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**Neither Bilateral Nor Multilateral:**  
The community approach  
to local development

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# **Neither Bilateral nor Multilateral: The community approach to local development**

**Chiara Milan**

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## **Executive Summary**

Since the breakup of Yugoslavia, large amounts of international aid poured in to its successor states in order to reconstruct their social and economic fabric. Despite the initial enthusiasm, within a few years attention was diverted to the mismanagement of aid funds provided on behalf of the international community. The critics of the international intervention observed that in many cases money waste, coupled with a disregard for local needs, ended up jeopardizing aid effectiveness. Nevertheless, very few amongst these critics have paid attention to the positive examples of small-scale, sustainable aid projects implemented. This article intends to fill the gap by exploring the relationship between two local communities, Trento (Italy) and Prijedor (Bosnia and Herzegovina), which engaged in cooperation for development following the principles of the community approach. This innovative aid strategy, based on cooperation and reciprocal exchange between communities, aims at fostering local development without harming recipient communities and wasting large amounts of money in unsustainable projects. The article provides a critical overview of this approach, based on evidence collected on the ground.

## Introduction

The dissolution of Yugoslavia witnessed a twofold failure of the international community, which was unable to manage the crisis that brought the former Socialist Federation to collapse. At the outbreak of the 1992-95 war in Bosnia and Herzegovina (hereafter BiH), Western governments and UN agencies proved to be incapable of reaching an agreement upon a common strategy to follow in order to prevent the violence. Their belated intervention did not succeed in halting the war in time, nor did it put an end to the massacres of civilians. In the aftermath of the war, the provision of development aid condemned BiH to a state of permanent dependence on external funding, instead of triggering its economic and social recovery. The stalemate instigated by the Dayton Peace Agreements, signed in November 1995, exacerbated the situation. This extreme attempt of the international community to end the war and to stabilize the country ended up instead paralyzing it in a state of a contentious and fragile equilibrium.

Rather than focusing on the reasons that prevented Western powers to find a timely way out of the Yugoslav crisis, this article intends to shed light upon an approach to development aid that overcomes the traditional categories of assistance opposing active donors to passive recipients. By contrast, the community approach presented in the article targets the members of both the communities involved in a process of mutual empowerment. Although to date its existence has been overlooked by scholars, this horizontal mode of co-operation turned out to be sustainable in the long run and to benefit both the communities involved. Following a review of the critical analysis provoked by the unsuccessful attempts of donor agencies and international Non-Governmental Organizations (NGOs) to trigger the recovery of the ex-Yugoslav countries, the article investigates the features of this original approach by taking an empirical perspective, namely endowing the theoretical framework with concrete examples from the research undertaken in the field. In this context, the in-depth analysis of the twenty year relationship between the Italian municipality of Trento and the Bosnian city of Prijedor, together with a qualitative assessment of the projects aimed at reconstructing the social and economic fabric of the Prijedor community, proves particularly useful in disclosing strengths and shortcomings presented by this type of aid.

Whereas the community approach has been applied by other associations of the Trento area in different ex-Yugoslav countries like Serbia and Kosovo, I consider the relationship with the community of Prijedor a crucial test case for both the effectiveness and the sustainability of the community approach. Indeed, as explained thoroughly in the article, the analysis of the ripped-apart community of Prijedor contributes to highlighting the challenges faced while promoting peer-sharing local development in deeply divided societies. For a better understanding of the context where the strategy firstly found application, a section of the article outlines the historical and political complexities affecting Prijedor at the end of the war, when the community of Trento began to operate in the area. The article concludes by illustrating some lessons learnt and stressing that, although convincing evidence indicates the effectiveness and sustainability of the community approach, some flaws in the management of the projects and severe macro-level constraints still limit its impact.

Before addressing the features characterizing the community approach as a break-through strategy, it is worthwhile engaging in the literature on the provision and outcomes of aid assistance. Therefore, the next section illustrates the academic debate on the outcomes of post-

war assistance towards the ex-Yugoslav countries, with a particular attention to the case of BiH.

### **International assistance to post-war Yugoslav countries: a critique**

Since the end of the war, large agencies, international donors and humanitarian NGOs began to engage dynamically in post-war reconstruction programs all over the ex-Yugoslav countries. Although with different purposes, like repairing infrastructure, promoting reconciliation among communities, providing support for returnees, strengthening democracy and civil society development, and so forth, all these interventions were generally included under the peace-building frame. It was especially in BiH, the most affected among the successor states of the Socialist Federal Republic of Yugoslavia (SFRY), where the majority of agencies and NGOs concentrated their forces, transforming the country into a laboratory for the international donor community. Indeed, BiH emerged brutally impoverished by the 1992-95 war and bloodshed that left on the ground an estimated 100,000 casualties and an undisclosed number of wounded (Zwierzchowski and Tabeau 2010). In addition, the antecedent collapse of the Yugoslav market and the international socialist market zone, parallel to the disappearance of the socially-owned *agrokombinats*,<sup>1</sup> had endangered both the industrial and agricultural sectors, which represented the main sources of employment. The devastating material and human damage presented the international community the challenge of actively engaging in the reconstruction of the country and supporting its population.

Despite an initial enthusiasm, by the end of the 1990s the results of assistance carried out in BiH as well as in other post-communist countries under the auspices of development promotion began to be openly called into question (see Carothers 1996; Segré 1999; Marcon 2002; Mendelson and Glenn 2002; Mendelson 2009; Bazzocchi 2003). The majority of scholars accused the international intervention of having had a detrimental effect on the local context, and held it accountable for interfering in the recipient states in a way that undermined rather than stabilized them. As for BiH, almost twenty years of international presence in the country provided scholars and journalists with enough material to analyze critically the impact of post-conflict assistance projects. Bieber (2002) observed that the role of the outsiders, acting as “governors” of the country, hampered the creation of truly democratic institutions, giving space to the grievances of nationalist political parties. Paradoxically, such an attitude legitimized and even gave them an advantage in the national political competition.

As with democracy enhancement projects, in the field of civil society promotion also aid-oriented international organizations stood accused of having imposed on the country preconceived projects hatched in their Western headquarters, regardless of the local settings. Scholars stressed how assistance priorities were regularly driven more by funding requirements than by an in-depth knowledge of the domestic situation, hampering in this way the effectiveness of aid (Gagnon jr. 2002: 219). Western projects were also sharply criticized on account of their disconnection from cultural references and the core issues faced by the people of the region (Poulligny 2005). Several scholars emphasized that donors’ aid also led to perverse consequences, such as dividing societies by intensifying pre-existing conflicts among citizens instead of straightening them out (Bazzocchi 2003; Bunce and Wolchik 2006). Moreover, in most cases assistance benefited only local NGO representatives, whereas the society at large was not favored (Bădescu et al. 2004), a finding corroborated by a considerable body of evidence. In fact, over the years international

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<sup>1</sup> Agro-processing industry under the social system was controlled by a system of cooperatives and large agricultural enterprises, called *agrokombinats*.

organizations operative in the post-war Balkan countries recruited the existent local professionals for well-paid jobs, or placed them at the head of the newly created associations in order to act as intermediaries (Belloni 2001). In sum, donor agencies co-opted local experts possessing know-how, a good knowledge of English and European project management skills, critical requirements for accessing grants and dealing with international donor organizations (Fagan 2008). Such a behavior hampered the development of a genuine domestic civil society, because indigenous professionals sidestepped grassroots associations since they could not guarantee an equivalent salary. Wherever donors act, Petras (1997) argues, they are likely to generate insidious distinction and intra community rivalries, laying the ground for future conflict. In war-torn societies such a strategy is deemed particularly hazardous, and paradoxically it might dissuade citizens from civic engagement, being perceived as imported from abroad (Adamson 2002). Consequently, local actors perceive the outsiders as undermining their solidarity networks and neglecting their genuine needs (Pouligny 2005; Filcak and Atkinson 2006).

The Bosnian case speaks for itself: the US and other Western actors, active in the country since 1995, strove to consolidate a pro-western capitalist democracy in the country by running wholesale projects funded mostly on a year-to-year basis (Woodward 1996). In the case of civil society promotion, the externally-driven attempts to engender a third sector from scratch resulted in professionalized, donor-driven NGOs contingent upon funders' priorities (Fagan 2006). The NGOs resulting from this process commanded capacity building and technical expertise but lacked grassroots support, as it was the case in other post-communist countries like Albania, where similar projects found application (Chiodi 2007).

### **In search of an alternative: The community approach to local development**

The overwhelming mobilization of aid donors in the aftermath of the conflict in BiH has been referred to as a "humanitarian circus", where the so-called humanitarian industry run after financing in order to guarantee its own sustainability (Nardelli 2005). As already mentioned, the quick shift of donors' priorities and targets, usually reflecting foreign political interests, translated into the provision of short-term grants ranging from humanitarian relief to business development. As expected, this strategy did not foster the reconstruction of the country. On the contrary, it undermined its long-term results (Gagnon jr. 2002). Nardelli (2005) points out three flaws in the traditional way of assistance: intrusiveness, deriving from the lack of an in-depth knowledge of the recipient territory and its demands; unsustainability, brought about by outsiders undertaking projects that locals cannot maintain once donors leave the country; inefficacy, arising when aid creates dependence, or even exposes the territory to the dynamics of exclusion and to the control of the organized crime.

Nevertheless, it is fair to note that not all of the international community adopted the same rationale in approaching the material and human puzzle of post-war BiH. This article analyses the case of the relationship between the community of Prijedor and the actors of the municipality of Trento, who embraced a participatory strategy. Based on the assumption that a territory might be poor in economic terms, but rich in other kinds of resources which should be valorized, advocates of the community approach aimed at fostering local development by enhancing the human and natural resources already present in the territory. Before grounding the theory in detailed analysis, it is worthwhile disentangling the distinctive features of the community approach.

The community approach to local development can be defined as a bottom-up strategy based on

the exchange of knowledge on an equal footing between communities facing similar challenges. As opposed to the one-sided provision of financial aid, this method advocates the direct involvement of citizens belonging to both communities in the planning and implementation of development projects. With the communities and their territory as foci of attention, the relationship between local citizens and their peers abroad assumes another meaning, while the process of empowerment becomes mutual. By overcoming the logic of the fixed-term project, the community approach links territories and their constituencies in an enduring two-way relationship. Local actors, on the basis of their own experience, identify the priorities considered significant for their society, while their foreign counterparts are meant to assist them in the process by making use of their own expertise. Put in practical terms, it means that, for example, professors help their colleagues abroad, while farmers give advice to their foreign counterparts.

Grounded in the concepts of proximity and reciprocity, this kind of approach aims at “listening” to the communities before taking any initiative (Cereghini and Nardelli 2008). Besides, local knowledge and existing capacities are not undermined or excluded in favor of newly created actor networks, as denounced by Fagan referring to external capacity assistance usually offered by donor agencies (Fagan 2008: 630). On the contrary, the community approach means to be unobtrusive, respectful of the existing networks and of their environment. Taking the time to get to know a territory, its history and its tradition is a pivotal concept. In fact, the initiators of the community approach stress the importance of investing in the long-term. Although the results might not be immediate, but rather tangible only after several years, they are likely to be long-lasting.

Put into practice, this kind of approach consists of the implementation of twinning programs among communities. Contrary to the traditional institutional links between municipalities, the community approach widens the range of actors involved beyond institutions and local administrations, targeting especially those categories of people usually considered merely recipients of aid, such as students, farmers, and teachers. The close relationship and the constant dialogue among institutions and citizens of both places; projects addressing core issues faced by the community; the valorization of indigenous resources; jointly defined priorities; and long-range strategic thinking are its steppingstones.

### **The politics of the Autonomous Province of Trento**

As mentioned in the introduction, the community approach found application from 1997 in the community of Prijedor, with which some citizens of the Trento area had established contact since the beginning of 1996. The initial purpose was the delivery of food and humanitarian aid which was unable to reach the town under the control of Bosnian Serb nationalists (see Belloni 2006). Rapidly, the diverse municipalities and local authorities of the Trento area organized themselves, gathering firstly in the association *Casa della Pace* (Peace House) of Trento, and from 1997 in the *Associazione Progetto Prijedor* (Association Project Prijedor, hereafter APP). In the aftermath of the war, the Trento community was continuously involved in the humanitarian activity. From 2000, the APP could rely on the support provided by the Local Democracy Agency (LDA) of Prijedor, an association which played the role of facilitator between the two communities, and which was created on the initiative of the Congress of the Council of Europe and the Autonomous Province of Trento.

After having established a dialogue with local actors in order to understand the priorities of the

area, the intervention focused mainly on the agricultural sector. This was essential to stemming the process of impoverishment of the rural areas, which were even more damaged by the war. Moreover, the creation of working opportunities in the agricultural sector could guarantee sustainable livelihoods and an environment conducive to the return of some vulnerable categories of people, namely displaced persons and refugees willing to be reintegrated into their pre-war communities.<sup>2</sup> The rural target also reflected the expertise of the Trento community. The area surrounding the Autonomous Province, nowadays well known for its excellent agricultural products like apples and small fruits, owes its economic recovery to the redevelopment of its territory. An area of massive emigration at the end of the Eighteenth century and in the aftermath of the Second World War, due to the sparse working opportunities available in the predominantly mountainous territory, it coped with the widespread poverty through the valorization of its endogenous resources, in particular those related to farming. As the initiators of the community approach maintain, the best way to promote local development consists of “valorizing the uniqueness of every territory through its material and immaterial resources. A valorization which stems from the endogenous resources of the place, instead of introducing exogenous ones” (Cereghini and Nardelli 2008: 164).

The Autonomous Province of Trento was the main financial supporter of all the projects led by the APP in Prijedor. In comparison to other local governments in Italy, the province has more freedom regarding particular expenditure policies, as a consequence of its special status. This status also grants more autonomy regarding the funds to invest in international aid projects. At the outbreak of the war in former Yugoslavia, the Autonomous Province promulgated the law 4/1992, named “Solidarity interventions in favor of the Yugoslav population affected by the war”, regulating the intervention in the province in the former Yugoslav territory. The first article envisaged the allocation of 300 million Italian lira (approximately 155,000 euros) to be invested in solidarity projects targeting the former Yugoslav population affected by the war. Furthermore, the provincial law 4/2005 establishes that the Autonomous Province devotes to international solidarity activities a quota not below 0,25 of its overall income.<sup>3</sup> A specific body of the Autonomous Province, the International Solidarity and Cohabitation Department (*Assessorato alla solidarietà internazionale e convivenza*), is in charge of planning, monitoring and overseeing the international solidarity activities.

From 1997 the Autonomous Province enrolled as a member in the APP, as well as almost twenty other municipalities belonging to the province. Alongside the local bodies, voluntary associations, trade unions, schools, universities, and cooperatives of the area also joined the association, which nowadays appears as a solidarity consortium composed of different entities. The projects implemented in Prijedor were financed by the APP members, while the local banks of Trento made free grants available.

Before examining the projects implemented in the Prijedor territory, the next section provides the context within which the community of Trento found itself operating in the aftermath of the conflict. In 1996, indeed, the environment did not appear the most conducive to this kind of cooperation, nor did the community look collaborative. To fully understand the contribution made by the community approach in the Prijedor territory, the political and historical context of the city cannot be neglected.

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<sup>2</sup> Interview with the Italian APP delegate in Prijedor during the period 2004-05. Trento, July 2009.

<sup>3</sup> Art.18 (1) of the Provincial Law on International Solidarity, 15 March 2005, n. 4.

## **From cursed community<sup>4</sup> to homecoming town. The historical and political context of Prijedor**

In some way, Prijedor stands apart from other towns in BiH. Located 60 km from the capital of *Republika Srpska*,<sup>5</sup> Banja Luka, it was penalized in the distribution of post-conflict aid for having been under the control of Bosnian Serb nationalists and being suspected of harbouring war criminals (Belloni 2006: 437). Prijedor came into the limelight for the four concentration camps set up around its suburbs during the 1992-95 war. Even though Bosnian Serb authorities still keep denying their existence,<sup>6</sup> Amnesty International collected evidence and data about the torture and violence that occurred at Omarska, Trnopolje, Manjaca and inside the ex-factory Keraterm (Prijedor) that can hardly be ill-founded (Amnesty International 1993). The town was also the scene of the second largest massacre after the Srebrenica genocide. The United Nation War Crimes Commission, chaired by Tadeusz Mazowiecki, special UN emissary to BiH in 1992, determined that “the systemic destruction of the Bosniak community in the Prijedor area met the definition of genocide” (Human Rights Watch/Helsinki Committee 1997). Of the seventy four convicted of war crimes by the International Criminal Tribunal for the Former Yugoslavia (ICTY), twenty belong to the Prijedor area.

The municipality was taken over on the 23rd of April 1993 by the Crisis Committee of the Serbian district of Prijedor (thereafter Crisis Committee), a political and economic lobby which aimed to “establish complete Serb control over the municipality of Prijedor, to arm Serbs within the area, to block communications of non-Serbs, to destroy multi-ethnic relations in all sectors of the community through the use of propaganda, to provide logistical support and production for the army through the takeover of industry and production units, and to conduct the organized and meticulous larceny of funds from non-Serbs through control of the bank, expropriation of property, and burglary” (Greve 1994).

As a consequence of the takeover, Bosniaks and Croats were forced to escape, if not expelled or killed. Mosques and Catholic churches were razed to the ground for being religious symbols representing the identity of the non-Serb population. After the Serbs took control of the municipality, the non-Serb population could depart from the town only on the condition they renounced their property rights and agreed never to return. They were also told that their names would simultaneously be deleted from the census (Ibid., 11 VII: 28). Their expulsion continued throughout the war. A last mass expulsion wave to the detriment of non-Serb population occurred in September and October 1995, with the collaboration of the local Red Cross and the ill-famed Tigers of Arkan (Human Rights Watch/Helsinki Committee 1997).

The members of the Crisis Committee held on to power even after the signing of the Dayton agreements, enriching themselves through exacting tributes from and managing humanitarian aids. The Human Rights Watch report estimates that only thirty percent of humanitarian assistance reached the inhabitants of Prijedor (Ibid., 5). Even more paradoxically, two important

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<sup>4</sup> I have borrowed the term from the book about the Prijedor-Trento relationship written by Aldo Bonomi (Italian original, 2003), *The cursed community. A trip into local consciousness*, Torino: Edizioni di Comunità.

<sup>5</sup> One of the two constituent entities of Bosnia and Herzegovina. The other one is the Federation of Bosnia and Herzegovina, sometimes referred to as the Croat-Muslim entity.

<sup>6</sup> In 2009 the current mayor Marko Pavic, who was one of the member of the “Crisis Committee”, declared that “Muslims are lying and accusing without proof” about crimes in Omarska and that those who “smear Prijedor’s name should not be looking for employment here” (Domi 2012).

members of the Committee headed the local commission for refugees and IDPs<sup>7</sup> during the first post-Dayton period. This resulted in the violation of Annex 7 of the Dayton treaty, the “Agreement on Refugees and Displaced Persons”, which granted refugees the right to return to their homes.<sup>8</sup> The return of refugees and IDPs, already heavily affected by the war, was not facilitated as foreseen in Annex 7 under article II, entitled “Creation of suitable conditions for return”. On the contrary, refugees’ attempts to come back to Prijedor were impeded by the Crisis Committee, which threatened and intimidated those wishing to return to their hometown. Likewise, properties were not returned to their legitimate owners who had been deprived of them during the hostilities.

Exactng tributes from the humanitarian aid which managed to reach the city was not the only business of the Committee. Bribes were imposed on almost all the economic and commercial activities in Prijedor, and the firms controlled by Committee’s members won the tenders called by international organizations. It proved almost impossible to control humanitarian aid flowing to Prijedor. Thus, most of it ended up on the black market or in the hands of the army. For all these reasons, in 1996 only fifty four people came back to Prijedor (Human Rights Watch/Helsinki Committee 1997: 34). It was under such conditions that the community of Trento and the torn-apart population of Prijedor began their partnership.

In the aftermath of the Bosnian war, about 25,000 of the estimated 49,000 persons who fled the country during the war went back to Prijedor. 22,809 of them were Bosniaks and 2,188 Croats (Skupstina Opstine Prijedor 2008).<sup>9</sup> As the general climate changed after Prijedor’s warlords were arrested by the NATO-led Stabilization Force (SFOR) in 1997, people started to return to their places of origin. In 1998 the NGO “Prijedor 1998: Foundation for Return and Reconstruction” was set up to facilitate the process by providing returnees legal support service. Along the same lines, the international community declared 1998 “the Year of the Return”. Nowadays Prijedor, a symbol of ethnic cleansing during the war, is held up as an example of the feasibility of returning in spite of unfavorable conditions. The surprisingly high percentage of returnees reflects also the renewed possibilities for employment in the area, thanks partly to the efforts also undertaken by the community of Trento, which contributed to promoting the professional reintegration of IDPs affected by the lack of employment.

### **Putting proximity and reciprocity into practice**

In order to explore empirically how the community approach was put into practice in such a context, this section illustrates two projects implemented in the field of local development between 2001 and 2009, whose activities planned to revitalize economically the territory by creating jobs and small business congruent with the priorities of the area. The findings are based on a three month fieldwork research I conducted in the municipality of Prijedor during the fall of

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<sup>7</sup> IDPs is the acronym for Internally Displaced Persons. According to the UN Guiding Principles, IDPs are “people or groups of individuals who have been forced to leave their homes or places of habitual residence, in particular as a result of, or in order to avoid the effects of armed conflict, situations of generalized violence, violations of human rights or natural- or human-made disasters, and who have not crossed an international border” (UN Commission on Human Rights 1998).

<sup>8</sup> See Dayton Agreement, *supra* note 15, Annex 7, 35 I.L.M. at 136-41 (“All refugees and displaced persons have the right freely to return to their homes of origin”).

<sup>9</sup> Official data and numbers are only approximated, owing the lack of an official census in Bosnia and Herzegovina since 1991.

2009-10. In the course of my stay, I conducted thirty in-depth semi-structured interviews, whose subjects included participants in the projects (that I call stakeholders), the responsible individuals in Prijedor and Trento, as well as key informants, namely experts and consultants of the Agriculture Consultancy Center of the city. Other interviews were held with participants in other projects related to the primary sector in a broader way, namely the households involved in the rural responsible tourism network and the farmer beneficiaries of the rural microcredit loans. Daily informal chats with members of local associations and external observers proved particularly useful for capturing those opinions less likely to be expressed in front of a tape recorder. I also had free access to all the documents, data and reports dealing with the projects provided to me by the LDA of Prijedor and the APP of Trento. Finally, participant observation allowed me to have an active presence in the territory, and simultaneous to be a neutral eyewitness.

The schools' and associations' representatives in charge of the projects helped me to draw a sample which included both successful and failed cases. For the second project under scrutiny, which aimed at providing financial support and formative training to people wishing to initiate a small business, I managed to obtain interviews with stakeholders whose activities covered different branches of agriculture, so as to get an inclusive overview of the challenges facing those employed in the primary sector in BiH.<sup>10</sup> By giving voice to those usually left out of the assessment reports, often written by the same staff in charge of project implementation, I have evaluated the viability of the community approach and assessed its effectiveness. Through the narratives of stakeholders' experience and the changes (or the lack thereof) witnessed in their life a few years after their involvement in the projects, I have attained the necessary data to validate the contribution of the Trento community to fostering the development of the area. Although seldom taken into account, such feedback is a necessary tool for assessing the added value of a theoretical approach and its qualitative contribution. The projects had the constant support of the Italian agricultural experts of the Agrarian Institute of San Michele all'Adige and the rural cooperative "Sant'Orsola" of Pergine Valsugana, which is specialized in small fruits production. The villages, hosting both the institute and the cooperative, belong to the Autonomous Province of Trento and are members of the APP since its constitution.

### **Assessing the projects' impact**

The first project, named "Young Farmers", consisted of a twinning program involving students and professors of the agrarian high schools of Prijedor and Trento in the farming of small fruit in the Bosnian municipality. The goal was twofold: the valorization of a cultivation distributed at an industrial level before the war in the Prijedor area, whose natural features suit excellently the growth of small fruits, and the provision of an additional income to the students and their families, mainly returnees who could find few employment opportunities other than small-scale farming in post-war Prijedor. The project was implemented on a yearly basis from 2001 to 2006. Each edition involved five students of the agrarian high school of Prijedor, totalling twenty-five students in five years. Every student benefited from 1,500 €, of which 1,000 € was donated as free grant and 500 € took the form of microcredit loans, to be paid back with a grace period of one year.<sup>11</sup> In total, the APP disbursed every year 7,500 € for the young farmers to purchase the equipment necessary to start the small business. Before kick-starting the cultivation, the agrarian specialists from Trento,

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<sup>10</sup> I have guaranteed the variability of the sample by including among the interviewees beekeepers, cattle-farmers, dairy producers, flower growers, and horticultural farmers.

<sup>11</sup> That is to say the stakeholders could rely on better conditions than the ones offered by other microcredit institutions (usually giving a shorter grace period and asking for a higher interest rate).

an area of widespread small fruits production, organized trainings for the students in both countries.

In the first implementation of the project, the beneficiaries of the funds were unemployed youth, who, however, choose to invest the money for other purposes than small fruits. Consequently, the project's representatives decided to switch the target group to high school students, and to train them before, during and after the small fruits planting, involving actively professors and consultants of both countries. The activities scheduled throughout the training included a school trip to visit the rural cooperatives of the Trento area and an internship in the Italian territory.

The majority of the interviewees declared that they had attained an adequate additional income from the small fruits trade. Assessing the impact in financial terms, the young farmers made a profit ranging from 510 € to 4,200 € by selling the fruits at an average of about one euro per kilo. Although the small fruits cultivation was meant to provide a constant supplementary income, one student succeeded in transforming it into her main source of income, kick-starting a real business.<sup>12</sup> However, the stakeholders underlined the difficulties related to market access and structural constraints, for instance the lack of collaboration among producers, the unlikelihood of finding material like good-quality plants in BiH and the weather conditions which occasionally destroyed the whole production. From its fourth implementation, the project was completely entrusted to the locals, who promote the sector by organizing an annual small fruits fair in collaboration with local authorities. The fair gave to the locals and to the former participants in the "Young Farmers" project the opportunity to promote and sell their products. According to the feedback received, the fair proved to be an opportunity to sell almost all the produce remaining unsold at the end of the season.<sup>13</sup> The APP continued to contribute to the development of the sector, investing an amount of 11,000 € during the years 2008-2009, aimed at training the agrarian experts of the municipality who, in turn, would support the small fruits producers in Prijedor.

The second project, "Become an Entrepreneur", targeted the unemployed aged from 20 to 38 years wishing to start a small business, as well as the young entrepreneurs already leading a small activity, but commanding limited resources. The project, implemented for four years (2004-2008) on a yearly basis, financed in total thirty-nine businesses. Among those, twenty-six dealt with agricultural entrepreneurship, eight with craftsmanship, and the rest aimed to start up service companies. Every edition accepted fifteen would-be entrepreneurs, but not all of them benefited from a grant. Just like the "Young Farmers" stakeholders, the participants in this project received an amount of 1,500 € for the start up of their businesses. Of those 1,500 €, 1,000 € was handed as free grant and 500 € in the form of microcredit loans, to be paid back within a year and a half (in this case, the grace period lasted six months).

The project "Become an Entrepreneur" also scheduled an internship in Italy. From the start-up of the business activities and throughout the project, both Italian and Bosnian consultants provided assistance to the would-be entrepreneurs. Unlike aid agencies handing mainly free grants, the APP and the local LDA choose to adopt a mixed strategy, supplementing them with microcredit loans with the purpose of increasing the accountability of stakeholders. The choice reflected the will to fight against the dispersion and mismanagement of money, at that time flowing massively to BiH

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<sup>12</sup> Interview with D. Lukic, recipient of the Young Farmer project in 2004 and currently agricultural entrepreneur in the small fruits field. Prijedor, October 2009.

<sup>13</sup> Interview with projects' stakeholders. Prijedor, October-November 2009.

without any ex post assessment. Besides, only those who had participated in the training classes taught by local professors and experts, and who had presented a solid and realistic business plan could gain access to the funds. A return rate of the microcredit loans close to one hundred percent proved the success of the strategy (LDA Prijedor 2005). Apart from a few unsuccessful cases, most of the stakeholders declared themselves satisfied with the training and the outcomes of the project.<sup>14</sup>

Three years after its onset, the local authorities took the project over, proving the sustainability of the initiative promoted by the APP. Therefore, the 2008-2009 edition was organized by the municipal Agency for Economic Development (PREDA). The priorities changed slightly, as a result of the municipal efforts to convert undeclared work into regular employment by incentivizing the registration of informal businesses. As a consequence, the grant disbursement became conditional to the business registration. Also, the number of the grants' beneficiaries increased to twelve, owing to the augmented financial resources. The internship with the Italian counterpart was maintained, as well as the APP financial contribution. Out of 44,000 € invested in the project, the APP, together with the LDA and the farmers' and craftsmen's credit union of the Trento area provided 28,000 €, while the Prijedor municipality contributed 16.000 €.

According to the LDA (2008), in May 2008 all the twelve participants in the 2008 edition had registered their activities and were regularly working. The same year, sixteen out of twenty-six participants in the first three project implementations were regularly paying back the credit. In total, twenty-eight out of thirty-nine projects financed had become thriving businesses (LDA Prijedor 2008). In 2009, the locals took over the project completely.

## **Cooperation beyond agriculture**

Whereas supporting local development was the main concern of the Trento community, especially at the beginning of the intervention, over the years other projects targeted different areas, like the elaboration of conflict and the reconstruction of a collective memory. As already mentioned, another guiding light of the community approach consists in living the conflict, engaging actively to prevent memory from falling into oblivion or, even worse, giving rise to other conflicts. This is especially true for BiH, where the war and the social and political turmoil of the nineties have accelerated the interest in memory about the recent past (Vervaeet 2010). In the conviction that there is no peace without reconciliation, nor reconciliation without the elaboration of conflict, the Trento community gathered around the APP-encouraged projects aimed at laying out all the facts about the war, in order to favor an in-depth understanding of what happened. The reconstruction of a common past overcoming the division between communities determines the way in which the new generations perceive history, and it influences their future actions as well. Therefore, the planned activities strove to reconstruct a common past in the most objective way possible, and to rebuild ties among communities altered by the war. With the purpose of involving those operating daily in the field of memory, the historical museum of Trento inaugurated in 2003 a collaboration and exchange agreement with its counterpart in Prijedor. This cooperation translated into the production of documentaries bringing together private narrations and public history of the war in Prijedor, exhibitions in Italian and Bosnian territories, meetings with authors writing about the history of both countries, and the like.

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<sup>14</sup> Interview with the project's stakeholders. Prijedor, October-November 2009.

## Lessons learnt

As a result of the projects analyzed, the case of the Prijedor-Trento relationship provides a number of important lessons for organizations and donors which operate in post-conflict settings with the aim of promoting long-term sustainable development. I begin by illustrating the limits witnessed by the stakeholders, before widening the angle to the viability of the whole community method as regards what was experienced on the ground.

Regarding the projects I chose to focus on, the main criticism stems from the apparent mismatch between the project objectives and market opportunities. As many interviewees underlined, whenever they managed to set up a small business, or to increase their productivity, the limited market access conditions prevented them from selling their products. As a consequence, they could not improve considerably their living conditions. To add to the complexity, most recipients, heading to a large extent small sized family farms producing for home consumption, could not rely on market networks to sell their surplus.<sup>15</sup> Other flaws highlighted by the stakeholders concerned the amount of the grant provided by the APP, deemed too small to the start up of some activities, and the lack of assistance after the start-up phase of the business.<sup>16</sup> Hence, providing scattered support to individuals and families proved not to have been the best strategy for triggering local economic development and reducing considerably rural poverty.

Nevertheless, as is widely known, a single project cannot solve the structural problems of a whole country, which are in turn embedded in a broader system whose mechanisms cannot be controlled by outsiders. It is thus worth noting that the projects would have been more effective if they had been included in the supporting framework of national policy reforms addressing the sector. In fact, in a highly distorted context like BiH, which is characterized by an unorganized market and insufficient competitiveness of its agricultural products, and is unable to face the competition of the better-quality and highly-subsidized items coming from outside the country, the lack of a state-wide agricultural policy constrains heavily the agro-food sector, preventing small producers from developing their businesses.

Another remark addresses the sustainability and viability of the projects, especially of “Young Farmers”. Although the decision-making process was deeply inclusive, and choices were made jointly among communities, with the aim of tailoring activities to the country and sector conditions, not all aspects of the context were equally conducive to development. In fact, even though the promotion of small fruits was congruent with the priorities of the area, being particularly apt for this kind of cultivation as are the Trento valleys, the Bosnian territory lacked of the cooperative tradition essential for such a cultivation to prosper. The small fruits trade in the Trento area owes its success to the creation of cooperatives gathering and safeguarding producers that, acting collectively, increase their bargaining and market power. By contrast, in BiH the proposal to set up a cooperative does not appear attractive to the producers, who were unwilling to cooperate on the account of the forced collaboration trialled under the socialist rule. All the

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<sup>15</sup> It is worth reporting that the retailers and distributional chains of BiH and of its neighbouring countries purchase agricultural products almost exclusively from large producers who, unlike small ones, can guarantee large quantities of products. Furthermore, the bigger the production, the stronger the producer's position, because he can bargain the price with the retailer. As for small producers, usually they sell at the local market, where no quality and hygienic standards are required, nor does the activity need to be registered.

<sup>16</sup> Interview with project's stakeholder. Prijedor, October-November 2009.

attempts undertaken in this direction failed, as a local key informant admitted.<sup>17</sup> The farmers' association of Prijedor, kick-started by the Trento community, faced a similar situation, encountering difficulties in moving beyond the provision of basic services at the individual level.

Apart from personal attitudes, structural problems also jeopardized project effectiveness. Many stakeholders stressed how it proved almost impossible to apply in their daily activities what they learnt in Trento, due to a shortage of the necessary machinery. Finally, in 2009 the municipality decided to cut significantly the support intended for small fruits production, relocating the money to other sectors which were more likely, in their opinion, to contribute to the agricultural development of the area.<sup>18</sup> In sum, the fact that the local developmental model based on the valorization of endogenous potential working in Trento has been only partially recognized by the Bosnian authorities emphasized that the experience of working elsewhere cannot always be generalized to another context, albeit similar.

However, this is not to say that the efforts undertaken have not been bearing fruit so far. The ongoing relationship between the Italian and Bosnian communities, as well as among the schools, local authorities and associations involved, testifies to the long-range sustainability of the projects. Furthermore, both the projects under scrutiny have been taken over by Bosnian associations and authorities, who gave them continuity according to their own priorities. The active participation of the Prijedor community in the whole process of the identification of strategies to pursue throughout the programs helped to reveal the positive role of actors other than the warlords, who at first monopolized foreign aid, paralyzing the civic sector of the municipality. The microcredit loans and the constant monitoring of the activities undertaken strengthened the relationship among individuals, and proved useful for holding local stakeholders accountable. Moreover, the promotion of self-employment by means of peers engaged in similar activities, the translation into practice of the proximity concept, cast light upon the usefulness of collaboration among colleagues, due to the assumption that "it is way different whether farmers frequently sowing and harvesting discuss with their counterpart in another country, than a young aid worker who has never been on the field" (Cereghini and Nardelli 2008: 116). As for the reciprocity concept, the in-depth knowledge of the other has been recognized as stimulating the reflection among and about the donor community as well. In fact, the community-oriented approach means to be reciprocal, therefore learning is perceived as a two-way process, even with the consciousness of an asymmetry between the two communities. Pragmatically, reciprocity found application in the twinning programs among schools, which exchanged experiences and techniques in different fields, as well as organising school trips in both territories, which helped recipients of both places to reflect on their own history and domestic conflicts.

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<sup>17</sup> Interview with the head of Prijedor Farmers' Association, Prijedor, October 2009.

<sup>18</sup> Interview with the agriculture responsible for the municipality of Prijedor. Prijedor, October 2009.

## Conclusions

The empirical attempt at assessing the effectiveness of the community approach, with its features of inclusiveness, local ownership and mutual learning, has confirmed the viability of such a strategy in triggering local development from the bottom upwards by exploiting endogenous potentials. Although at first glance this kind of approach may resemble a highly romanticized view of providing aid assistance, especially for the aspects related to cooperation with locals and the involvement of the whole community in the decision-making and priority-setting process, it proved to be sustainable in the long run. In fact, after the projects' completion, the programs were followed up, relying mostly on local financial resources. Contrary to the elitist assistance strategy generally allowed by donors and large agencies, the Trento community acting in Prijedor succeeded in shifting from a narrow focus to a larger objective, enhancing the economic and social recovery of the Prijedor community by creating, transmitting but especially by exchanging knowledge and capacity.

Some conclusions can be drawn from the study of the Prijedor-Trento relationship. What the research precisely revealed is the extent to which this innovative, albeit seldom applied, approach to development is feasible. Certainly, the preliminary step to take before adopting the community approach to promote development requires the willingness to reconceptualize the mainstream way of conceiving aid, overcoming the traditional categories. Secondly, the community approach does not work as a blueprint applicable wherever, but it requires adjustment to the specificities of the territories involved.

In practice, a restriction may result from the availability of time and social capital, because the community approach requires both continuity and a constant contribution in terms of people willing to get involved. To the same degree of importance for a partnership on an equal footing is the commitment of the recipient community to overcoming the victimist approach sometimes characterizing aid recipients, who often run the risk of taking for granted the support received. Consequently, they tend to rely on donor assistance without getting proactively involved in the reconstruction of their future. Both policy-makers and stakeholders need to be consequent with their decisions, in order to ensure the conditions for an effective and long-lasting local development. For instance, the shift of funding priorities in agriculture undertaken by the Prijedor municipality hampered a solid development of the small fruits sector.

Nevertheless, the major limitations to the effectiveness of the community method hinge upon severe socio-economic constraints that outsiders cannot solve. As regards BiH, as long as the situation in the country continues, there are few possibilities for it to be fully effective. In sum, despite its significant potential for local development, the effectiveness of the community approach will be limited until the macro-level obstacles are adequately overcome.

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