The chickens were plucked at the local slaughterhouse in accordance with Croatian veterinary guidelines. On the basis of commission agreements with the farmers, the marketing company identified buyers for the chickens in the Pakrac area. Both transport companies supplied the market. All of these enterprises were able to offer their products and services to the community. Thus, the production cycle guaranteed at least one market.

A building production ring was also established, consisting of a scaffolding firm, a company for construction tools and equipment, a carpentry shop, and a welding and sheet metal shops. For these enterprises, the CARE Reconstruction Project and other building activities in the region represented the market.



A "hospitality ring" was established consisting of a four-room bed-and-breakfast, a small restaurant, a real estate agency and six private landlords who rented out rooms. The market for the enterprises was created by NGO employee's visits and an increasing number of training seminars being held in Pakrac.

A "fowl production ring" including a mill and a veterinary station was established on the Serbian side. Due to the absence of any kind of public transportation, the two private transport companies were of particular importance.

A "building production ring" was established including a sawmill that processed wood delivered by local lumberjacks, a glazier plant, another carpentry shop and a cement delivery plant. This created jobs and enabled displaced persons and refugees, who were generally well educated but lacked tools and opportunities to find work. All equipment was transportable. It was planned for refugees and displaced persons to take it with them, if and when they could return home.

UNHCR funds were used to help small businesses gain momentum within the aforementioned production cycles. One example was the production of windows used by the Reconstruction Project: wood was purchased for the sawmill, the processed wood was made into window frames by the carpenters, and then into finished windows by the glaziers. These windows were subsequently delivered by the transport company and purchased for the reconstruction of houses. This way the Reconstruction Project created a market for young entrepreneurs. The entrepreneurs supported the general population with important goods and services, including highly needed means of transportation. Such interdependencies created synergies between the projects and supported the region's economic development.

This pilot project was probably the first small business assistance programme in Croatia building up small businesses and providing basic knowledge of entrepreneurial concepts, taxes and banking systems. The project's impact as a tool of conflict transformation remains elusive, but it enabled the population to believe in reconstruction and return to "normal" life.

### **Women's Self-Help Projects**

In the Serb-controlled part of the Sector a self-help project was organized by women in the Rahic community. A sew-cooperative was established. It was intended to employ local women as well as displaced women from a former sewing factory. CARE funded the renovation work of the community building of the Serb-Orthodox church and provided the sewing machines. However, the lack of electricity supply could not be resolved during the project period. Therefore the sewing machines had to be

stored in the church until power was restored (see below Infrastructure Projects).

On the Croat-controlled side of Pakrac, a group of women, supported by the Austrian Peace Service, opened a laundry using natural spring water. This was an extremely urgent initiative due to water pipelines having been destroyed in the conflict.

### **Infrastructure Projects**

The ceasefire, which divided the city into separate Serb and Croat areas, also separated the existing infrastructure. The Croat area housed most of earlier infrastructures, including electricity, gas and telephone. The much smaller Serb side contained only minor industrial plants and communal facilities, but it did control the regional water supply system. During the fighting of 1991/92 all infrastructure systems were damaged. Supply facilities that were still functioning were turned off for the “other side”. That meant that the Sector’s inhabitants on the Croat side did not have water and those on the Serb side lacked electricity, gas and telephone services.

In order to find acceptable solutions regarding energy and water supplies for the population on both sides of the ceasefire line, negotiations with local technicians were assumed already in the fall of 1992 under the leadership of UNPROFOR. Proposals were discussed with local politicians on both sides. This led to the so-called “Daruvar Agreement” in 1993. The Agreement envisaged trading water from the Serb side for energy from the Croat side in order to benefit the entire population. Moderate local politicians signed the “Daruvar Agreement”. However, the Serb signers were subsequently arrested, accused of treason by Serb “hardliners” in Knin and the Agreement was frozen.

In December 1994, UNPROFOR succeeded in signing an “Economic Agreement” with politicians in both Zagreb and Knin. It involved the opening of the highway, repairs to oil pipelines, the railway system and the water supply system. The operation of the oil pipelines was resumed in less than two weeks. The highway opened within two and a half weeks from the signing of the agreement and was used by more than 25,000 vehicles already in the first month. UNCIVPOL and UNPROFOR’s Jordanian Peace Keeping Force monitored the highway within the Sector. Outside the Sector EU observers monitored the highway.

The rail-lines for cargo-traffic were cleared of mines by Serbs and Croats and rail transport operations resumed.

The proposed exchange of “water against electricity” remained frozen. Serb local politicians had made the opening of the water pipeline conditional

on UNPROFOR's remaining in the Sector, while the Croatian government rejected the UN mandate being extended.

The water supply system, which had not been functioning in the region for more than three and a half years, was only restored in the summer of 1995 through the efforts of CARE, financed by the "Office of U.S. Foreign Disaster Assistance" after the Croats re-captured Western Slavonia in the "Blitz attack".

A partial restoration of the destroyed district hospital on the Croat side was a current topic of negotiation of UNPROFOR. UNOV offered to renovate the general medicine department and the maternity ward, provided that Serb citizens would also have access to the hospital, but no agreement was reached.

### **Observations regarding the methodology of project planning and project management**

The method initially applied was "Participatory observation". Various needs and problems were identified through informal and formal conversations and discussed within the available social and administrative structures.

The first planning phase of the "Social Reconstruction Programme", which international players approached with great idealism, was paired with little experience in conflict transformation.

It soon became clear that no standardized pre-programmed approach on how to deal with the conflict would apply. But it was generally assumed that peace-building measures would only be successful through the gradual and continual establishment of confidence-building measures.

In 1992, during the planning and implementation phase of most projects, it was foreseen that assistance measures in conflict areas would impact the conflict situation and dynamics. It was thought that negative effects could be mitigated through so-called "Local Capacities for Peace" or "Connectors".

Individual projects were developed by sub-contracted NGOs together with local and international experts. Local policy was driven by supra-national interests. The legal framework was constantly changing. Therefore it was vital for responses to be flexible. The entire structures of complex projects had constantly to be adjusted, redesigned and newly planned. Continual redesigning occurred throughout all phases of all projects, with the result that the planning and timing of processes and contractual situations often overlapped or did not converge. For the involved NGOs this caused severe existential difficulties.

A fundamental problem became obvious already during one of the first negotiation sessions, organized by UN Civil Affairs in 1992 on the Croat side of Pakrac. UN Civil Affairs invited representatives of local

institutions, engineering bureaus, physicians, community representatives, international NGOs and local social workers. Prior to the meeting, all participants had received the contents of the agenda, but had not been informed that the UN expected a multi-ethnic and cooperative effort. This resulted in a situation that the Croatian leader of the Red Cross in Pakrac refused to take a seat at a negotiating table where Serbian planning engineers were seated.

As a consequence, future attention had to be given to select suitable partners for project development and to identify persons within existing local networks who met the following criteria:

- the person had not personally experienced traumatic events in the earlier fighting, since otherwise project discussions would be encumbered by the mourning of persons reliving traumatic experiences
- the person was prepared to respect other ethnic groups
- the person showed personal interest in social responsibility

Only after all these criteria had been met, the person's professional competence had been assessed.

In the course of the project's implementation, particular emphasis was placed on informing local decision makers and project participants (for example, people receiving loans) that the project in question assists Serbs and Croats equally on both sides of the ceasefire line. Since direct cooperation, communication and joint actions were impossible due to the physical and political separation within the Sector, special importance was given to positively motivating people with regards to conflict transformation.

The necessity for redesign efforts throughout the entire project period led to significant delays. This resulted in unfunded cost increases due to higher staff expenses and to the loss of project resources. For example, due to the strictly regulated financial guidelines of UNHCR, only a fraction of the resources that had been allocated to the small business project could be deployed at the end of 1993 because of year-end and budgetary restrictions.

### **Concluding remarks**

In summary, the project did not achieve its goal of normalizing inter-ethnic relationships between the conflict parties according to the Vance Plan. The Plan's goals had been unrealistically high, especially with respect to the:

- timeframe of the UN mandate
- potential of projects to transform conflict situations
- providing resources such as experts, funding and know-how

The project's transformative impact on the conflict at hand was limited. Nevertheless, it helped counteract a process of isolation on both sides, something difficult to measure in quantitative terms, as well as to normalize the lives of war-traumatized people in the region.

### **The project's impact at the local level**

The confidence-building measures of UNPROFOR helped normalize the lives of individuals who participated in projects. Some of the projects also strengthened people's positive attitude toward conflict transformation.

The fact that many Serbs who participated in the "Social Reconstruction Project" chose to remain in their homes, where they would face the challenge of living as an ethnic minority, indicates the significant influence the conflict-transformative activities held.

With respect to the region's socio-economic development, the reconstruction and economic projects on both sides contributed to normalizing the conflict situation and set new impulses.

### **The national level's impact on the project**

Due to counter-productive efforts by the conflicting parties' centres in Zagreb and Knin, which were undertaken for nationalistic and tactical reasons, but also due to UNPROFOR's misjudgement of the conflict parties, the most important economic cooperation projects, affecting both sides of the ceasefire line – the "Darugar Agreement" and the "Economic Agreement" – could only be implemented five months before the violent recapture of Western Slavonia. In retrospect, they thus mainly served the interests of only the Croatian side to the conflict.

It is astonishing how quickly the "Economic Agreement" was implemented at the end of 1994, especially when compared to the otherwise long drawn out negotiations that had been going on for several years and were often futile, the roadblocks that had been set up for its implementation, and the time and effort that had been expended by the players involved. In retrospect, one might gain the impression that the Croat government viewed the implementation of the "Economic Agreement" as a precursor to the impending invasion, especially when considering the fact that by that time, the Krajina Serbs had already been dropped politically by the Serb government in Belgrade. If the Krajina Serbs would have been aware of this, they might not have agreed to sign the "Economic Agreement".

The violent end to the conflict created a new situation, whereby the problem of Serb refugees and displaced persons was "exported" to other crisis regions: After the "Blitz attack" many Krajina Serbs fled to Belgrade, the capitol of Serbia, but they were there unwanted displaced persons and colonized by the Serbian government to Kosovo to strengthen Serbian presence in the Kosovo conflict.

### **The project's impact on international players**

The “Social Reconstruction Program” overstrained the administrative capacities of all involved international organizations, both within the framework of their structures and also their employees’ qualifications.

The administrative intractability created significant problems for donors as well as for international organizations. It is noteworthy that most of the international staff members involved in the “Social Reconstruction Project” in UNPA Sector West were transferred out of decision-making positions and replaced by their respective organizations, despite the fact that *continuity* is an essential factor in confidence-building measures, not least because of the importance of reliable positive interpersonal relationships.

To streamline planning, implementation and reporting efforts, standard project management requires a stable environment. In an unstable environment when incalculable factors become dominant, it is impossible to proceed on the basis of a “three-year framework”. Centralized organizational structures are too clumsy to react adequately to project requirements in unstable conditions. Only one small grassroots organisation, the Anti-War-Campaign Croatia, was able to react adequately with flexible institutional reorganisation according to changing needs and possibilities.

Project workers in crisis regions must have special communication skills, creativity and also additional qualifications. Peace education was offered by the European Peace University in Stadtschlaining, Austria until 2013.

European Peace University was awarded the UNESCO prize for peace education in 1995.

In addition to factors that can change in a project in a stable environment, in an unstable environment both implementing and donor organisations must take increased risks into account:

- security risks
- changes in timeframes
- changes in framework conditions
- changes in project goals
- changes in contracts and contractual partners
- loss of deployed means and resources
- the loss of project partners under contract
- increased costs

A standardized pre-programmed approach in a divided society does not work. The central decision-making structures of international organizations must delegate greater decision-making powers to local peace building actors. The actors need additional training to be able to respond appropriately to the challenges in a crisis region. Administrative efforts accompanying such projects must be extremely flexible.