

Data Sheet

USAID Mission:	Montenegro
Program Title:	Local Governance and Community Development
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	170-0210
Proposed FY 2004 Obligation:	\$13,589,000 AEEB
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$2,660,000 AEEB
Year of Initial Obligation:	1998
Year of Final Obligation:	2006

Summary: The USAID Civil Society and Local Governance Program in Montenegro consists of the Community Revitalization through Democratic Action Program (CRDA), to revitalize local democracy through strong citizen participation, and the Good Local Governance (GLG) program, to strengthen the capacity of local governments to provide services in a transparent, participatory manner.

Inputs, Outputs, Activities:

FY 2004 Program:

CRDA Program (\$9,660,000 AEEB). The CRDA Program focuses on improving economic and social infrastructure and undertaking activities that result in increased job opportunities particularly for low-income families. It is estimated that 396 projects will be initiated during FY 2004, directly benefiting 485,000 people and generating 4,550 person months of employment. Emphasis is shifting more into cluster community projects affecting multiple communities and with a greater emphasis on economic development, income generation, job generation and social development. It is estimated that the CRDA Program in FY 2004 will implement up to 35 small- and medium-sized enterprise SME grants in equipment, machinery, livestock, durable goods, or specialized consulting/advisory services to create new or expanded business ventures. These economic revitalization programs work with promising partners who cannot afford or do not qualify for commercial micro and SME credit resources. A new component of the CRDA Program, municipal development assistance, will be implemented in FY 2004. Through a broader based stakeholder process called the "municipal development advisory councils", CRDA communities, local government and the private sector, will undertake municipal-scale infrastructure and economic development projects. Primary grantees are: International Relief and Development (prime) and Cooperative Housing Foundation International (prime).

Good Local Governance Program (\$3,929,000 AEEB). The three-year program initiated late in FY 2003 provides technical assistance, training, and small-scale procurement to support implementation of the new legal framework for local government. It emphasizes greater transparency through fiscal decentralization reforms; improved delivery of public services; and increased citizen participation in all processes of local governance. During FY 2004, the focus will be on urgently needed assistance to establish republic-wide local treasury systems to complement the new republic-level treasury system and to assume functions from the dismantling of the old socialist payments system. The program will work closely with the Ministry of Finance and the Secretaries of Finance of the 21 municipalities to structure the functions and reporting for a new intergovernmental fiscal system and to continue support on evolving professional local systems for own-source taxation, in particular property taxation, focusing on improved data and significantly increased collections. The GLG program will also initiate corporate management training for water companies in efficient utility water supply operations. The program will seek to develop citizen participation in every aspect of the program's scope of work with local governments. The implementer is the Urban Institute (prime).

FY 2005 Program:

Community Revitalization through Democratic Action Program (CRDA): CRDA will be evaluated during FY 2004. The results of that evaluation will be factored into a decision on extending the program beyond April 2005.

Good Local Governance Program (\$2,660,000 AEEB). The Program will be in full operation to continue structuring and capacity building for implementation of key functions of representative and open local self government with active involvement of citizens in local governance processes and decision-making and close cooperation with the CRDA communities. CRDA and GLG programs complement each other and secure the broadest and deepest seated results at the grassroots level for sustainable development practices. The implementer will remain the Urban Institute.

Performance and Results: At the end of FY 2003, the CRDA program was present in 112 communities covering the majority of the Republic's population. Broader participation was enabled through 61 cluster councils representing collaboration of multiple communities. These communities, through community councils, have selected, designed and carried out 356 economic and social development projects in basic infrastructure, income and employment generation, environmental improvement and civic activities worth \$17 million. The poor and deteriorating basic infrastructure dictated program expenditures on infrastructure investments during FY 2003 (49% in the north, and 69% in the south). Investments included transport, sanitation/waste management, school rehabilitation, and energy. Economic activities have generated 4,792 person-months of employment and increased income generation and economic output of enterprises. Communities are required to provide 25% of project costs, but have exceeded this requirement reaching on average 42% of project costs from non-USAID resources. Communities and their local partners who have benefited from significant capacity building under CRDA Program are expected to serve as a key foundation for implementing democratic governance reforms mandated by new local government laws. The GLC program was only initiated at the end of the FY 2003.