



I O M - N A T O T R U S T F U N D P R O J E C T

Assistance to redundant military personnel within the scope of defence sector reform in Serbia

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EXTERNAL INDEPENDENT EVALUATION OF THE PROJECT

# **ASSISTANCE TO DISCHARGED DEFENCE PERSONNEL WITHIN THE SCOPE OF DEFENCE SECTOR REFORM IN SERBIA**

FUNDED THROUGH A NATO TRUST FUND AND IMPLEMENTED  
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## **ACRONYMS AND ABBREVIATIONS**

IOM	International Organization for Migration
JRP	Joint Review Panel
NTF	NATO Trust Fund
MoD	Ministry of Defence
PMU	Project Management Unit
PRISMA	Programme for Resettlement in the Serbian Ministry of Defence and Army
RRC	Regional Resettlement Centres
SC	Steering Committee
ToR	Terms of Reference

## 1. PROJECT BACKGROUND

The International Organization for Migration (IOM) signed an agreement with the NATO Trust Fund (NTF), represented by Norway as Lead Country, for the assistance to the Serbian Ministry of Defence (MoD) PRISMA programme in the reintegration of 1,850 redundant defence personnel into civilian life.

The Programme for Resettlement in the Serbian Ministry of Defence and Army (PRISMA) is part of a defence reform effort outlined in the MoD's White Paper on Defence developed in 2003 and designed to provide different solutions to the large-scale redundancy plan scheduled to last until 2010. The concept of PRISMA operations is based on a two-pronged approach, which includes provision of career counselling, information on labour market needs, CV and interview preparation as well as referral psychological support.

The project is designed for a period of five years and consists of two phases of 2 and 3 years respectively. The initial 2-year phase runs from June 2006 to June 2008. The implementation modalities are as follows:

The project has four different components as described in the project document:

- 1) Registration and profiling,
- 2) Information, counselling and referral services,
- 3) Reintegration fund assistance and
- 4) Capacity building.

The NTF project targets discharged defence personnel, as well as their families and dependants, identified and categorised as 'high risk' by the Ministry of Defence to integrate into civilian life. Former defence personnel from the whole territory of the Republic of Serbia that have been dismissed after 1 January 2005 and have registered with PRISMA, are offered the opportunity to access the NTF assistance. Once the MoD has established the lists of people who are declared to be redundant and entitled to access the NTF assistance, the IOM project offers to the MoD referrals a series of support activities in order to:

- 1) Make the project and the activities known to the potential beneficiaries.
- 2) Explain and counsel potential beneficiaries on the sort of assistance that could be useful to their reintegration into civilian life.
- 3) Coach and provide technical guidance and assistance during the period of implementation according to the type of assistance obtained.
- 4) Build the capacity of the PRISMA staff to conduct activities aiming at the integration of redundant personnel.

The project is based on three different and not mutually excluding, forms of assistance:

1. A grant support up to an amount of €1,500 per person, which can be obtained :
  - a. Through grants for business creation
  - b. Through grants for salary subsidies for a one-year period
  - c. Through grants for vocational or on-the-job training
2. Through a loan, support for expanding businesses for an amount up to €3,000 over a one-year period.

Initially, when the project started it was foreseen that the MoD would provide lists of names (referrals) to the IOM that would then be incorporated in the programme. However there were some difficulties in obtaining the lists in a timely manner, and the changing political environment leading to the creation of a new government administration in 2007 also contributed to a slower than expected project implementation.

As of 14 December 2007, the IOM received three lists of referrals totalling 3,912 people. Of these, 1,794 have been registered by the IOM. Of the 1,794 there are, at the time of the evaluation, 781 people assisted through the reintegration fund.

*Explanation regarding the three different types of beneficiaries: referrals, registered, assisted.*

The term *referrals* is used to indicate those people included in the lists prepared by the MoD and submitted to the IOM as target group of the project. From these lists, the IOM has to verify the personal data in order to contact each and every potential beneficiary. In a percentage of cases (10%), contact details were incorrect or incomplete, and the person could not be contacted. Another 15% of the caseload had either moved or could not be found. From the initial referral lists, 75% at best of all referrals could be *registered* (or approximately 3,000 people). In order to ensure that potential beneficiaries were aware of the project and the potentially available assistance, the IOM undertook an information and outreach campaign. As a result of these actions 1,794 people were registered by the IOM; they filled a formal registration form and became eligible for the project assistance (some 65% of the total number of the referred people).

Once people were registered and counselled by the IOM staff, they had to decide what sort of assistance was most responsive to their needs. In order to determine this, the IOM provided counselling on the different opportunities offered by the project, including support in developing business plans for the creation of new business activities. Out of the 1,794 registered individuals, 781 have already seen their request for accessing reintegration fund assistance approved and are thus considered as *assisted* under the IOM implemented project.

Because the transition to civilian life is a difficult process for most of the redundant military personnel, a large number remains undecided as to what sort of activity is best suited to their needs. In addition to delivering business skills, the IOM staff provides individual counselling to each beneficiary on a fit for purpose basis helping them to identify the best possible reintegration option.

The IOM has placed two to three field staff in each of the three PRISMA/RRCs covering the whole of Serbia. By the end of 2006, all RRC offices had been furnished, refurbished and equipped through the activities and funds of the IOM project.

## 2. EXECUTIVE SUMMARY

Project implementation to date has been well executed in view of the existing constraints. The numbers are not yet at the level foreseen in the project document of 1,850 people assisted given the difficulties of the MoD to supply the lists of redundant personnel meeting the selection criteria in a timely manner.

To date the project implementation through the IOM has been able to obtain 3,912 referrals, with 1,794 who have officially registered (as of 30.11.07), and a further 781 who have benefited from the assistance of the Reintegration Fund as of 14.12.2007. Considering the lack of formal linkages with the beneficiary group and a general lack of awareness regarding reintegration fund assistance, this percentage is actually quite high, and is regarded as an initial success by both the MoD and the NTF Lead Country.

A concern in the caseload composition is the typology and rank of the redundant military personnel. Initially the MoD supplied lists of high ranking officers (1<sup>st</sup> group) and currently 50% of the total registered are Lieutenant Colonel and Colonels. Out of a total of 1,794 registrations, over 60% are officers, 37% are NCOs, and the rest unspecified (1%) and civilians (1%), as per details hereunder:

<b>Registered as of 30.11.2007 (IOM statistics)</b>		
Officers	1,088	60.65%
NCOs	672	37.46%
N/A	17	0.95%
Civilians	17	0.95%
<b>Total</b>	<b>1,794</b>	<b>100.00%</b>

There is a proposal from the MoD that civilians should be included in the 2007 and future referrals lists (expected to number in the period 2007/2010, 8,500 of which 25% officers, 25% NCOs, and 50% civilians) and the project extended, but there has not yet been a formal reply from the NTF Lead at the time of the evaluation.

In terms of geographical coverage, the IOM has placed its staff within the RRCs in order to work in support and in close collaboration with the MoD PRISMA as well as ensure the sustainability of the programme by building the MoD staff capacity to conduct similar activities once the NTF project ends.

Capacity development by IOM staff 'embedded' into the MOD/PRISMA structure is an important sustainability element built into the project. In depth knowledge by MoD staff of the ICRS/NTF approach will be crucial once the MoD moves to a professional army system using fixed-term contracts.

The appraisal from all three head of the RRCs is that the IOM collaboration is simply excellent and their approach to working with the MoD PRISMA has been extremely constructive. The registration caseload per area of residence is as follows, showing a fairly balanced distribution of the caseload according to the geographical locations:

<b>RRC location</b>		
Belgrade	714	39.80%
Niš	649	36.18%
Novi Sad	431	24.02%
<b>Total</b>	<b>1,794</b>	<b>100.00%</b>

Not all the people who have registered have yet taken advantage of the assistance from the Reintegration Fund (e.g. access to grants or loans). At present some 45% have actually submitted an assistance request that has been approved.

Approved assistance	781	<b>43.53%</b>
Registered	1,794	

Various factors explain the relatively low submission rating. For one, there is scepticism among the target groups that they will indeed receive something. This was mentioned by several of the beneficiaries interviewed by the evaluation (e.g. *I did not really believe I would get anything*). Another factor is the lack of a clear idea as to how to use the assistance (choice of investment, business or occupation). Because this project comes in support of the overall effort of the MoD with the PRISMA programme, which started well before the IOM implemented project, counting on eleven different components (see details in annex 4), many beneficiaries are also not fully aware of its modalities.

There are certain cases where the amount of financial support available was simply not sufficient, and in other cases it may have been too much (considering that beneficiaries are expected to match the grant with their own contribution). There should be a flexible grant amount ranging from €500 to €3,000 according to individual case needs and capabilities.

Much of the efforts since June 2006 have focused on putting the structures and processes in place. In terms of management, office support and outreach to ensure that the target groups would have access to sufficient information regarding the project have been a key component of the IOM implementation strategy. In addition project structures were established (SC, PMU, JRP) and adapted to respond to major unforeseeable circumstances including legislative and political changes.

In addition to the difficulty in obtaining MoD referral lists, the IOM has also had to face changes in banking laws, which have frozen their loans activities for the past year in view of the new banking requirements. The IOM is reported to be signing an agreement with a commercial bank towards the end of the year, and should finally be able to pilot test a limited number of loans during the first quarter of 2008. These new banking laws increase the cost of loan implementation by an estimated €150 per loan, given the mediation of a banking intermediary.

Another major constraint has been the VAT exemption, which has not yet been obtained by the IOM, so that beneficiaries will not have to pay VAT on the proceeds of their activities. VAT issue affects goods purchased with both grants and loans. However, since the law recognizes grants as donations the project is able to obtain the VAT exemption for the goods purchased with that money. Loans are not considered as donations and therefore, for the time being, IOM cannot obtain VAT exemption.

In addition, political changes and staff changes within the MoD at top ministerial, PRISMA management and RRC levels have also affected the dynamics of the project in its implementation.

For the continuation of the project, there remains a series of critical issues to be addressed in order to ensure a successful implementation.

Because the context has seen a number of internal (MoD lists) and external (VAT, banking laws) constraints, the project has not been able to evolve linearly as was initially foreseen. Therefore the project has taken a cautious and carefully planned step-by-step practical approach to ensuring it remains in bounds of what it had stated to achieve, namely the reintegration of 1,850 redundant military personnel.

A series of additional challenges will arise and need to be addressed in 2008 by the project. Given that only six months remain from the original agreement, and based on the understanding that the MoD will be shortly supplying the new list of 1,400 military and civilian personnel discharged from service in 2007, there is a reasonable assumption that the caseload will increase. This situation would require either an additional one year extension of the first phase, until June 2009, or adjusting the activities and budget of a potential second three-year phase into 2011, should continued support be pledged by NTF Lead country and donors. In addition, there is a reasonable expectation that some of the 1,013 registered who have not yet requested assistance may be doing so in the coming months, as the first

results of successful reintegration from their colleagues are appearing in the press, radio, and also on national television. This creates a pull factor which should help some of the unassisted in the registered caseload come forward to request the NTF financial assistance. There is also a risk that not enough funding is made readily available to the IOM should a sudden increase in the caseload take place, as only some 29% of the project budget has been received by the IOM to date. Any surge in the caseload should be coupled with quick disbursement of additional funding under the NTF.

At the same time, some timeframe for those who registered to request the financial assistance should be clearly established; for example, a limit should be set in four months from the date of registration so that those who do not request reintegration fund assistance will also be accounted for. Clearly not everyone who qualifies will necessarily request the assistance.

One critical element of the reintegration process is, as it was echoed by respondents, the necessary change of mindset from the military to the civilian world. Even though the project focuses on economic reintegration (business creation, salary support, training, loans), it also includes a social component (developed in the Main Findings at the end of section b)), which is not explicitly developed in the project document, but has clearly emerged as an essential component of transition to civilian life in some beneficiary interviews.

In addition, the project needs to develop a results framework to guide its progress and enable it to have a measure of success when it comes to a completion.

The IOM project management should therefore consider the following issues:

- Changing mindsets: identify the manner in which recognition is given to the social component of reintegration;
- Criteria for success (benchmark and percentages regarding expected results), both for quantitative indicators and qualitative information (e.g. plan a qualitative beneficiary survey at the end of 2008) to ensure the project implementation remains on course; as part of developing a results framework;
- Caseload issues (expectations for 2008, both from the 1,013 registered not yet assisted, and the additional 1,400 lists from 2007 including 50% civilians to be approved by NTF and submitted to IOM); review the eligibility criteria in light of the new lists;
- Extension of the work in order to accompany the on-going process for an additional year to June 2009, and obtain donor approval for the extension, or revision of the activities and budget for a potential second phase of the project over a three-year time-frame (up to 2011), should continued support from NTF lead country and donors be pledged;
- Appraise the loan results after the first pilot of 50 loans which should take place during 2008;
- Plan an evaluation of the progress by the end of 2008 to feed into decision-making regarding necessary adjustments and/or continuation or hand-over of the project.

Overall the IOM has been able to undertake some very constructive work in an environment where many externalities and constraints which lie outside the scope of the project, have taken place. This shows the IOM's capacity to adapt to changes and its reactive capabilities in order to continue its support through a phased process which has always counted with the support and endorsement of the MoD and the NTF.

Despite the negative history of NATO involvement in Serbia, the NTF has been able to develop with the IOM and the MoD a sort of model of collaboration which could be of use in other parts of the world. Of particular interest is the tri-partite relationship which does represent a heavy structure but is functioning adequately through the creation of specific project structures (such as the Steering Committee, the PMU, and the JRP). More lessons will emerge as the project looks for consolidated results in the coming year.

### 3. METHODOLOGY

The evaluation has used a multi-method approach consisting primarily of four evaluative techniques:

- 1) Documentary review of project related information (a bibliography is included as annex);
- 2) Key informant interview among IOM and MoD staff, both at headquarters and in the field in each RRC;
- 3) Purposeful selection of 9 cases (3 from each RRC) including a success, average and failure case, through individual beneficiary interview;
- 4) Observation

The documentary review was completed by material made available during the course of the evaluation.

For individual interviews with beneficiaries, the evaluation proceeded with open-ended questions using deductive enquiry in order to appraise the level of customer satisfaction, including in those cases described as 'failure' (for example a beneficiary having lost his job before the end of the one year period as part of the salary support assistance). Criteria for selection included a success, average and failure case for each field office (3 cases per region).

For key informant interviews informal discussions were held.

The evaluator used the services of a translator for the beneficiary interviews, someone who was not associated with the project.

In total some 23 interviews were held, each interview lasting for an average time of 50 minutes. The complete list of persons interviewed is enclosed as annex 3.

The evaluation follows the UNEG evaluation norms and standards (used for the entire UN agency system as guide to conduct and use evaluations)<sup>1</sup> and OECD/DAC evaluation standards<sup>2</sup> (widely used quality standards for conducting evaluation of development projects and programmes).

#### **Bias and constraints**

The timeframe given for the evaluation was insufficient to do a representative sampling of the beneficiaries. Instead the evaluation resulted to purposeful sampling for illustrative evidence although results cannot be generalised.

The evaluator had worked previously in Kosovo (2007), Bosnia (1997), Croatia (2002) and had already undertaken two external evaluations of IOM projects (Congo 2003, Mekong countries 2003). The evaluator has undertaken some fifty evaluations for thirty customers including donors, international agencies and NGOs. For full details: [www.suburconsulting.org](http://www.suburconsulting.org)

<sup>1</sup> [www.uneval.org/index.cfm?module=UNEG&Page=UNEGDocuments&LibraryID=96](http://www.uneval.org/index.cfm?module=UNEG&Page=UNEGDocuments&LibraryID=96)

<sup>2</sup> [www.oecd.org/dataoecd/30/62/36596604.pdf](http://www.oecd.org/dataoecd/30/62/36596604.pdf)

## 4. MAIN FINDINGS

The project has achieved substantial results in a short time-frame. Main findings are divided into three parts: a) the four different project components (based on documentary review, IOM information with project management and staff, and MoD staff), and b) the results of the nine purposeful sampling cases of beneficiaries and key informants (IOM, MoD). The third part c) includes the response to the specific evaluation criteria as requested in the ToR.

### a) The four project components

#### 1. Registration and profiling (4 specific activities)

- The project has just completed its support to the development of a Management Information System (MIS) within the MoD as foreseen by the project document; it will be tested during 2008 as it is currently being finalised. Preliminary information from the MoD regarding the MIS is positive, as this is a necessary tool.
- Registration forms have been developed and are being used for all beneficiaries registered under the project, as foreseen.
- Training and guidance for PRISMA staff are taking place daily, as the IOM staff is sharing RRC offices in all three locations (Belgrade, Niš, Novi Sad) and work in very close collaboration with the MoD staff.
- The overall socio-economic assessment on MoD redundant personnel has to be done for the entire caseload. Given that three different lists of referrals were supplied, the analysis of the first two groups has been done, and the results for the third list are just being compiled.

#### 2. Information, Counselling and Referral Services (ICRS approach)

- The information, counselling and referral services have been individually undertaken for the entire 781 assisted beneficiaries, while for the 1,794 all have been informed and counselled on the individual choices that may be best suited to their needs.
- The entire process of ICRS has been estimated by IOM to require 9.5 hours of work per person. The actual registration and counselling has been estimated at 1h40 minutes per person. On the basis of these estimations, the 1,794 people registered have received 2,990 hours of information and counselling and registration, equivalent to 75 weeks of individual work (based on 40 working hours a week). For the 781 beneficiaries who have actually received their assistance, an additional 8 hours per person has been necessary for preparing the application, approval and actual delivery of assistance (not counting the post-delivery monitoring). Therefore an additional 6,248 hours of work were provided, equivalent to 156 weeks of individual work. In total this represents 231 weeks of work, or 26 weeks (6 months) per person for the nine field advisors posted in the RRCs.
- This estimate does not include the time spent to contact the entire referral lists of 3,912 individuals. As mentioned the IOM attempted to contact each of them by phone and/or by mail and additional work was undertaken to that end. It also does not include the post-delivery monitoring visits to ensure that beneficiaries are being followed and supported through their reintegration process.

#### 3. The Reintegration Fund

Several options are given to beneficiaries who may choose, on the basis of the counselling received, their own situation and resources as well as their desires, the best available option.

In practice the project assistance falls under three different categories:

- i. Grants for an amount up to €1,500 to start new business activities in a variety of sectors or expand existing businesses. This has been by far the most widely requested with almost two thirds of applicants requiring this sort of assistance.

- ii. Salary support for an amount up to €1,500 for a one year period once the beneficiary has found an employer, representing some 17% of the caseload;
- iii. Financing courses (e.g. accounting, IT, etc.) up to the same amount, corresponding to 15% of the assisted caseload. Given the relatively low costs involved in these courses, mostly under €500, it was possible for beneficiaries to obtain a top-up as new business grant up to the limit of €1,500.

A major activity was planned with the introduction of loans of up to €3,000 on revolving basis. This was prepared since the beginning of the project, but new legislation on banking rules has not allowed the project to start its loans to date. The IOM seems to have found a solution through a partnership with a commercial bank; the year 2008 will allow a first batch of loans to be processed (a limited number of loans requested from existing beneficiaries).

#### *4. Capacity building*

To ensure sustainability of the project as well as allow MoD/PRISMA to use or adapt the ICRS/NTF approach as a future institutional tool to favourite civilian integration of redundant defence personnel after the end of the NTF project, IOM has been able to successfully integrate its staff within the existing MoD PRISMA structure of RRCs at field level. All heads of the RRCs expressed their great satisfaction and constructive relationship with the IOM staff, in particular their very collaborative, humble and open approach. While PRISMA staff had already received a number of relevant courses in various areas, IOM has been able to react to demand and organise specific training seminars for both IOM and PRISMA staff on topics of common interests, such as banking, business plans, communication, etc. These training sessions have been seen as very useful, but generally a little too short (one day).

One request was made by a head of a RRC to have his people trained 'up to the skill level of the IOM staff' in business development and micro-finance.

#### **b) Main findings from the selected nine beneficiary cases**

While the sample size is certainly not large enough to be representative for the entire caseload, some key elements emerged from the different beneficiary interviews which took place during the evaluation. All interviews were held either at the beneficiary's business, or in their home. In Niš and Novi Sad family members were also present and could be interviewed in addition to the direct beneficiary. In order not to focus on only the most successful cases, IOM was requested to identify in each region one success story, one average case and one difficult case.

The satisfaction level of all the beneficiaries interviewed ranged from 'satisfied' to 'very satisfied' regarding the support they had received from the IOM. Even in the most difficult cases in which the assistance did not provide the expected benefits, beneficiaries were very satisfied with the counselling, support and advice received by the IOM. They made a clear delineation between the efforts undertaken by the IOM staff in assisting them in starting their business, preparing the business plans, offer advice and make sometimes the linkages with potential suppliers, and the intrinsic difficulties they faced in developing their business. In two difficult cases, where the annual salary support was not fully paid because the beneficiaries did not stay for one year, beneficiaries indicated that IOM's staff attitude (in one case referred to as PRISMA staff) was always very helpful and going out of their way to help as best they could. Whether or not their business or economic reintegration activity was a success or a failure, IOM implementation support repeatedly came out as one of the strengths of the entire process.

Seven of the visited cases were assisted in business creation and three with salary support (in one case, the beneficiary of the business creation was combined with salary support for a fellow military employed in his new company).

Out of the seven cases dealing with business creation, five considered that launching their business would not have been possible without the support of the IOM, while two considered that it would have taken them 'much longer'.

Of the three cases receiving salary support, despite the fact that in two of them the outcome was not the one expected (one person was dismissed after seven months, the other after four months as the company had insufficient means to continue the agreement), the beneficiaries thought the approach was very useful in all three cases. One went as far as to consider this approach which he called 'buying a working place' for the redundant military, a very good strategy.

The readiness of the former military to return to civilian life included a complex mixture of feelings and emotions. In the best of cases, one of the beneficiaries declared he was very happy to return to civilian life, while three cases of high level officers showed that such a transition was not painless. On the whole, it was obvious that some resentment was felt towards an institution to which the military had devoted the largest part of their lives, and staying home with the family was a new experience for a large part of them.

In this aspect of the social reintegration, the flexibility of the support given by the project in order to adapt to the specific needs of the individual, which included the possibility to develop business for the children or the wives, proved to be a critical factor of reintegration. Of the seven cases of business development, two were very clearly driven by beneficiaries' wives, who had the drive and vision to help their husbands in their "soft-landing" in civilian life and into their families. In another case, the possibility given to the older son did in fact allow the business to start, even though the beneficiary was not directly active in it. Because a number of high level officers cannot realistically be expected to become manual labourers overnight, the option given to include family members for business development is a sound and intelligent strategy which contributes to both the economic and social reintegration of the beneficiaries.

Illustrative examples from the selected cases are mentioned hereunder.

When business means more than money: an example of the social dimension of the reintegration support:

Mr. X is forty five years old and has a wife and two sons of university age. He was a superior officer in the army where he served for 30 years. When he was sent into early retirement in 2005, it was the first time he found himself at home with his wife and family for a long period of time. In the army he was in the field from March to November every year as army engineer. He had to learn how to live in this new environment with a small pension and no employment, and said that it had been a difficult adjustment. Then his wife had an idea to set up a tailor shop. With the grant amount received, they purchased two machines and one cutter and started their business. While it is still early to talk of economic success (the company was registered on 1<sup>st</sup> September 2007, and the machines were received on 12<sup>th</sup> September 2007), there is a clear indication that the business means much more than just income for the beneficiary's family.

When asked about how business was in front of the whole family in the apartment where they live and have installed their little tailor's corner with the machines, the wife answered with an exuberant 'super!'. When asked about the level of income, it became apparent that the business was difficult, but that the tailors' corner in the apartment 'means much more than just money'. For the wife, it was a chance to give her husband some work (he is in charge of the cutter and patterns) keeping him at home with something constructive to do, while adapting to family life. The man claimed that he could have certainly found a job in civil engineering, but the wife wanted to keep the husband at home. In the words of the beneficiary 'it makes a huge difference from being an officer to starting a new life in the family with no savings, so even €500 can make a big difference'. In this case the IOM support did not only contribute to business creation, it also contributed to putting the family back together again.

Why business creation has to be fit for purpose and open to family members if the primary beneficiary is not able to take advantage of the assistance himself

Mr. Y is a fifty two years old former Colonel, having served in the army for 34 years. While he had no clear idea how he could personally take advantage of the reintegration fund assistance, he has two children, 20 and 25 years old. The first-born is a trained hairdresser and has the corresponding diploma. After discussions with the IOM field advisors, Mr. Y decided to request a grant for the purchase of the equipment for the hairdressing salon in September 2007. The son claims to have the best equipped salon in the area after having benefited from the €1,500 grant. The father says that this business could not have been launched without such a grant.

The father indicated he was not prepared to be a civilian, and sees no interesting opportunities for himself – therefore he requested a support for his son's business. The business is going rather well and during the one hour interview three customers came to have their hair cut. The entire family was also there to contribute to the discussion.

When success stories need to be known and disseminated as a pull factor: a new baker starts receiving public recognition in his town:

Mr. Z is a fifty one year old NCO with three children, who served for 35 years. After discussion with his wife, they opted to open a bakery in a kiosk in a strategic part of town leading to the marketplace

The company was registered in March 2007 and initially all products were handmade. The husband and wife work together from Tuesday to Sunday from 7h00 to 13h00. Their problem was to find/purchase a baking machinery, but with the assistance of an IOM field advisor who found the supplier and the amount of the grant, the machine was purchased and the foodstuffs (donuts and 'mekika') are now produced by machines. Another problem was to prepare a business plan for requesting the grant, as they had neither computer nor internet connection. Again the IOM field advisor helped them preparing such document.

They have been so successful that a number of press articles have been written about their case, and during the evaluation there had also been a coverage on national television. During the interview a former military came to the kiosk to congratulate him on his success (he had seen his former colleague on the television programme) and pointed out he was a good example of transition into successful civilian life for the reconverted military staff.

The couple is now making more money than anticipated, and if they can survive the difficult winter season, they expect to increase their business in 2008. With this business so far they have increased their income and have been able to cover the additional year of schooling of one of their sons.

Each of the cases visited provided some insight and perspectives on the need to have a flexible, individual and tailor-made support for each beneficiary. Every case was different despite similarities. It is therefore important to avoid the 'one size fits all' approach in these types of projects.

### ***THE SOCIAL DIMENSION OF ENTERING CIVILIAN LIFE: WHAT DOES THIS MEAN?***

The project's main result indicator is to provide support to 1,850 redundant military personnel. The quantifiable aspect of the support is the assistance through the reintegration fund with grants and/or loans. While this aspect is closely monitored and reported upon by the IOM, the assistance that is given goes beyond access to financial support, or leveraging additional income. Most of the nine cases interviewed had been in the army during their entire adult life. Therefore becoming civilian is a new process which, in the beneficiaries' own words, is not always easy; it includes, in many cases, a changed social relationship with the family and children, much more presence at home, and often a feeling of being useless as a civilian (while having always been useful during the time of service in the military).

Thus an important component is the psycho-social aspect of the person, which PRISMA takes partially into consideration by providing psychological support to the discharged redundant personnel. Nonetheless the counselling and support received through the reintegration fund assistance also plays a major role in facilitating the creation of an enabling environment in the family. While the evaluation does not recommend entering into a research on the social dimension of transition from the military to civilian life, it does nonetheless point out to the fact that the cases presented above illustrate how important for the beneficiary's mental well-being and that of his family the support received can be. And this is not captured at all in the monitoring of the cases, whereas the evaluation considers it to be a crucial component for successful transition to civilian life.

Another key issue which stems from the cases is the critical role of the family, and often that of the beneficiary's wife, as driving forces for holding the family together and finding ingenious ways for each of the family members to contribute to the common business project. There is a clear gender dimension in the social component of transition into civilian life by which women, through their attitude and in line with the sort of support given from the reintegration fund, can be empowered to assist their husband's 'soft-landing' into civilian life. And that key gender factor should not be underestimated.

## **c) Evaluation criteria according to the ToR**

### **EFFICIENCY**

Based on the information made available to the evaluation, the project is managed in an efficient manner. The project beneficiaries surveyed all indicated strong satisfaction from the support received from the project and the process for obtaining assistance, including the counselling and the development of business plans. The project was also pro-active in setting up the necessary structures (such as the SC, PMU, JRP) which ensured that the implementation process was on track both strategically and operationally.

In terms of costs per beneficiary, IOM figures indicate a cost of €2,848 per person for first and second year operations, but this only includes the people who have been assisted from the reintegration fund under the project (versus an initial estimate of €3,192, including loans). However IOM staff has also dedicated some time to contacting all possible referrals from the MoD lists (some 1 ½ hour work, including telephone and writing of a letter to the potential beneficiary), in addition to 100 minutes of registration, counselling and information to those 1,794 people who have been formally registered. Moreover, monitoring costs (post-delivery support and monitoring of assistance) are not calculated or factored into the project budget, and need to be. So if all beneficiaries which have interacted in one way or another with IOM are counted, the costs per beneficiary will be lower.

Considering the various difficulties and the delays in obtaining the full lists of referrals, the evaluation considers that the project is being efficiently managed in view of the circumstances.

In terms of human resources efficiency, the project is staffed with qualified professionals, both international and national. The field staff has all expressed their satisfaction with the level of support they have been receiving from their Belgrade office headquarters, including some specific training seminars which were held at the request of the field staff. The HR component seems to be quite well covered by the IOM project.

### **EFFECTIVENESS**

Beneficiaries interviewed received the expected outputs of the project and the entire range of services as foreseen. They have expressed their particular appreciation for the manner in which IOM field staff have gone out of their ways to actually facilitate their business development (from the writing of the business plan, to finding the supplier of the required equipment, and demonstrating unwavering commitment and support to the individual attention).

As a whole the project is expected to contribute to the reintegration of 1,850 redundant military personnel into civilian life. A results framework needs to be prepared in order to establish success criteria, benchmarks and indicators to appraise overall project effectiveness.

### **IMPACT**

It is too soon to speak of financial independence for most of the assisted caseload, as most of the visited activities were only started in the past four months. Much of the time during the end of 2006 and the beginning of 2007 was spent on setting up the right structures and process, as well as launching an outreach programme in order to be able to obtain the targeted beneficiary caseload. Business development activities have for the most part started during the second half of 2007, and it is therefore too early to appraise the economic independence of the assisted caseload. There are however clear examples of potential success which have been identified and should be monitored and reported upon during the coming year. As reported in the main findings, the project has also contributed to creating positive social impacts.

The project has created a network of partners with chambers of commerce, national employment agency, private businesses, and has been promoting, through special events, the workforce which is being made available through the early retirement of redundant military personnel. However, the socio-economic situation in Serbia is difficult; the official national unemployment rate is over 26% with regional disparities which can be as high as 50% in rural areas of the South, and concrete placement services are yet to take effect. At this stage the project is able to create an information network, but

cannot facilitate employment creation itself. However should there be a willingness to develop business incubators, this could facilitate the linkages and create a multiplier effect on the employment and business creation process. It is worthy to note that all visited cases were family owned or operated businesses, and did not include more than one staff outside of the direct beneficiary. Developing business incubators might be a potential area of investment for NTF donors.

## **SUSTAINABILITY**

In order to appraise sustainability, the project has to ensure that there will be a monitoring capacity one year after the end of the project, to see how many of those assisted are still able to make of living from their activities (e.g. business creation, employment or other form of income as supported by the project). At the time of this evaluation, it is not possible to evaluate this element but it should be planned for a subsequent evaluation to be conducted at the end of 2008 or at the beginning of 2009.

## 5. CONCLUSIONS

The project has been able to operate adequately in a challenging political and economic environment where many constraining factors lie outside the area of responsibility of the project implementation partner, IOM. Nonetheless, IOM has demonstrated its capacity to work effectively and collegially with the MoD in the RRCs and at the central level, as well as obtaining a substantially good appraisal from the selection of customers in each of the region. Results are judged as positive from the MoD and the NTF Lead Country. The evaluator also finds these initial results as positive and encouraging. The project has created the right structures and processes, and is on track to achieving its overall objective, although some of the components (such as loans) have suffered from the externalities which have constrained project implementation. This first phase of the project should continue to function over an additional year to be able to incorporate gradually the entire caseload and the new referrals as foreseen by the MoD. Alternatively, activities and budget of a potential second phase should be adjusted accordingly before June 2008.

## 6. RECOMMENDATIONS

Although it has been for the most part successful to date, the project is entering a difficult period in its project life. If the past eighteen months were essentially necessary to create structures and processes ensuring a successful launch of the various project components and the assistance of the reintegration fund, the project is now entering into a more difficult period where results will need to be consolidated over the coming year into a whole. In order to achieve this stage, it would be useful for the IOM needs to consider a number of key issues that may improve the project's implementation and success.

1. Determine the qualified and acceptable caseload for the project and stick to the selection criteria. Since the project started, there were three separate name lists for referral, each prepared with a different concept of the beneficiaries to be included. While there still remains a potential caseload of 1,013 registered beneficiaries (from the latest registration figures), a time-frame of four months maximum could be given for these beneficiaries to either make a formal application or waive their right to reintegration fund assistance. A reasonable guess is that anywhere from one third to one half of these people may actually file an application for assistance, so from 300 to 500 additional beneficiaries (bringing the total in the range of 1,081 to 1,281 beneficiaries). In addition the lists for the people discharged in 2007 which according to the MoD number 1,400 people divided into 25% officers, 25% NCOs and 50% civilians will have to be given as soon as possible to start profiling, registration and application. According to the original agreement there could be an additional 800 beneficiaries from the new caseload to arrive at the total of 1,850 beneficiaries. If superior numbers who qualify for assistance are submitted and validated by the project structures, the NTF Lead country and donors should be contacted immediately for considering a budget revision and/or extension.
2. The project is entering a phase of consolidation of results and must now develop a results framework. This results framework should include both the overall indicators and benchmark for success of the project as a whole, as well as individual indicators for each case.
3. Because reintegration also entails a social component in the form of changing mindsets, the IOM should identify the manner in which this aspect will be appraised. A possible solution would be to include a qualitative survey in the next evaluation regarding social reintegration of beneficiaries. Alternatively IOM could commission a partner to run a specific qualitative beneficiary survey in one year's time.
4. Further changes within the MoD are likely as some of the senior staff will be retiring during 2008. This may again affect the project dynamics and may slow project implementation. In addition the situation of Kosovo and the presidential elections may also affect the status of the project.
5. The project should be extended for another one year period on the understanding that the MoD will be submitting the 2007 lists very shortly and that the project structures could also decide a cut-off point (time-wise) for those beneficiaries who registered but did not request assistance from the reintegration fund. A recommendation is that those who have not claimed assistance within four months of their registration be considered as no longer requiring this sort of assistance.
6. IOM should plan for another evaluation to take place in 12 or 16 months subject to funding availability, in order to review the achievements and determine if there remains a need to continue the project or envisage a hand-over to the MoD, as well as identifying potential improvements.
7. Finally since loans will be the new component to be launched in 2008, it should also be specifically analysed in the up-coming evaluation mentioned under point 6.
8. Subject to donors' positive interest, IOM should study and discuss with the MoD the feasibility of developing business incubators for its target group.
9. There should be a flexible grant amount ranging from €500 to €3,000 according to individual case needs and capabilities.

## 7. LESSONS LEARNED

The situation of the armed forces in Serbia is not quite comparable to that of its neighbours. During Yugoslavia and Serbia and Montenegro times, the Ministry of Defence was a federal ministry, fairly isolated from the government line ministries. Most of the military were career-oriented, and spent most of their lives in the armed forces – unlike in countries such as Bosnia and Croatia where a number of civilians joined the army during the wars and went back into civilian life. In Serbia, the transition for the redundant military is a double transition – on the one hand, entering civilian life, and on the other, entering a society that has seen a drastic social and economic transformation where old values have been replaced by new values. In this unsettling environment, redundant military personnel have a difficult time in adjusting to current time's civilian life. By and large the MoD had no direct contacts with civilian authorities or structures. Military were considered as elite and their benefits, wages, education and pensions were superior to those of the state controlled economic sectors. This isolation explains in part why it is now so difficult to create linkages between the military and civilian sectors in Serbia – when these links have traditionally not existed.

A first lesson when entering into an agreement where the implementing agency has no actual control over the selection of beneficiaries (lists from the MoD) is to define clear criteria for the target group. In Serbia there were three different lists given, but each with a different rationale. It is important for the MoD to be clear on qualifying criteria for registration and ensuring the application and respect of the agreed criteria as defined by the project structures.

At the same time there must be a strong capacity to adapt to changing circumstances when new legislation and regulations are passed, affecting project components. IOM has been intelligently reactive and sought creative solution to these unforeseen problems. A rigid approach would have led to the suspension of the project as the project assumptions did not materialize. The project has also seized existing opportunities and should continue to do so (e.g. envisage supporting business incubators).

Despite the negative history of NATO involvement in Serbia, the NTF has been able to develop with the IOM and the MoD a sort of model of collaboration which could be of use in other parts of the world. Of particular interest is the tri-partite relationship which does represent a heavy structure but is functioning adequately through the creation of specific project structures (such as the Steering Committee, the PMU, and the JRP). More lessons will emerge as the project looks for consolidated results in the coming year.

## **ANNEX 1: TERMS OF REFERENCE**

TERMS OF REFERENCE FOR EXTERNAL EVALUATION OF THE PROGRAMME:

### **ASSISTANCE TO DISCHARGED DEFENCE PERSONNEL WITHIN THE SCOPE OF DEFENCE SECTOR REFORM IN SERBIA**

FUNDED THROUGH A NATO TRUST FUND AND IMPLEMENTED BY THE INTERNATIONAL ORGANISATION FOR MIGRATION MISSION TO SERBIA

#### **1. Introduction**

##### **1.1 Legal Framework**

On April 2006 the Kingdom of Norway as leading nation of the NATO Trust Fund and IOM signed an Executive Agreement for the implementation of the 1st phase of the NATO Trust Fund project Assistance to Discharged Defence Personnel within the Scope of Defence Sector Reform in Serbia. The project is designed for a duration of 5 years broken down into two phases of 2 and 3 years respectively. The implementation of the 1st phase started on 1st June 2006.

The project document defining the activities to be conducted by the implementing agency (i.e. IOM), includes an external evaluation to be organised after one year of implementation. Considering the disbursement of the grants has started only at the beginning of 2007, the project has decided to postpone the external evaluation to the end of 2007 when a year of activities would have been implemented.

##### **1.2 Background Information**

The Republic of Serbia has committed itself to comprehensive defence reform and the development of a smaller-sized, professional and modernized Armed Forces. In line with this commitment, the Ministry of Defence (MoD) of Serbia initiated the Programme for Resettlement in Serbian Army (PRISMA). This initiative, which is part of a wider defence reform effort outlined in the MoD's White Paper on Defence, was developed in 2003 and formally adopted by the MoD in May 2004. It provides for a number of practical solutions to the large-scale redundancy plan that is scheduled to last until 2010.

PRISMA has become a permanent feature of the MoD's human resources management system. PRISMA is founded on a two-pronged approach including resettlement assistance through the establishment of Regional Resettlement Centres – RRCs (in Belgrade, Nis and Novi Sad) and retraining assistance through sponsorship of University courses.

To date, 3 RRCs have been established to provide personalized guidance on adjusting to civilian life. RRCs have developed an 'interim' database containing details of every individual receiving support and have developed links with a number of employers' associations, SME development agencies, chambers of commerce and national employment services. The RRCs are indeed staffed with competent personnel, however, many lack prior experience of various aspects of successful reintegration processes as well as technical expertise. Retraining assistance to beneficiaries is limited in scope and unlikely to meet the aspirations or needs of a significant proportion of the caseload. Although there are frequent discussions with employers' associations and other actors within the labour market, there is no supportive link to the job market once an individual has identified and gained professional knowledge or skills in a particular sector.

Concerning retraining, donor agreements have been signed with two Universities including the Faculty of Organizational Science in Belgrade (with UK funding) and the Mechanical Engineering Faculty in Nis (with Dutch funding) and recently with the Belgrade Chamber of Commerce (Nordic Initiative funding). Predominantly officers are offered sponsorship to undergo specialized training in the two

universities while the Chamber of commerce is mainly organising the re-training of NCOs. However the UK and Dutch funding of these activities should come to an end at the beginning of 2008 and to date there is no clear indication on how the cooperation with the two universities will continue.

It is envisaged that the downsizing process (2005-2010) itself should affect some 20-25,000 personnel. During the period 2005 - 2006, the MoD has discharged over 13,700 personnel. During the period 2007 – 2010, the plans are to dismiss an additional 8,500 people of whom 25% are officers, 25% are non-commissioned officers (NCOs) and contract soldiers and the remaining 50% civilians.

NATO is supporting defence reform efforts of Serbia, through different Cooperation Programmes. These efforts should be seen in the context of the overall efforts to bring Serbia closer to Euro-Atlantic institutions and prepare for PFP-membership once conditions are met. NATO has mainly been using its Maintenance and Supply Agency (NAMSA) as executing agent for its trust funds. However, these trust funds were mainly established to set up projects for destruction of military hardware such as weapons and ammunition. In the case of reintegration of former military personnel into civilian life NATO decided to turn to a partner with experience and expertise in dealing with the socio-economic consequences of defence reform as the International Organization of Migration (IOM).

IOM has world-wide experience in the field of assisting in the process of downsizing military personnel and contributing to their reintegration into civilian life, having assisted over 270,000 former combatants and other military personnel in countries such as Afghanistan, Angola, Guatemala, Haiti, Mali, Mozambique, the Philippines, Tajikistan, East Timor, Columbia and of particular relevance to this project, Croatia and Bosnia Herzegovina.

In an attempt to identify solutions that could enhance the potential for success of PRISMA and with funding from the Norwegian Government, IOM completed an assessment mission in Belgrade in May 2005. The mission involved bilateral discussions with the MoD, the Faculty of Organisational Sciences, visits to the RRCs, one-to-one discussions with redundant military personnel, briefings on current and future developments regarding PRISMA, and presenting IOM's experience of defense reform and reintegration in Croatia, Bosnia and Herzegovina and elsewhere.

Among its findings, the assessment mission defined that, although the PRISMA concept of operations is well designed, the project is inadequately funded and lacks certain key components: shortfalls in manpower, technical expertise, prior project experience, and micro enterprise funding mechanisms, thereby substantially limiting the possibilities of success. In this context, specific sectors/areas where NATO's and IOM's expertise could greatly enhance the PRISMA Project were identified and inserted in a NATO Trust Fund project. The job market in Serbia is characterized by high unemployment and is thus unable to effectively absorb the thousands of defence personnel targeted for downsizing, not to mention imminent redundancy of workforces from other public institutions and current/former socially-owned enterprises. In Serbia, some 884,000 persons are unemployed representing 26.8% of the active age population.

On April 2006 the Kingdom of Norway as leading nation of the NATO Trust Fund and IOM signed the executive agreement for the implementation of the 1st phase of the NATO Trust Fund project Assistance to Discharged Defence Personnel within the Scope of Defence Sector Reform in Serbia.

## **2. OBJECTIVE OF THE EVALUATION**

The general aim of the interim evaluation is to examine the performance of the NATO Trust Fund project during the period June 2006 – November 2007 identifying recommendations/lessons learned to be applied in the continuation of the activities to better achieve the project goals.

## **3. SCOPE OF WORK**

### **3.1 Programme description**

Within the scope of Defence Sector Reform in Serbia, the Ministry of Defence and the International Organization for Migration (IOM) have been implementing a Project for Assistance to Redundant

Military Personnel in their reintegration to civilian life (NTF project). This project aims at complementing the activities already implemented by the national PRISMA Project (Project for Resettlement in Serbian Army) increasing the opportunities of the target groups to successfully return to a civilian life. The project is designed for a period of 5 years. In this initial 2 years phase, the target group consists of approximately 1,850 redundant military persons.

The NTF project is financed by a range of NATO Member States (Bulgaria, Czech Republic, Denmark, Finland, Iceland, Italy, Luxemburg, Romania, Slovenia, Spain, The Netherlands and United Kingdom) through the NATO Trust Fund and under the lead of the Kingdom of Norway.

The NTF programme targets redundant military personnel, as well as their families and dependants, categorised as "high risk" by the Ministry of Defence to integrate into civilian life. Former military personnel from the whole territory of the Republic of Serbia that have been dismissed after January 1, 2005 and have registered with PRISMA are offered the opportunity to access the following types of financial assistance:

- Grants in the amount up to €1,500 that are available for generating self-employment opportunities in start-up businesses, salary support and financing courses;
- Micro-loans with no interest in the amount up to €3,000 available for generating self-employment opportunities in existing businesses or start up businesses with 12 months repayment period (10 equal instalments and two months of grace period).

Four main types of activities are envisaged to be financed through the above mentioned financial assistance:

**a) Business Creation**

- Any type of new business activity could be financed with a grant for an amount up to €1,500.
- No cash is provided to the applicant (All payments are made by IOM directly to suppliers for goods or services).
- Feasibility and sustainability check of the proposed business as well as evaluation of skills and expertise of the applicant are conducted before approving the application.
- The NTF assistance needs to be combined with in-kind or in cash contributions for a value that is equal to the received NTF contribution (this practice is aimed at maximizing beneficiary ownership and commitment to his/her business endeavour).
- Business grants can be combined with a loan that will provide the applicant with an additional €3,000 (maximum amount).

**b) Business expansion**

- Any type of business expansion could be financed with a loan with an amount up to €3,000.
- No cash is provided to the applicant (All payments are made by IOM directly to suppliers for goods or services).
- Feasibility and sustainability check of the proposed business as well as evaluation of skills and expertise of the applicant are conducted before approving the application.
- The NTF assistance needs to be combined with in-kind or in cash contributions for a value that is equal to the received NTF contribution (this practice is aimed at maximizing beneficiary ownership and commitment to his/her business endeavour).

**c) Salary Support**

- Salary support can be provided for employment in any type of business for an amount up to €1,500.
- No cash is provided to the applicant (All payments are made by IOM directly to the employer in quarterly instalments).
- Sustainability check of the proposed employment is conducted before approving the request. A contract for a minimum duration of 12 months is requested; proof of salary as well as taxes and contributions payment is also asked to the employer.
- Salary support can be combined with a grant to be used to finance training courses (the total amount of the subsidy and the training cannot exceed the sum of €1,500).

**d) Financing training/vocational courses that will increase employment opportunities**

- Financial support can be provided for any type of training/vocational courses other than those already provided by PRISMA and up to an amount of €1,500.
- No cash is provided to the applicant (All payments are made by IOM directly to the school/institution organizing the course).
- The school/institution organizing the course is identified by the applicant.
- Financing training/vocational courses can be combined with a grant to be used to finance salary support and/or business creation (the total amount of subsidy, training and business grant cannot exceed the sum of €1,500).

IOM client advisors in the three Regional Resettlement Centres (RRCs) in Belgrade, Niš and Novi Sad are responsible for providing assistance and counselling to all project beneficiaries in the process of accessing the NTF assistance. Applications are prepared at the RRCs and include outline of the assistance required including business ideas, business plans and/or cash flows.

Approval of each application is determined by a Joint Review Panel comprised of experts from IOM, Ministry of Defence as well as educational/training institutions, according to the project criteria. Information about the approval/rejection of an application is given to the beneficiaries through the RRCs.

### **3.2 Overall objective of the NTF Project**

The project aim is to contribute to the implementation of Defence Sector Reform carried out by the Ministry of Defence, thereby creating the conditions for more stable and dignified civilian life for the discharged personnel. During the first two years, the project has provided PRISMA with technical assistance necessary to cope with an initial caseload of 1,850 redundant military personnel categorised as "High Risk" by the MoD. (need to define high risk)

This project should be seen in the context of strengthening the stability of civilian society, and not as a purely military or defence-related project. The role of IOM is highly important in ensuring that the focus of this project is on human security and social and economic development.

Providing alternative livelihoods for redundant military personnel based on individual needs and expectations will be achieved by creating a sustainable reintegration structure (micro-credit system) capable of assisting redundant military personnel in becoming active and productive members of their communities.

The expected outcomes from this project are inherently linked with the overall goals of the ongoing defence reform efforts in Serbia. Thus the project will provide the necessary support to MoD PRISMA for SME development and capacity building initiatives. It will not only help ensure the sustainable reintegration of redundant military personnel but will also reach into the communities of return/resettlement and thereby further promote stabilisation through improvement of economic conditions.

### **3.3 Specific objectives of the NTF project**

- 1,850 redundant military personnel integrated into civilian life as a result of strengthening and reinforcing reintegration initiatives through employment generation, capacity building and business support initiatives resulting in sustainable income generating activities
- Communities of resettlement, indirectly benefit from the reintegration process by way of services provided and increased business activity at the micro-level
- Accurate information on possibilities for reintegration in focal resettlement areas is gathered and analysed

### **3.4 Geographical coverage of the NTF project**

The project activities have been implemented in the territory of the Republic of Serbia excluding the province of Kosovo.

### 3.5 Target groups of the NTF project

- Direct beneficiaries: 1,850 redundant military personnel categorized as “high risk” by the Ministry of Defense of Serbia (during the first two years; with a view to potentially enlarging the target group to 5,100 by the end of 2010), as well as their families and dependencies.
- Indirect beneficiaries: individuals in the communities of resettlement are viewed as equal stakeholders in the reintegration process and of great benefit to it.

## 4. METHODOLOGY OF THE EVALUATION

Taking into account that the project is at a relatively early stage of implementation (1.5 years of activities out of 5 and 1 year of grants disbursement) and compatibly with the limited duration of the exercise, the external evaluation will focus on the following criteria/issues:

- a) **Efficiency:** Evaluate the process and implementation of the Program by looking at Program outputs and beneficiaries satisfaction with the Program. On the basis of a cost/benefit analysis also assess whether the limited resources (grants/loans) have been converted economically into results contributing to the programme objectives.
- b) **Effectiveness:** Assess how effectively the different actions contribute to achieving the programme objectives. To which extent the beneficiaries received the expected outputs of the project (delivery) and to which extent the project management has promptly reacted to changes that occurred during the project.
- c) **Impact:** Measure the Program’s impact on the financial independence of the assisted beneficiaries, as well as on their ability to have a smooth transition to civilian life. How the project has so far contributed to the achievement of the overall objective. In view of the upcoming second phase of the programme (3 years), the external evaluation exercise should address the question how the programme might be reoriented in the second phase in order to maximise the impact after the full duration of the programme. The analysis and assessment of the project impact will be necessarily limited considering the number of beneficiaries already in the process of reintegration and the duration of the evaluation.
- d) **Sustainability:** Evaluate how the benefits produced by the project would last even after the project is completed.

In conducting the expert evaluation the evaluators will base their examination on:

- Desk research to examine relevant documentation/files related to the project as provided by the IOM such as reports, budget overviews, work-plan, project documents, statistical data etc.
- Interviews will be carried out with different stakeholders from grass root-level to institutional level to complement the information available from desk research.
- The evaluation shall follow a participatory approach.
- A sample of the direct beneficiaries of the Action will be interviewed by the evaluator.
- The evaluator will develop statistics, charts that will draw trends illustrating and highlighting key-issues.
- Project staff will also participate in this exercise through single and group discussions.

## 5. WORK PLAN, TIME SCHEDULE AND REPORTING

### 5.1 Location

In order to perform the evaluation, the evaluator will be also required to travel to Serbia and carry out field visits to the areas in which the project activities have been implemented.

### 5.2 Period of execution and reporting

The duration of the assessment will be 16 working days with two field visits, briefing and de-briefing and days for reporting. Period for the execution of the assignment is from 1 December 2007 and shall be completed by 15 January 2008.

The external evaluator shall provide the IOM with the following:

- a draft written report describing the structure of the final report, table of contents, and the main elements of the report by December 09;
- a draft final report providing the full evaluation for discussion and opinion by the NTF leading nation representatives by December 21;
- a final report taking into account the comments made by the NTF leading nation representatives on the draft final report, by 14 January 2008.

### **5.3 Consultant's request**

The IOM will appoint an evaluation manager in charge of providing all logistical support to the Consultant. This includes the provision of an interpreter for the duration of the mission, internal transportation and communications, as well as secretarial and administrative support to ensure the agenda is adhered to and the interviews are taking place. The evaluation manager will further inform the Consultant about the suggested lists of stakeholders to be included in the evaluation process.

The evaluation manager will fulfill the Consultant's quality satisfaction survey which will be e-mailed to the evaluation manager once all contractual obligations have been fulfilled, but latest by 28 February 2008. The Consultant reserves the right to use the information of the quality control form at his discretion in line with the company's policy, including its posting on the company's website, and in line with past contractual relationship with the IOM.

## ANNEX 2: BIBLIOGRAPHY

- IOM, Proposal for a NTA/PFP Trust Fund Project for Assistance to Redundant Military Personnel within the scope of the defence sector reform in Serbia;
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- MOU between IOM and MoD, 3.5.2006;
- Addendum to MOU, 5.3.2007;
- NTF Project organisation chart;
- Minutes of the Steering Committee Meetings (2006-2007);
- Executive Agreement between Norway (NTF Lead Country) and IOM, 2.05.06;
- Minutes of PMU meetings (2006-2007);
- IOM Interim report to the Ministry of Foreign Affairs of Norway 1.7.06 – 31.12.06;
- IOM 2<sup>nd</sup> Interim report to the Ministry of Foreign Affairs of Norway, 1.1.07-30.06.07;
- IOM Brief overview on the implementation of the NATO/PFP Trust Fund Assistance to Redundant Military Personnel, 3.09.2007;
- NATO Trust Fund for Bosnia and Herzegovina, power point presentation;
- NTF for Serbia, power point presentations of 5.12.06, 15.12.06, 10.5.07, 6.09.07;
- Individual dossier of the nine selected cases (registration, background, business plans, monitoring);
- Evaluation Terms of Reference (annex 1);
- IOM Internal document, Main rules for receiving NTF assistance;
- IOM Original Programme document;
- Financial management agreement between contributing nations and the NATO office of financial control of the Trust Fund Project
- Evaluation specific documentation
- M. Q. Patton, Utilisation-focused evaluation, 3<sup>rd</sup> edition, sage publications
- UNEG norms for evaluation in the UN system
- UNEG standards for evaluation in the UN system
- DAC evaluation quality standards

**ANNEX 3: MISSION CALENDAR AND LIST OF INTERVIEWS**

<b>Date and time</b>	<b>Place</b>	<b>Person</b>	<b>Function</b>	<b>Meeting Number</b>
<b><i>Sunday - 09-Dec-07</i></b>				
15h00	Belgrade	Arrival		
17h00 – 19h00		Gianluca Rocco Sandra Moreau	IOM Project Manager IOM Project Officer	1
<b><i>Monday - 10-Dec-07</i></b>				
09h30 – 10h30	Belgrade	Grégoire Goodstein	IOM Chief of Mission	2
10h30 – 11h30		Miroslava Jovanovska Rade Glomazic Tatjana Brboric Nebojsa Nikolic	IOM S. Business advisor IOM BG client advisor IOM BG client advisor IOM BG client advisor	3
11h30 – 12h30		Selected case 1 - Belgrade	Business development plus salary support	4
12h45 – 13h45		Selected case 2 - Belgrade	Salary support	5
14h00 – 15h30		Selected case 3 - Belgrade	Business development	6
17h00 – 18h00		Col. Slavenko Zogovic	Head RRC Belgrade	7
<b><i>Tuesday - 11-Dec-2007</i></b>				
09h00 – 10h00	Novi Sad	Col. Zivota Nikolic	Head RRC Novi Sad	8
10h00 – 11h00		Biljana Samardzija Jelena Dinjaski Nenad Perkovic	IOM NS client advisor IOM NS client advisor IOM NS client advisor	9
11h30 – 12h30		Selected case 1 - Novi Sad	Business development	10
13h00 – 14h00		Selected case 2 - Novi Sad	Business development	11
14h15 – 15h15		Selected case 3 - Novi Sad	Salary support	12
16h30 – 17h30	Belgrade	Lt. Col. Terje Haaverstad	Defence Attaché, Norway	13
<b><i>Wednesday - 12-Dec-2007</i></b>				
10h00 – 11h00	Nis	Milena Denkovic Bojan Kontrec Dejan Celic	IOM NI client advisor IOM NI client advisor IOM NI client advisor	14
11h00 – 12h00		Col. Zoran Pesic	Head RRC Nis	15
12h20 – 13h20		Selected case 1 - Nis	Business development	16
13h40 – 14h40		Selected case 2 - Nis	Business development	17
14h50 – 15h50		Selected case 3 - Nis	Business development	18
<b><i>Thursday - 13-Dec-2007</i></b>				
08h45 – 09h30	Belgrade	Bojan B. Dimitrijevic	Assistant Minister MoD	19
09h30 – 10h30		Col. Milan Micanovic	Chief of Directorate, PRISMA	20
11h00 – 12h00		Svjetlana Djokic	IOM labour survey and PR	21
12h00 – 13h00		Miroslava Jovanovska In house discussions with IOM staff	IOM S. Business advisor	22
<b><i>Friday - 14-Dec-2007</i></b>				
08h00 – 10h00	Belgrade	Gianluca Rocco	IOM Project Manager	23
		Sandra Moreau	IOM Project Officer	
10h15		Departure to the airport		

## ANNEX 4: PRISMA COMPONENTS

The eleven<sup>3</sup> components of the PRISMA programme are:

1. Training and prequalification into civilian occupation for officers and NCOs (training for civilians still in progress)
2. Motivation courses: presentation of what PRISMA can offer; information about the current employment situation; test of candidates' abilities, skills and capacities
3. Counselling services: assistance in searching for employment opportunities through cooperation with the National Employment Service, Chamber of Commerce; information regarding SME creation.
4. Severance payment
5. Self employment credit programme
6. Employment in other governmental institutions: employment in border police or other institutions that have need for specific skills from military personnel
7. Credit support to employers who are willing to hire a redundant military person: credit support without interest rate or under favourable conditions to employer who wants to expand his business. The condition is to employ redundant military personnel.
8. Finding employment at known MoD suppliers and business partners: employment provision at MoD suppliers and business partners which would be conducted through special contract
9. Lending military premise: military premise could be given free of charge for a limited period of time to individual or groups of redundant military personnel willing to start their business activities. The idea is to help them start their businesses and later when business becomes sustainable to charge rental services.
10. Creation of business incubators, where redundant military personnel would be able to develop their business activities with help of expert services
11. Creation of a 'Guarantee fund' that would support employment of redundant military personnel

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<sup>3</sup> The setting up of the activities from 6 to 11 is still in progress