

STUDY

ANALYSIS OF EXISTING SOCIAL HOUSING MODELS
WITH RECOMMENDATIONS FOR INTEGRATED MODEL
OF SUSTAINABLE SOCIAL HOUSING SYSTEM
IN BOSNIA AND HERZEGOVINA

STUDY

ANALYSIS OF EXISTING SOCIAL HOUSING MODELS WITH RECOMMENDATIONS FOR INTEGRATED MODEL OF SUSTAINABLE SOCIAL HOUSING SYSTEM IN BOSNIA AND HERZEGOVINA

Publisher: Hilfswerk Austria International

Lector: Gordana Bosić

Corrector: Mirela Rožajac Zulčić

Print: Harysoft Sarajevo

Place of Publication: Sarajevo

Year of Publication: 2015

Copies: 100



Partner on the project



This publication has been produced with
the assistance of the European Union.



The contents of this publication are the sole responsibility
of Hilfswerk Austria International and can in no way be
taken to reflect the views of the European Union.

STUDY – ANALYSIS OF EXISTING MODELS OF SOCIAL HOUSING STUDY

ANALYSIS OF EXISTING SOCIAL HOUSING MODELS
WITH RECOMMENDATIONS FOR INTEGRATED MODEL
OF SUSTAINABLE SOCIAL HOUSING SYSTEM
IN BOSNIA AND HERZEGOVINA

Sarajevo, 2015

007 INTRODUCTION

011 ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

013 INTRODUCTION

013 OBJECTIVE OF THE STUDY

014 THE PROCESS OF STUDY DEVELOPMENT

017 THE CONCEPT AND PURPOSE OF SOCIAL/AFFORDABLE
HOUSING

022 OVERVIEW OF THE DEVELOPMENT AND STATUS OF SOCIAL
HOUSING IN EUROPE

046 SOCIAL/AFFORDABLE HOUSING IN B&H

061 ASSESSMENT OF THE SOCIAL HOUSING NEEDS FOR DIFFERENT
SOCIAL GROUPS IN B&H

067 POTENTIAL SOURCES OF FUNDING FOR CONSTRUCTION OF
SOCIAL HOUSING

070 SUSTAINABILITY

075 CONCLUSION

081 RECOMMENDATIONS

089 RECOMMENDATIONS OF THE EXPERT WORKING GROUP FOR THE ESTABLISHMENT OF THE INTEGRATED MODEL AND SELECTION OF BENEFICIARIES OF SOCIAL HOUSING IN BOSNIA AND HERZEGOVINA

091 INTRODUCTION

094 THE PURPOSE OF THE RECOMMENDATIONS

095 METHODOLOGY FOR DEVELOPMENT

096 THE STARTING POINT FOR RECOMMENDATIONS

109 RECOMMENDATION FOR THE CONSTRUCTION OF INTEGRATED
MODELS OF SOCIAL HOUSING IN BH

113 REFERENCES

INTRODUCTION

In Bosnia and Herzegovina Hilfswerk Austria International (HWA) as well as other international and non-governmental organizations have for several years been implementing programs for social housing (housing – groups that are in need of adequate housing in order to achieve durable solutions), with the participation of local institutions. The programs are mostly based on the resolution of the rights of displaced persons, returnees and the use of collective accommodation, in order to effectively reduce the effects of the war. Taking into account the different approaches and different implementation methodologies in the absence of a legal framework in Bosnia and Herzegovina, the above programs are not able to establish a unique model of social housing.

Notwithstanding the progress made in access to housing of the aforementioned population in Bosnia and Herzegovina, there is a significant number of social groups that due to socio-economic reasons are unable to secure themselves a permanent housing solution.

Bosnia and Herzegovina, in accordance with the signed international conventions and agreements, is required to establish the conditions for meeting the housing needs and accordingly viable models of social housing for citizens who are unable to independently for themselves provide adequate housing solution in the present market.

The management of these issues implies the participation of all stakeholders, especially the higher levels of government regarding the definition of strategic goals and policies in the area of housing, as well as local communities in the establishment of mechanisms for their implementation.

At the initiative of the Ministry for Human Rights and Refugees, the European Union has recognized the importance of this issue and the value of systemic solutions by approving the financing of the project of Hilfswerk Austria International (HWA) called **“Social Housing System – The Development of an Integrated Model in Theory and Practice”** prepared in partnership with the NGO Foundation of Local Democracy (FLD) and local institutions with the aimed at developing an integrated, sustainable model of social housing.

One of the most important results of the project is the creation and development of the study “Analysis of existing models of social housing”, which contains recommendations for the establishment of the integrated model and selection of beneficiaries of social housing in Bosnia and Herzegovina.

The overall objective of the study is to provide an overview of the existing system of social housing in the EU, neighbouring countries and Bosnia and Herzegovina on the basis of which, with the full participation of all relevant stakeholders, integrated and sustainable models of social housing that would be applicable in B&H will be proposed.

According to conducted analysis and conclusions of the Study, in order to ensure an adequate level of protection of human rights and to fulfil the international obligations of Bosnia and Herzegovina, and in particular to facilitate the realization of the obligations of the state to ensure minimum housing conditions for their citizens, as a separate document “Recommendations for the establishment of the integrated model and selection of beneficiaries of social housing in Bosnia and Herzegovina” were created.

The recommendations are the result of the work of the Expert Working Group established at the level of the project which consisted of the most prominent names of experts in the field of social welfare of the state, entity and cantonal ministries as well as experts of national and international organizations.

Expert working group was composed of:

1. Saliha Đuderija, Assistant Minister, Ministry of Human Rights and Refugees;
2. Elmira Terko, Expert Adviser in the Department for Refugees, Displaced Persons, Readmission and Housing Policy, Ministry for Human Rights and Refugees;
3. Sanela Fočo, Senior Expert Associate for Social Protection, the Ministry of Civil Affairs of Bosnia and Herzegovina;
4. Ekrem Banda, Government of Brčko District;
5. Ševka Palo, Head of Department, Ministry of Displaced Persons and Refugees of FB&H;
6. Enver Brkan, Expert Adviser for Displaced Persons and Refugees – Returnees, the government of the Herzegovina-Neretva Canton;
7. Zoran Jovetić, Ministry of Labour, Social Affairs, Displaced Persons and Refugees of Sarajevo Canton;
8. Azem Poljić, Assistant Minister, Ministry of Labour, Social Affairs and Return of Tuzla Canton;
9. Ljubo Lepir, Assistant Minister, Ministry of Health and Social Welfare;
10. Adila Hodžić, Senior Advisor for social welfare institutions in the Department of Social Welfare and protection of family and children, the Ministry of Labour and Social Policy
11. Minka Dautbašić, architect, FB&H Ministry of Physical Planning;
12. Nada Lipovac, Advisor to the Minister, Ministry for Refugees and Displaced Persons RS;
13. Jadranka Simović, Legal Affairs, Ministry of Physical Planning, Civil Engineering and Ecology RS;
14. Tehvida Džebo, Senior Expert Associate, Ministry of Housing Policy, Sarajevo Canton.
15. Suzana Jašarević, Director of HWA B&H;
16. Azema Avdusinović, Project Coordinator HWA;

17. Muris Kodžaga, Project Manager HWA;
18. Lejla Brulić, Project Manager HWA
19. Jasmina Mujezinović, Executive Director FLD;
20. Selma Begić, Program Manager FLD;
21. Amra Hadžić, Program Manager FLD.

The recommendations are intended to promote and provide the basic directions for the establishment of the integrated model and selection of beneficiaries of social housing in Bosnia and Herzegovina. The document is based on existing international sources, constitutional, entity and other legal regulations as well as the current practices in these areas.

Since the social housing in the coming years will be one of the leading models in ensuring access to housing for different categories of population in need of housing solutions such as displaced persons, young newly formed families, socially vulnerable families, the human resources necessary for the development of local communities, the importance of and the appropriateness of the above document is gaining in importance. The study “Analysis of existing models of social housing” and “Recommendations for the establishment of the integrated models and selection of beneficiaries of social housing in Bosnia and Herzegovina,” are the basis the relevant institutions of Bosnia and Herzegovina for the establishment of a framework of the integrated models for the creation of a housing policy and social housing programs in Bosnia and Herzegovina.

ANALYSIS OF THE CURRENT
MODELS OF SOCIAL
HOUSING

1

ACRONYMS

BiH	Bosnia and Herzegovina
CRS	Catholic Relief Services
EU	European Union
EUROSTAT	EU Statistical Office
FBiH	Federation of Bosnia and Herzegovina
FSSI	Solidarity Housing Construction Fund
GSA	City Housing Agency
HWA	Hilfswerk Austria International
LSE	London School of Economics
MHRR B&H	B&H Ministry of Human Rights and Refugees
NKOSK	National Mortgage Insurance Corporation
CSO	Civil Society Organisations
VAT	Value Added Tax
POS	Government-Subsidised Housing Construction
RS	Republika Srpska
SFRY	Socialist Federal Republic of Yugoslavia
UNDP	United Nations Development Programme
UN HABITAT	United Nations Human Settlements Programme
UNHCR	United Nations High Commissioner for Refugees
ZSS	Law on Social Protection

1. INTRODUCTION

There is an obvious renewal of interest into social, i.e. affordable, housing in many countries of the European Union and Western Balkans, due to increased demographic pressure and reduced purchasing power of a significant number of people.

According to annual analysis of the Institute for Real Estate, Construction and Housing from Vienna (Austria) publicised in 2013¹⁾, global financial crisis has also greatly affected the construction industry in both Europe and B&H, causing a drop in scope of their work. In 2011, 1,300 housing units were constructed in B&H, amounting to only 0.3 housing units per 1,000 residents and placing B&H in the group of countries with the lowest number of constructed housing units, such as Georgia (0.3), Albania (0.4), Moldova (0.5) and Armenia (0.6). The average of the 27 EU countries is 3.1 housing units per 1,000 residents, while the countries with the highest number of constructed housing units include Turkey with 7.7 and Romania with 5.5 housing units per 1,000 residents.

The costs of housing over the past 10 years have increased to great extent all over Europe, with significant implications in terms of possibility to access adequate and affordable housing for a large number of residents, in particular the vulnerable social groups. In Belgium, Spain, Portugal and Greece alone, 25% of households are experiencing financial difficulties due to costs of housing. According to EUROSTAT, almost 42% households in Italy have been experiencing financial difficulties due to housing costs. Although statistical data on the housing issue are scarce, the analyses have shown that in those countries which have a high percentage of private ownership in the housing stock there are more households faced with the problem of providing decent and affordable housing, due to increasingly reduced number of apartments offered up for lease. The problem of providing decent and affordable housing is even more evident in the cities and towns where housing prices are much higher than in smaller settlements and rural areas.

2. OBJECTIVE OF THE STUDY

2.1. General objective of the Study

The purpose, i.e. general objective, of the Study is to provide a review of the current social housing system in the EU, neighbouring countries and B&H, to serve as the basis for proposing an integrated and sustainable model of social housing, with full participation of all stakeholders.

¹⁾ Dr. Wolfgang Amann, Housing review on 23 countries in the Europe and Central Asia region, IIBW – Institute for Real Estate, Construction and Housing Ltd.; August 2013

2.2. Specific objectives of the Study

Specific objectives of the Study are as follows:

- To analyse current systems and models of social housing in the EU, region and B&H, as well as opportunities to apply these in B&H, in view of the current legislative and political framework;
- To assess sustainability and adequacy of the current models of social housing in B&H via comprehensive field research;
- To propose an integrated and sustainable social housing system or several possible models of social housing which would represent a sustainable and permanent solution to the problem of social housing in B&H;
- To develop general criteria for selection of beneficiaries for 6 housing units in six municipalities in B&H, to be developed through the Social Housing System (SHS) Project – Development of an Integrated Model in Theory and Practice.

2.3. The Study is due to provide answers to the following questions

Based on the identified objectives, the Study is expected to provide answers to the following research questions:

- Which experiences from the EU and the region could be applied in B&H?
- What experiences have you had so far in terms of development of the social housing in B&H?
- What type of an integrated system could be applied in B&H, in view of the legislative framework and practice?
- What types of legislative and political changes would the proposed model require?
- In which way should the local stakeholders participate in ensuring financial sustainability of the social housing system?
- How would the proposed social housing system ensure long term participation of the beneficiaries in the local communities?

3. THE PROCESS OF STUDY DEVELOPMENT

Development of this Study was based on 3 methodological approaches:

1. In-depth literature and desk review, including documents, studies and analysis regarding social housing system;
2. Semi-structured interviews with social housing stakeholders in B&H;
3. Survey of current beneficiaries of social housing in B&H.

3.1. Review of current and available and accessible documents, studies and analyses related to social housing system

The review of current and available documents, studies and analyses related to social housing system was used as a research method to collect as much as possible information about social housing from different written sources.

For the purpose of review of current and available documents on social housing, two techniques were used:

1. On-line research – Internet is the source of huge number of different studies, analyses and comparative reviews of different methods and experiences in terms of development of social and affordable housing across Europe. Also, we managed to find on the Internet a great number of different public policies, laws, rulebooks and statistical data related to social housing. The largest number of these documents were available free of charge, it was sufficient to just look them up online. A list of referenced documents is provided as an Annex to this Study.
2. Documents publicised by different B&H institutions – there are numerous documents publicised by B&H institutions that touch upon the issue of social housing. In the process of collecting these documents, at all levels of authority we mostly encountered helpful civil servants who enabled us to get access to all relevant documents, ranging from different analyses and studies, to laws, municipal decisions, rulebooks, criteria and other documents.

3.2. Qualitative research using method of semi-structured interviews with social housing stakeholders in B&H;

This method was used to collect as much information as possible from all social housing stakeholders in B&H. The purpose of this method was to obtain, through dialogue with different individuals who are relevant and play a certain role in terms of the social housing system, information related to development of the social housing system in B&H. In this context, moderator (the person conducting an interview) was tasked with encouraging the interlocutor to express his/her attitudes, opinions and experiences related to the social housing issue. The moderator made an effort to keep the conversation focused on the theme of the Study. For that purpose, the moderator used 4 scales in the research:

1. The scale to assess social housing needs – a set of questions aimed at establishing or assessing the needs of certain social groups for social housing. Particular focus was placed on the 6 social groups: Displaced persons and refugees, with particular focus on those still accommodated in the collective centres; Roma population; elderly; youth, in particular young married couples who are still unable to obtain their first real estate; households with very low income (in particular housings exposed to extreme poverty) and professionals of the profiles deficient in the local community, so-called cadre.

2. The scale to measure experience – a set of questions aimed at establishing and assessing experiences in terms of the previously implemented social housing projects, co-funding provided by the local community, types of construction, methods used to identify priorities when selecting beneficiaries, beneficiary selection, building management and maintenance, how rent amount is established.
3. The scale to measure capacity – a set of questions aimed at establishing or assessing the capacity of institutions represented by interviewees to provide political, financial and operational support to further development of social housing in B&H;
4. The scale of comparative variables – a set of questions aimed at establishing sustainability of the previously implemented social housing practices; drawing a parallel to legal, institutional and financial framework in the EU and the neighbouring countries.

During the period from 10 January 2014 to 15 April 2014, 27 interviews with 58 different stakeholders were conducted.

A wide range of stakeholders were interviewed for the purpose of this Study:

- 2 representatives of the implementing agencies,
- a representative of the EU Delegation,
- an UNHCR representative,
- 5 representatives of different state level ministries,
- 7 representatives of entity level ministries,
- 14 representatives of cantonal ministries and
- 28 representatives of municipal administrations.

All interviewed stakeholders were very helpful and quite ready to cooperate. Most of them provided honest answers, and many subsequently provided documentation of which the researchers were unaware of prior to the interviews.

3.3 Quantitative research – face to face (FtF) survey with current beneficiaries of social housing

This method of quantitative research was used for the purpose of obtaining information about social, gender and education structure of the social housing beneficiaries in B&H, as well as about level of their satisfaction with this type of solution for the housing issue.

The survey covered 200 social housing beneficiaries selected by the random sample method from 11 municipalities/settlements in B&H (Sarajevo, Il-ijaš, Zenica, Rogatica, Goražde, Foča, Srebrenica, Potočari, Fojnica, Drvar, and Jablanica).

The sample is deemed fully representative since it has covered over 5% of the total number of current social housing beneficiaries in B&H. Namely, since at the moment there is no official data on the number of housing units owned by municipalities, cantons, entity and state level in B&H, based on the information collected through interviews with representatives of different government institutions in B&H involved in (co)funding of social housing in B&H over the past 15 years, it is our assessment that there are currently between

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

2,000 and 2,500 housing units, out of which not more than 2,000 are usable (the remainder of them are badly damaged and not suitable for housing purposes). Therefore this sample (N=200) is deemed satisfactory in term of how representative it is.

We had special preparations conducted for each visit, in view of the fact that the research process was very comprehensive and elaborate; as well as that our targeted sample was particularly sensitive. Namely, prior to each visit to the social housing facilities, the social housing beneficiaries were informed in advance via public notice boards or contact persons from municipalities that an interviewer will visit them. The survey covered those persons who were found on the spot in the social housing facilities at the time of the interviewers' visit and selected by the interviewers using random sample method, after agreeing voluntarily to participate in the survey. The interviewers themselves have passed through specialised training, in view of the fact that would be in touch with particularly sensitive and vulnerable social group.

All the interviewers were alerted to the fact that they should under no circumstances enter into dialogue with the respondents, unless it was for the purpose of explaining a question, and that they should not in any way try to speed up the process of filling out of the questionnaire. At an average, it took about 35 minutes to fill out a questionnaire, with the interviewer's assistance, using the "pen and paper" method.

The survey was conducted in the period from 11 to 21 February 2014.

The survey team included field research leader, who at the same time the questionnaires controller, 3 field interviewers and an IT operator (SPSS²) database).

Selection of the research team was done based on previous experience with similar research projects.

Immediately after the field research, data base was created using specialised software for social research, allowing for statistical analysis of the questionnaires.

4. THE CONCEPT AND PURPOSE OF SOCIAL/AFFORDABLE HOUSING

"Social housing", i.e. social housing is a generic term referring to different models of providing decent housing conditions for certain social groups outside of the market context. There is no unified definition of the term "social housing" in Europe.³ Semantically, the term 'social' can refer to the legal status of the lease giver, and in other cases it refers to the leasing regime, funding methods and targeted population groups.

Decent housing conditions are identified as housing conditions which have no detrimental effects on the housing beneficiaries (health issues, social exclusion, exposure to crime and other forms of pathological behaviour), nor additional costs for the local community.

²) Statistical Package for the Social Sciences

³) General Directorate for Internal Policies, "Social Housing in EU" Brussels, 2013

Social housing is a very important segment of the housing policy in each country, aimed at achieving certain social objectives.⁴⁾

The fact that housing policy aims to achieve certain social objectives is often misinterpreted as policy being a part of the country's social protection policy. Social housing undoubtedly represents a significant instrument for implementation of the social protection policy targeting the most vulnerable social groups (in B&H it is a very important tool for implementation of Annex VII of the Dayton Peace Agreement), however the social housing should primarily be viewed as an element of the housing policy in a given country.

These social objectives can be identified in different ways and greatly depend on social priorities in a certain country and its financial situation. Identified social objectives can range from wanting to provide adequate housing condition for most vulnerable population groups free of charge to subsidised housing costs for a wide range of population groups (in some EU countries, such as Austria, the Netherlands or Denmark, up to 50% of the population are covered by some form of subsidised housing costs).

In 2005, the EU identified social housing as: "housing provided to people in need or population groups in an unfavourable position that are unable due to financial reasons to provide housing under market conditions".

In Bosnia and Herzegovina, the terms "social housing" and "social non-profit housing" are widely used, derived from the literal translation of the English term 'social housing', while public housing or residing in government-owned housing would be more appropriate translation of the English term. Namely, in UK, where it was used for the first time, the term "social housing" is derived from the form or type of ownership over the housing units, and not the social structure of the beneficiaries. At the time when this term was originally created, all the housing units in the UK were privately owned, so that the term "social housing", i.e. "public housing", referred to any type of residing in public or government-owned housing units regardless of the fact to which social group the beneficiaries (tenants) belonged.

The use of literal translation of the English term "social housing" in B&H context was most likely motivated by the desire to differentiate between residing in public housing units (recognising the occupancy rights holders and the right of inheritance), which in the socialist period of this country was a dominant type of housing, and residing in public housing units which are leased and do not involve the right to buy the housing unit in question or the right of inheritance over it.

However, in addition to linguistic challenges, the term "social non-profit housing" is increasingly faced with other types of challenges deeming it inappropriate for the larger part of Europe, since it creates wrong perception among some members of the public that this is exclusively a part of the social policy in their countries, i.e. residual model of housing intended only for socially vulnerable population groups or persons in permanent state of social need, which is free of charge for its beneficiaries.

⁴⁾ International experiences in social housing (with a special focus on new EU member states), p. 5

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

In that regard, term “social housing”, i.e. public housing, is increasingly being replaced in Europe with a more generic term – affordable housing⁵⁾.

Affordable housing involves providing decent housing conditions, with households not spending over 40% of their income to cover the costs of housing, including housing loans, rent or housing loan interests⁶⁾, utilities (water, electricity, gas, and heating) as well as all costs related to regular maintenance and insurance of the housing unit⁷⁾. Those households that are unable to secure decent housing conditions under market conditions, without spending over 40% of their income to cover the costs of housing, should get different types of assistance from the government.

In addition to individuals and households in the state of permanent social need, the system of affordable housing allows for other social groups to be included in this system via different programmes of affordable housing. These groups include the youth, young married couples, young university graduates and in general professionals of the profile needed in the local communities, elderly, immigrants and asylum seekers, ethnic minorities, as well as the middle class.

When defining the term ‘social housing’, we need to take into account that this is not about satisfying any individual needs and wants, but about strengthening individuals to be able to provide decent housing conditions regardless of their capabilities and income.

The analysis of the history and different models of social housing in Europe indicates that the term ‘social housing’ was originally derived from the type of ownership over the housing units offered for lease under subsidised and non-commercial terms⁸⁾ to certain social groups (primarily the working class with low income). However, as different types of government interventions have emerged across Europe to tackle the housing problems, which in some more developed and progressive models also included public-private partnerships and involvement of privately owned housing units into social housing programmes (leasing under subsidised terms), and as the range of beneficiaries extended, we have also seen different interpretations of the term ‘social housing’ appear.

In addition, it is clear that when it first appeared the social housing was exclusively a part of the housing policy of different governments. However, as the social role of governments in modern society grew, i.e. as the need for different social protection programmes for citizens emerged together with increased industrialisation and urban development, the social housing became a significant instrument of the public policy implementation in the area of social protection.

In B&H, over the past couple of years, in an effort to establish an institutional and legislative framework for development of social housing, public de-

⁵⁾ Eng. affordable housing

⁶⁾ Unlike in B&H, in most West European countries it is possible to obtain long term housing loan (mortgages) without having to pay off the principal in monthly instalments. Beneficiaries of this type of long term housing loan agree to pay off the principal by the end of the contractual period, in which ever way is the most acceptable for them, with the obligation of paying off the interest for the remainder of their loan in monthly instalments.

⁷⁾ Affordable land and housing in Europe and North America, United Nations Human Settlements Programme (UN HABITAT), 2011

⁸⁾ eng. Public ownership – public or social ownership

bate was launched to define more precisely the term 'social housing', with a number of different attitudes emerging in view of the constitutional competencies regarding housing and social protection policy⁹). The European experiences indicate that it would be detrimental for social housing development in B&H if the term social housing were to be reduced to the simple instrument used for implementation of the social protection policy for the most vulnerable social groups or the return of the refugees and displaced persons. We should strive to define the term 'social housing' though the process of developing housing policy in B&H, which would in addition to regulating leasing public housing units under favourable and non-commercial conditions to different social groups also identify principles and development models for other types of government interventions aimed at providing decent housing conditions for all the citizens.

Namely, the analysis of the European social housing practices clearly indicates that residual model of social housing (leasing social housing units exclusively to low income households and vulnerable social groups) was developed only in those countries where government institutions were in favour of funding construction and maintenance of social housing from public budgets. In most other countries which applied a mixed model of funding construction and maintenance of social housing, a so called universal model of social housing was developed which included a wide range of social housing beneficiaries.

Bosnia and Herzegovina is only now facing the challenge of identifying its housing policy, which will include agreeing on the definition of the term social housing. In this process B&H will certainly have to take into account the needs of different social groups for different forms of government assistance to tackle the housing issue, as well as what is realistic when it comes to the ability of the governments to provide adequate funds for implementation of their housing policies.

Thus it would be detrimental to reduce at the very onset the obvious need for regulating government interventions in terms of the housing problems faced by citizens in B&H exclusively to leasing of public/government owned housing units under subsidised non-commercial conditions, for most vulnerable population categories only.

Social housing is not only an instrument of social policy in some country aimed at ensuring adequate housing only for most vulnerable social groups. Social housing is at the same time also a generator of economic and social development of a community, its urban development and an instrument in environment protection and health sector policy.

Bosnia and Herzegovina currently needs to have at least legal and institutional framework that would allow construction of some one hundred housing units a year to continue, with funding from public budget or donors for socially most vulnerable population groups. Bosnia and Herzegovina needs a

⁹) The competencies in terms of housing and social protection policies in B&H are divided between the entities and cantons. In the RS exclusive competencies over public policy in this area lies with the RS Government line ministries, while in FBiH the competency in this area is divided between FBiH Government line ministries and cantonal governments.

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

housing policy that would in addition to public and donor funds also generate funds for development of social housing from private sources (through different models of public-private partnerships) and other available financial sources (development banks loans).

For the purpose of easier understanding the Study and future communication with stakeholders about identifying an integrated and sustainable system, i.e. a model of social housing which would be possible to implement in B&H, we have defined the following terms:

A model

The model is a group of mutually connected elements which all together formulate a certain process allowing for its results or consequences to be forecast. The models are used for the purpose of demonstrating with as much accuracy as possible relations among the different connected elements. To be able to call a certain social housing practice a model, it must include all the elements of a social housing model: construction funding, funding costs of housing, prioritisation of beneficiaries, selection of beneficiaries, building management and maintenance.

A system

For a model to be called a system it must have a clearly identified objective, structure, functioning techniques, human resources, funds, internal and external communication models. This means that all elements of the system would have to be adopted in formal and legal procedures by relevant bodies, through public policies, strategies, laws, rulebooks and quality standards.

An integrated model

The integrated model of social housing implies that a certain model of social housing has been fully integrated into the local community, i.e. that social housing beneficiaries will in no way be excluded from the local communities, discriminated against or be exposed to any health risks just because they reside in these housing units. In practical terms, this would mean that in addition to providing a “roof over peoples’ heads” the model must ensure an adequate access to all other social services (schools, kindergartens, health care, public transport, parks and children playgrounds, shops with basic food items, social facilities, and Internet) under the same conditions and standards of quality services as are provided to other residents in the local community. An integrated model of social housing in no way implies that the government or local community is obliged to provide to provide beneficiaries any of these social services for free or outside of the standards valid for all other residents in that local community.

A sustainable model

Any type of housing has a certain price attached to it, i.e. certain costs of housing. The costs of housing also include value depreciation of housing units, costs of building maintenance, costs of common facilities, insurance costs, and building management costs. For any housing model to have long

term sustainability, its starting point must be that someone will have to cover the costs of housing. Unlike housing provided under commercial or market conditions, where beneficiaries regardless of the ownership structure over the housing unit has to pay the full cost of housing, social, i.e. affordable housing, depending on the model and its possibilities, either fully or in part covers the costs of housing. Every deviation from this principle could hurt long term sustainability of such model of social or affordable housing, since it goes against facility depreciation or its maintenance. This is it only a question of time when such housing facilities will again become inadequate for housing.

This is why it is very important to start from sustainability as one of the key preconditions for success of any model in the process of reviewing all of the models possible for B&H.

Social housing is especially important because it represents a very important element of articulating and implementing not only housing policy in a given country but also at the same time of social protection policy, social inclusion, local economic development, city rehabilitation projects, youth policy and elderly policy, etc. This is the issue with so-called inter-sectoral importance as it touches upon issues under competency of different ministries¹⁰), so that its successful resolution requires cooperation of a large number of different stakeholders.

5. OVERVIEW OF THE DEVELOPMENT AND STATUS OF SOCIAL HOUSING IN EUROPE

5.1. History of social/affordable housing in Europe

As early as in the 19th century, social housing emerges in a vast number of European cities, predominantly as a philanthropic activity aimed at providing accommodation for workers. The emergence of social housing is primarily related to industrialisation, increasing migration of rural population to cities in search for work, and the lack of urban planning with regard to the workers' settlements in major industrial cities experiencing a demographical boom. The first initiatives for the construction of social housing units did not come from the local communities or the state but from the private sector, i.e. company and factory owners, and wealthy philanthropists. Most of such initiatives were aimed to ensure labour mobility and minimal health standards and thus prevent that the already trained workforce doesn't show up for work due to various diseases caused by unhygienic and otherwise poor living conditions of the first industrial workers. The first social housing units appeared in the countries with strong religious tradition of social care. It is crucial to note that this concerns the period when the state in general did not have any housing policy or any social care institutions (social care centres, pension or health insurance funds, etc.), but the function, rather, was performed by religious institutions and charity associations. In the beginning, the number of such so-

¹⁰) In B&H this question is further complicated by the fact that in addition to horizontal there is also the issue of vertical competence.

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

cial housing units was marginal given the needs of the underprivileged population so the working class mostly continued living in extremely adverse housing conditions.

Just before the beginning of World War I, first attempts were made to regulate social housing and define national housing policies in many European countries. The attempts mostly consisted of tax reliefs, allocating savings for housing construction, creating first housing associations, introducing the housing construction standards, etc. Although the solutions varied from one country to another, pending on its historical, political, social and economic circumstance, the social housing issue was quickly becoming a prominent social policy instrument in the majority of European countries. All the social housing models in the making shared their aim to improve on the social status and position of the working class and other most socially vulnerable population groups.

Social housing as a model of providing adequate accommodation to those unable to ensure decent living conditions for themselves and their families will struggle to gain social recognition until 1970s, so the overall number of both publically or privately owned housing units available for the poorest population groups at favourable non-market conditions remained extremely low throughout the period.

It was only in the 1970s (the age still referred to as the golden years of the social housing development in Europe) that the idea to provide decent housing for all became fully socially recognised. This period saw the construction of the highest number of publically or privately owned housing units to be leased out under favourable conditions and the evolution of the idea and initiative to provide adequate housing for the most underprivileged population into the idea to provide adequate housing for all citizens. As the initiative evolved, more and more frequently the very term *social housing* was replaced by the *affordable housing*.

The paradigm shift from social to affordable housing can definitely be associated with the emergence of middle class and the need to ensure also its mobility.

However, regardless of the different individual European countries experiences with development of social/affordable housing systems determined by their respective historical circumstance, industrial and social development specificities, tradition, etc., the general features of the development of social/affordable housing in Europe, may be classified, theoretically speaking, into two categories – the residual model and the universal model¹¹⁾.

The residual model is a model of social housing entailing the construction of social housing units to be used exclusively for lease under favourable conditions to the working class and the most underprivileged population groups. The residual model dwellings were of a somewhat poorer quality for, essentially, the model is based upon meeting the minimal accommodation needs of those who are worst off. In the majority of the countries applying the residual model, it involved generous state subsidies enabling relatively low rents and

¹¹⁾ The model according to which the beneficiaries of social housing may be all social groups and individuals who require state assistance to meet their housing needs.

direct management of the social housing fund by the state or the local municipal community.

The universal or mass model is a model of social housing according to which the beneficiaries of social housing may be all social groups and individuals who require state assistance to meet their housing needs. The universal model implies providing better quality accommodation to a broad spectrum of users, ranging from those with low to those with median income. In addition to state subsidies, the funding of the construction of social dwellings based on the universal model involved also various alternative models (public-private partnership, loans, etc.). The rent with the universal model was also somewhat higher and much closer to market conditions.

In different countries, the social/affordable housing system serves to meet different political priorities, i.e. needs of different target groups. While in some countries, the social housing beneficiaries are still predominantly their poor citizens or rather the citizens bearing the status of those in social need, in others the system of affordable housing also includes many other population groups, such as the elderly and the sick, single parents, low-income worker families or even middle-class families. The model of social/affordable housing to prevail in a country depends on its history, tradition, culture, economic and social development priorities, financial and economic capacities, and numerous other less significant factors.

Generally put, the social/affordable housing systems of different countries cover different social population groups unable to provide adequate accommodation for themselves and their families under market conditions due to income constraints.

5.2. Main features of social/affordable housing in Europe

As mentioned in the previous chapter, the social/affordable housing systems in today's Europe are fragmented and differ from one country to another.

Apart from historical reasons, the causes of this fragmentation should be sought also in the fact that the European Union does not have any legislative powers with regard to housing policy and, therefore, the regulation of social housing systems falls under the competence of the national and lower-level governments of the European Union Member States. However, the European Union's legislative initiatives in other areas also affect the social housing policy domain. For example, 6 July 2005, the European Parliament voted in favour of the option to cover the costs of reconstruction of social dwellings out of structural funds, and as of 2007, new EU Member States may use the same funds to build apartments envisaged by their social housing programmes, as well as for urban reconstruction. In April 2006, the European Parliament passed the European Charter for Housing further strengthened by the European Parliament's Resolution of 10 May 2007 on Housing and Regional Policy. Although not legally binding, the Resolution represents a major sign of political recognition of the need to improve the housing conditions as a key component of the quality of living in the European Union.

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

The involvement of the state in the housing policy is the most prominent in the Netherlands, Sweden, and United Kingdom. These countries have the largest sector of social rented housing in the European Union and their governments spend over 3% of GDP on housing policy.

Austria, Denmark, France, and Germany also have highly developed social housing sectors but were significantly less involved in market interventions so the private rented sector still plays a prominent role in the housing policy of these countries. Their government spending on housing policy ranges between 1-2 % of GDP.

Ireland, Italy, Belgium, Finland, and Luxemburg have a relatively high percentage of dwellings inhabited by their owners and relatively small social rented sector. The government spending on housing policy stays around 1 percent of GDP.

The number of publically owned dwellings included in the system of affordable housing varies and ranges from 4 percent (Hungary) to 35 percent (the Netherlands) of the total housing stock.

	Occupants are also the owners	Commercial rented dwellings	Social rented dwellings	No. of social housing units
The Netherlands	54%	11%	35%	2,400,400
Austria	55%	20%	25%	800,000
Denmark	52%	17%	21%	530,000
Sweden	59%	21%	20%	780,000
England	70%	11%	18%	3,983,000
France	56%	20%	17%	4,230,000
Ireland	80%	11%	8%	124,000
Germany	46%	49%	6%	1,800,000
Hungary	92%	4%	4%	167,000
Source: Eurostat				

There is a notable decrease in the number of publically owned housing units in most countries, in part due to the decline in building publically owned dwellings that did not keep pace with the overall dynamics of house-building, and in part due to privatisation or destruction of publicly owned housing stock over the last 10 years.

There are significant differences among the European countries when it comes to the profile of the housing units leased out under favourable conditions, their ownership structure, average age, type, and location.

The amount of rent and the manner in which this is determined also differ from country to country and largely depend on the model and manner of funding the social housing system, as well as on the ownership structure of the country's housing stock available for social housing purposes. The predominant approach in most European countries is the, so-called, 'cost based' approach entailing that the amount of rent must be sufficient to cover all costs of construction, maintenance, insurance, and management of the social housing stock. More and more countries use this approach, as much for the growingly limited public budget allocations for social housing as for the

strengthening of the private sector involved in the social housing system. In such cases, the owners of the social housing stock determine the amount of rent.

In the few remaining European countries where the central government and local communities are still managing to ensure funds to support the social housing system, the amount of rent is set in accordance with the costs of maintaining and managing the entire system.

	Amount and the manner of determining social rent	Amount and the manner of determining commercial rent
The Netherlands	Conditional on market movements.	Also controlled. Average rent amounts to 419 € a month.
Austria	Cost based.	Also cost based, increased by 10-15%
Denmark	Cost based. Approximately 3.4% of the housing unit value annually. Average rent amounts to 6.67 €/m ² a month.	Also regulated. Average rent amounts to 6.83 €/m ² a month.
Sweden	Determined via negotiations between the associations of social housing unit owners and the associations of landlords at the national level.	The amount of rent is conditional on the amount of social rent. Commercial rent only slightly exceeds the social rent.
England	Special regimes of determining the amount of rent for the dwellings owned by municipalities, and in particular dwellings owned by non-profit housing associations.	Conditional on market movements.
France	The central government is determining the maximal amount of social rent, which varies from one region to the next and is close to the cost-based principle.	The amount of rent is determined freely, but increasing it is regulated by the law. Commercial rent is 30-40% higher than the social rent.
Ireland	The occupants of social housing units pay rent fixed to the percentage of their income. The average rent amounts to 155 € a month.	Control of rent abandoned in 1986 and rent is now conditional on market movements.
Germany	The Manner of determining the rent and its amount vary from one region to the next. The average rent amounts to 4-7 €/m ² a month.	The amount of rent is determined freely, but increasing it is regulated by the law.
Hungary	Determined by the local municipal authorities.	Conditional on market movements.

5.3. Social housing in the United Kingdom

As in most Western European countries, the social housing in the United Kingdom used to be provided by non-profit charity associations with well-established objectives seeking to ensure housing to particular social groups, such as the working class, single mothers or families living in non-hygienic conditions.

As early as in the 19th century, the state started awarding subsidies, although limited, to the municipalities/local communities for building dwellings for rent to particular social groups. In the beginning, the number of such housing units owned by municipalities/local communities was extremely low and without significant impact on the living conditions of the most socially vulnerable groups.

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

However, after World War II, housing and the housing policy became the highest political priority and, thanks to generous state subsidies,¹²⁾ the number of dwellings grew rapidly, including those owned by the local communities/municipalities, thus ensuring a growingly prominent role of social housing in the UK housing policy.¹³⁾

The number of rental municipality owned dwellings in the United Kingdom reached its peak in 1979 when 5.5 million such housing units have been registered amounting to 31% of the total UK housing stock (17.7 million).¹⁴⁾ From that point onward not only did the number of rental municipality owned dwellings decrease but also the ownership structure of the social housing units changed significantly, making the role of housing associations increasingly more important at the expense of municipal social housing programmes.

In order to incentivise the housing construction, and enable also the low-income families to get their own dwellings, in 1968 the government introduced subsidies for housing-related loans (Option Mortgage Scheme), thus significantly reducing the price of new apartments for low-income buyers.

This measure is to have a lasting impact on the social housing system since that moment, in fact, marks the beginning of the gradually diminishing importance of social housing in the United Kingdom, as well as of the change of the entire social housing system up to that point dominated by the municipal dwellings and state subsidies for construction of such dwellings.

Specifically, as of late 1970s and the arrival of the conservative government led by the Prime Minister Margaret Thatcher who introduced rationalisation of public spending in order to address the growing budgetary deficiencies, the local authorities/municipalities are discouraged from investing in construction of municipality owned dwellings to be leased out below market price. The analysis conducted at the time have shown that the amount of social rent was failing to cover the costs of building and maintaining the dwellings and their value dropped below the municipal bank borrowings for their construction. The central government's savings measures and lack of significant state subsidies made the situation even worse, all together making the existing social housing system unsustainable.

Concurrent to the process of cutting down state subsidies, the social housing system saw the emergence of non-profit housing cooperatives gradually increasing their role and their share in the system in the United Kingdom. As of 1996, there are also the non-profit cooperatives known as Registered Social Landlords¹⁵⁾, certified by the National Housing Regulatory Agency as a non-profit, independent housing agency with the principle task to ensure adequate housing for socially vulnerable groups. Since the central government had wished to take the management of social dwellings from the competence of local municipal authorities, they initiated a voluntary transfer of the social housing stock to these housing cooperatives. Not all of the munic-

¹²⁾ In the 1950s, the Churchill Government set a very ambitious plan to build 300,000 new housing units a year, and had managed to significantly surpass the plan during its term of office.

¹³⁾ The dwellings are known as "council flats".

¹⁴⁾ Christine Whitehead and Kathleen Scanlon, Social Housing in Europe, LSE, London 2007

¹⁵⁾ Registered Social Landlords – RSL

ipal housing stock, however, was transferred to the housing cooperatives because some of the dwellings were in such a poor state that their value dipped below the value of the borrowing pending repayment. The introduction of non-profit housing cooperatives into the social housing system in fact marks the beginning of a broader social housing sector reform aimed at making it sustainable. Although essentially non-profit, the housing cooperatives charged a somewhat higher rent than municipalities, making it possible to cover the costs of construction and maintenance of these buildings out of the rent.¹⁶⁾

Precisely speaking, unlike in the past and during the dominance of local communities/municipalities in the social housing system when the construction of social dwellings was funded exclusively from local budgets and state subsidies, the non-profit housing cooperatives' primary source of funding for such construction were loans taken against future rent earnings. Such a change in the system of funding social housing was possible only with the change of the system of state subsidies. The reform continued with the restructuring of that system of state subsidies for both municipalities and the housing cooperatives.

In response to the newly arisen situation, a significant number of municipalities/local communities decided to privatise the dwellings in their possession and, in parallel, to significantly reduce investment into further municipal housing construction. Because of the social housing system reform, in particular after 1988, all new social housing units were built exclusively by the housing cooperatives.

From that point onward, living in publicly owned dwellings is colloquially more and more referred to as social housing. This term encompasses the lease of both municipal and RSL housing units.

The prominence of social housing in the United Kingdom is decreasing mostly due to continuing increase of the type of residence arrangements wherein the dwelling occupants are also their owners. The increase in the number of people living in the dwellings they own as compared to other types of housing is the result of numerous subsidy programmes for purchase of apartments but also of privatisation of the present state (municipal) housing stock.

Only through the programme "Right to Buy", implemented over the period 1980-2000, almost 1.5 million social apartments were sold to their users under favourable conditions.¹⁷⁾

By 2005, the share of privately owned dwellings occupied by their owners will rise up to 70 % of all housing units in the United Kingdom, while the number of social dwellings will decrease from what used to be 5.5 to 4 million housing units, constituting a drop from 31 to 18% of the United Kingdom housing stock. In 2005, 53% of all social dwellings were owned by the municipalities and 47% by the housing cooperatives.¹⁸⁾

¹⁶⁾ Christine Whitehead and Kathleen Scanlon, Social Housing in Europe, LSE, London 2007

¹⁷⁾ Christine Whitehead and Kathleen Scanlon, Social Housing in Europe, LSE, London 2007

¹⁸⁾ Christine Whitehead and Kathleen Scanlon, Social Housing in Europe, LSE, London 2007

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

Most analysts of the housing policy in the United Kingdom expect the present trend of decrease in the number of social dwellings to continue. The reason for such predictions rests in the fact that the sale of the existing social housing stock continues, in part due to its devastation caused by the excessive number or mixed structure of tenants in the same apartments frequently resulting in social tensions.

As of 1998 onward, the social housing construction is funded from a combination of financial borrowing (in the open financial market and against the future rent or sales revenue) and subsidies awarded by the central government. When this mixed funding system first introduced, the share of state subsidies in the value of rental social housing amounted to around 90 percent. Over time, however, due to increase in rent but also competition between housing cooperatives, the participation of subsidies in new social housing construction fell to 60 percent in the 1990s, while today it varies at around 50 percent.

Present government subsidies for new social housing construction amount to around 30,000 housing units and more than half of this refers to the purchase of cheap apartments rather than social rentals. This trend of using subsidies to buy instead of to rent is also expected to continue.

The ownership over the United Kingdom housing stock is divided among 2,000 housing cooperatives and 200 municipalities that have not transferred their dwellings to the housing cooperatives. The municipalities only own dwellings within their respective territories, while the housing cooperatives mostly manage social housing units in two to three local communities. Only a few housing cooperatives actually own apartments throughout the United Kingdom. Lately, there is a growing trend of the housing cooperatives being organised based on the function principle, i.e. as those generally servicing the households that can afford adequate accommodation, those looking after particular social groups and, finally, the housing cooperatives acting only as intermediaries.

Due to problem of social exclusion, since early 1990s, the United Kingdom Government uses the subsidies policy to encourage the policy of 'mixed occupancy', integrating the sale of such rentals into the newly made social housing buildings and settlements. This was aimed to contribute to social harmony of the British society. In addition to this measure, granting the social housing beneficiaries the right to swap their apartments at any point and regardless of who are the lessors was also to contribute to social harmony. Furthermore, this measure was intended to further strengthen the mobility of the social housing beneficiaries in search of work.

Historically speaking, social rent was set based on the principle that the rent earnings should cover the housing expenditures minus the subsidy. Local authorities were permitted to use municipal budgets to provide additional subsidies related to housing expenditures. With the non-profit cooperatives, the manner of determining the amount of rent was identical to that used by the private sector.

As mentioned, in the 1970s, the rent as set by the local communities has led to growing difficulties to cover the expenses of basic repairs and maintenance of such dwellings.

Given that in the 1980s the United Kingdom central government had prohibited further taxation at local level to fund social housing subsidies, the inflation caused the rents to go up.

By contrast, the housing cooperatives were allowed to set the amount of rent at own discretion, i.e. adjust it to the expenditures and thus keep the interest on loans taken in the free financial market to fund the social housing construction extremely low. The occasional increase of rent was covered mostly by the central government, from the Housing Foundation.

In 2002, the United Kingdom central government had decided to introduce a new funding regime for the entire sector based on worker wages, size and location of dwellings, and their value. In the future, this should, at least in principle, lead to a coherent system of determining the amounts of rent, regardless of the source of funding. Already in the first couple of years of its application, the measure resulted in the increase of rent, which in 2005 varied between 55 £ a week for municipal to 62 £ for the dwellings owned by the housing cooperatives.¹⁹⁾ The amount of rent in London is approximately 20-25% higher than the national average.

5.4. Social housing in Austria

As had been the case with most other Western European countries, the social housing in Austria also emerged after World War I. The specificity of the development of social housing in Austria rests in the fact that for many years it had been related predominantly to the city of Vienna. Namely, at the beginning of the last century, the local social democratic administration of Vienna had established a local social care system aimed to promote better living conditions, health services, and education for the working class. The most ambitious and the most important among the different social programmes developed at the time was the social housing programme. The city of Vienna played a leading role in the process as both the builder and the owner of these dwellings. Social housing units were constructed throughout the city to avoid the ghettoization or segregation of their users.

During the rule of social democrats in the Vienna city administration (1918-1934), the city had funded the social housing construction in part from a special housing tax²⁰⁾ (40% of the total value of social housing construction), and in part from luxury tax and state subsidies. This method of funding of social housing construction is typical for the period between two world wars. Other forms of funding were developed only after World War II.

Gross capital needed for construction of the present housing stock in Austria was provided by the public sector, i.e. the state and the local self-government. In the first half of the 20th century, the key role with regard to funding of social housing was played by local self-government, while after World War II the state or central government became predominant.

¹⁹⁾ Christine Whitehead and Kathleen Scanlon, *Social Housing in Europe*, LSE, London 2007

²⁰⁾ Since 1923 all tenants were obliged to pay this housing tax.

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

The process was completed late 1980s when the entire housing subsidies system had been transferred from central authorities to federal units (Landers), which ultimately resulted in the territorial fragmentation of social housing policy. Specifically, the central authorities remained in charge of the adoption of legislative framework and other required regulations, while the responsibility for the housing policy implementation and supervision over the work of certified landlords was largely transferred to federal units – provinces.²¹⁾ Today, regional governments play the key role in the social housing policy implementation, however, regardless of the changes all other federal government structures (state and local level) also feature prominently in the implementation. Precisely speaking, due to specific allocation of different tax revenues between the state and the provinces, long-term stable funding has been secured, and with it also the stability and continuity of housing policy in Austria. Every four years, negotiations are conducted between the federal and province governments over the state revenue allocation scheme. The negotiations are conducted around the middle of the governments' term of office to avoid having the issue be the focus of pre-electoral campaigns.²²⁾

Today, social housing is funded from a combination of the profit tax and additional citizen income tax revenue shares, and of the housing contribution paid by all employed persons. The housing sector gets three types of subsidies: direct subsidies for construction and reconstruction of residential buildings (taking up 70% of all subsidies), individual subsidies for low-income households (between 10 and 15%), and tax reliefs (between 15 and 20%).²³⁾

In average 1.7% of GDP or approximately 3 million Euros are allocated for housing construction related subsidies in Austria on annual basis.²⁴⁾

Although its social housing system proved more effective in many of its elements than the social housing systems in other European Union Member States, Austria still could not avoid debating the future of social housing.

The change of social housing policy was aimed primarily at reducing subsidies for social housing construction and privatisation of state owned social dwellings, with the housing units owned by the city of Vienna being excluded from the privatisation process.

Specifically, unlike most European countries that have changed the direction of their housing policy and introduced new instruments in order to reduce the housing policy costs, as well as introduced exclusively targeted and market oriented subsidies in the 1980s, Austria managed to preserve the fundamental elements of the post-war housing policy. In contrast to most other countries that have established two parallel rental-housing markets (social, protected against the private sector competition by the state and reserved for low-income households and socially vulnerable groups, and commercial, marked by high rents and unsafe contractual relations), Austria kept a single rental market. In order to preserve the unified rental market and alleviate the

21) Wolfgang Amann and Alexis Mundt, "The Austrian System of Social Housing Finance"

22) Wolfgang Amann and Alexis Mundt, "The Austrian System of Social Housing Finance"

23) Wolfgang Amann and Alexis Mundt, "The Austrian System of Social Housing Finance"

24) Christine Whitehead and Kathleen Scanlon, Social Housing in Europe, LSE, London

growingly strong demands to apply the market approach to social housing policy and privatisation of publically owned dwellings, the state introduces, as new stakeholders in the housing domain, the private sector, through different public-private partnership programmes, and private landlords entitled to limited profit.

Introducing into the housing affairs the category of limited profit sector which doesn't lease out only to the poor but to a much broader population prevents 'marginalising' the tenants and contributes to greater effectiveness of private renting.

The existence of a unified rental-housing market, such was preserved in Austria, allows the amount of rent to be determined by the competition between private and social landlords.

The present social housing model in Austria is based on the leading role of non-profit or construction entrepreneurs entitled to limited profit and funded directly by the state, which had, itself, controlled the collection of rent for old apartments and participated in the determination of the amount of rent for newly constructed social dwellings. These principles are still applied, although the entire social housing system had become far more market oriented. To be precise, the system of setting the amount of rent is adjusted to ensure sustainability of the system and, therefore, the price of social rentals had gotten close to market rent. All in all, although, compared to other Western European countries, Austria (and in particular the city of Vienna) had managed to preserve the characteristics of the social housing system developed throughout Europe after World War II, the challenges are greater and greater and it is to be expected that the trend of matching the social housing rent with the realistic housing expenditures will continue.

Around 55% of housing units in Austria are owned by their occupants (45% of the houses and 10% of the apartments). The share of social rentals in the overall Austrian housing stock is 25%, 60% of which belonging to non-profit housing cooperatives and 40% publically owned (mostly by local self-governments – municipalities).²⁵⁾

As far as the structure of the housing market in Austria is concerned, there is significant difference between the market in Vienna and that in the rest of the country.

Austria has around 800,000 housing units classifiable as social dwellings. The housing cooperatives or associations own around 53% of all social dwellings, 40% are owned by municipalities, 3% by state or federal units, while the remaining 4% are the property of other legal entities.²⁶⁾

Today, a quarter of the population of Vienna lives in the buildings constructed and owned by the city of Vienna.

Already for some time now, there is a trend of decline of the role of the state or municipalities in the construction and management of social dwellings. Over the period between 1950 and the beginning of the 21st century,

²⁵⁾ Christine Whitehead and Kathleen Scanlon, Social Housing in Europe, LSE, London 2007

²⁶⁾ Christine Whitehead and Kathleen Scanlon, Social Housing in Europe, LSE, London 2007

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

the participation of the state/municipalities in new social housing construction had dropped from 35 to only 1 percent.²⁷⁾

Housing in Austria is a complex system of interaction between national, regional and local authorities, construction entrepreneurs, investors, apartment owners, and financial institutions. Indeed, the Austrian housing policy is not limited only to social housing but there is also a very high level of regulation and other types of housing.

Fifty percent of households in Austria use some kind of subsidies, half of which refer to social and half to other types of housing.²⁸⁾

Housing subsidies from public budgets are in most cases given in the form of direct subsidies for housing construction.²⁹⁾ Subsidies awarded directly to beneficiaries, as well as other tax reliefs are practically insignificant forms of subsidies in Austria and make up only 8% of all direct and indirect social housing subsidies.

The state of Austria had developed various schemes of subsidising rent for newly built apartments (be those owned by municipalities or housing co-operatives), combining grants and subsidy loans. The amount of rent in newly built social dwellings is related directly to the costs of their construction.

There are three main types of available housing allowances prevailing from one province to another, namely:

Housing benefit – it gains in importance in the recent years, as the housing expenditures are increasing. In four out of nine Austrian provinces, the tenants who rent commercial dwellings are also entitled to the housing benefit in the cases when there are no social housing units available. u tom trenutku nema raspoloživih socijalnih stanova.

Rent benefit – the benefit provided by social care centres to the households whose income drops below the level determined in accordance with the standards of the state of Austria.

Rent allowance – paid to the low-income tenants facing significant increase of rent.

The Austrian housing subsidies policy is not limited only to low-income households. The subsidies are available for a wide range of population groups and for different categories of both landlords and tenants.

Another specificity of the Austrian housing policy is the continued efficiency of the social housing system in determining the amount of rent. The state had defined a legal framework for the functioning of the social housing system. Within this legal framework, different market-based methods of funding and maintaining competitiveness of the social housing system in relation to commercial rental market are developed and this determines the rent prices in both private and social housing sector.

²⁷⁾ Christine Whitehead and Kathleen Scanlon, *Social Housing in Europe*, LSE, London 2007

²⁸⁾ In Austria, around 40% of all dwellings that are under some form of lease and 60% of all dwellings occupied by their owners are subsidised.

²⁹⁾ Alongside Sweden, Austria is the country in Europe that uses this model of housing subsidies the most.

5.5. Social housing in Serbia

The features of the housing policy in Serbia are more or less the same as in the other countries formed out of the former SFRY. Serbian housing policy is characterised by a radical departure from the socialist concept of the state and full state control of housing policy of the early 1990s, and the transfer to neoliberal concept of development of housing policy based on free market.

In 1990, Serbia had abolished a forty-year-old system of funding social housing construction and left the housing matters entirely to the market. Already then, it was assessed that a part of the population would not be able to secure suitable accommodation under market conditions, but believed that certain new legislative and institutional solutions with regard to the market conditions will enable that housing is provided for the social categories who cannot afford adequate living conditions.

Over a five-year period, privatisation of social apartments, which formed the largest share of the housing stock in the cities, had led to new housing stock ownership structure and today 98% of all apartments are privately owned. The privatisation was conducted in accordance with the Law on Housing Relations from 1990, and subsequently pursuant to the Law on Housing from 1992. Although the government had planned to use privatisation to ensure funds for a new investment cycle, hyperinflation and higher political interests, as well as the decentralised system of apartment purchase have all contributed to the process ending quickly and without the expected financial effects.

At the same time, the wars in the ex-SFRY territory and the massive influx of refugees from Croatia, B&H, and Kosovo³⁰⁾ resulted in a huge pressure on the cities and enormous increase in demand for affordable housing.

Concurrent to the increase in demand for affordable dwellings, the housing construction had decreased dramatically. Precisely speaking, compared to the previous period and to the European countries, Serbia noted a huge drop in housing development – from 60,000 in 1979 (historical maximum) and 42,000 in 1990 to the all-time lowest with around 10,000 dwellings in 2000. It wasn't until 2003 and the growth of economy that the housing market got revitalised again, resulting in gradual rise in housing construction to 19,000 unit in 2007, which equals the 1950s levels.

This period also saw many other changes and an increasing presence of negative tendencies related to demographic and spatial development, such as decrease in the total number and increase in the age of population, increase of share of small in the total number of households, uncontrolled urbanisation and suburbanisation along with the emergence of geographically dispersed informal and unplanned settlements. The expansion of illegal construction, as well as marginalising and vacating rural areas represent the main

³⁰⁾ Estimates say that over 700,000 people have migrated from Croatia, B&H, and Kosovo to Serbia – dr Djordje Mojovic, Vlastimir Carnojevic, Zivorad Stankovic. **Lokalna stambena politika** Osnovne informacije i mogućnosti razvoja javne intervencije u oblasti stanovanja u gradovima Srbije, Beograd 2009. [**Local Housing Policy: Key Information and Options for the Development of Public Housing Sector Interventions in Serbian Cities**], Belgrade 2009.

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

and mostly negative characteristics of the demographic changes and spatial development in Serbia.

Lack of a comprehensive housing policy resulted in growingly uncontrolled development of the housing sector. Over the period, certain individual fragmented low-intensity interventions were made, but without significant impact on the course of development of the housing sector and can rather be seen as textbook examples of what happens when the state hardly takes any corrective or measures to improve the situation in a given sector.

Due to the newly arisen issue of having to ensure accommodation, primarily for refugees and displaced persons (today, refugees and internally displaced persons make up around 10% of Serbia's population), after 2002, the state had initiated systemic housing policy changes but without achieving any notable results that would significantly alter the situation on the ground.

As of 1990 onward, the official policy has given full advantage to privately owned dwellings, failing to recognise the many positive sides of rental living and disregarding the fact that this is the dominant form of housing consumption in many developed countries.

Based on the measures and programmes implemented in Serbia since 2005 one can easily conclude that the state is trying to revitalise the housing construction market and facilitate apartment purchase for a number of citizens of Serbia through a series of palliative and short-term measures.

The establishment of the National Mortgage Insurance Corporation in 2004 introduced state warranties that ultimately resulted primarily in the introduction of housing loans into regular banking offer and only insignificant decrease of the interest rates.³¹⁾

From 2005 onward, the state had incentivised taking housing loans through the introduction of the housing loan insurance system, adopted an efficient Law on Mortgage, and launched the reform of real estate registry, all standard preconditions for the proper functioning of housing loans and housing market. Since its introduction in 2005, the mechanism of insuring housing loans has been used by around 2% of the households (according to the NMIC data, 59,000 housing loans have been insured by 2011)³²⁾, most of which with significantly above-average income.

In order to further stimulate the development of housing market, in 2006, the state also introduced housing loan subsidies, which, based on the scale of budgetary investment, is the strongest housing policy measure in Serbia since privatisation. These measures did have certain social elements³³⁾ however, given that they were predominantly aiming to revitalise the financial market, they also had a negative effect in form of increase in the price of apartments. The additional systemic measure of subsidising housing loans entails giving very favourable loans but is, once again, oriented toward more financially solvent households.

³¹⁾ The National Mortgage Insurance Corporation has a portfolio (total insured loans) of around 1.5 billion Euros or around 40,000 loans. This mechanism gave a great boost to housing loans but, on the other hand, also generated the increase in the prices of apartments.

³²⁾ <http://www.nkosk.rs>

³³⁾ The amount of loan is limited.

Generally put, the measures were unsuccessful in increasing affordability of apartments since, concurrent to interest rate reduction, the prices of apartments were going up due to increase in effective demand, on the one hand, and insufficient and non-versatile offer on the other hand, thus reducing the ultimate effects of the measures over time.³⁴⁾

Different housing programmes implemented either by the state or by the local self-government units were not mutually harmonised and, conditionally speaking, may be divided into two groups: (1) programmes aimed to provide housing for median and high-income population; and (2) programmes for vulnerable population groups.

The first type of programmes, the dominant one based on the scale of budgetary allocations, refers to public sector employees and younger households with above-average creditworthiness.

The beneficiaries of the second type of programmes were refugees and internally displaced persons with lower income, socially vulnerable population groups, Roma, and disabled war veterans. However, the general problem of the programmes was the ghettoization, segregation and a realistic level of exclusion of these social categories.

Based on the type of institution in charge of implementation of the programme, we can speak of national programmes, programmes implemented by various institutions of the Republic, local self-government programmes, and programmes led by international organisations.

The state implemented the programmes for refugees, funded the construction of apartments for civil servants, and made financial market interventions in form of the introduction of national insurance of housing loans, subsidies, and minor tax incentives.

The cities and municipalities funded the construction and purchase of the, so-called, solidarity apartments through contributions, and, as of couple of years ago, budgets are used in major cities to fund the construction of apartments to be sold under non-profit conditions and municipal rentals. Furthermore, the largest cities also co-funded the reconstruction of condominiums.

The international institutions' programmes were primarily aimed at the construction of dwellings for refugees and displaced families and, over the last several years, there are also development housing programmes. Some of these programmes focus also on the improvement of Romani settlements.

The analysis of the past housing programmes implemented by the state or local self-government units unequivocally shows that, generally speaking, when it comes to housing policy in the Republic of Serbia, the option to own housing units is given a priority over social rentals under favourable non-market conditions. Since 1990, 29,000 dwellings were built as part of different housing programmes and under favourable subsidised conditions.³⁵⁾ Twenty-four thousand five hundred of the dwellings were made available for sale under favourable non-market conditions, while 4,453 remain public property

³⁴⁾ The National Social Housing Strategy, "RS Official Gazette", No. 13/2012

³⁵⁾ They were (co)funded by the state, local self-government units, different donors, such as the European Union, UNHCR, UN HABITAT, Italian Government, creditors, and the final beneficiaries with own funds.

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

and are leased out to targeted social groups,³⁶⁾ usually for periods of 3 to 5 years without rent, with the rent amounting to between 0.4 and 1.6 Euro/m² charged in only 767 cases.³⁷⁾

This type of practice will obviously continue, as the Republic of Serbia, in cooperation with the Council of Europe Development Bank, opted to co-fund a project of construction of social dwellings in major cities throughout Serbia. The project will include the construction of 1,700 apartments in 12 Serbian cities, 1,200 of which are intended for sale and 500 are rentals. The implementation of the project is expected to be completed by 31 December 2014.³⁸⁾

So far, the budgetary investments into different forms of non-profit – social housing were made primarily through Solidarity Housing Construction Funds (SHCF). As of 1990 onward, through the SHCFs the state had invested between 150 and 200 million Euros into solidarity housing construction, 80% of which were allocated over the period 2003-2004.³⁹⁾ In that period, transactions in the value of between 600 and 800 million Euros were made via the SHCFs for apartment purchase or housing loan subsidies.⁴⁰⁾ Majority out of 15,000 apartments built through the SHCFs are located in Belgrade (around 8,500) and the SHCF still exists and garners certain income from repayment annuities for the allocated apartments. In the meanwhile, as the state subsidies had ceased, most SHCFs were either shut down or had managed to integrate into the newly established city housing agencies.

The analysis of the present situation conducted as part of the 2009 National Social Housing Strategy drafting process unequivocally showed that the housing programmes implemented in Serbia with donor assistance over the last 15 to 20 years, most of which had provided object subsidies pertaining to different housing construction costs, are not sustainable in the long term.⁴¹⁾ In most cases, the apartment occupants only pay the utilities (costs of power, water, gas or heating supply, and waste collection services) or are using, pending on their income, some subsidies provided by the local self-government for this purpose, while the actual housing expenditures (depreciation, investment and ongoing maintenance, insurance) are not covered by anyone but rather billed as general building repair and maintenance costs.

The problem is that these apartments, purchased 'free of charge', are often wrongly believed to cost nothing also in the exploitation phase. Long-term, this 'free of charge' occupancy is economically unsustainable and creates a bad habit and flawed understanding that it is possible to reside somewhere without paying the housing expenditures even after the financial situation of the household improves.⁴²⁾

³⁶⁾ dr Djordje Mojovic, Vlastimir Carnojevic, Zivorad Stankovic. **Lokalna stambena politika** Osnovne informacije i mogućnosti razvoja javne intervencije u oblasti stanovanja u gradovima Srbije, Beograd 2009. [**Local Housing Policy: Key Information and Options for the Development of Public Housing Sector Interventions in Serbian Cities, Belgrade 2009**].

³⁷⁾ dr Djordje Mojovic, Vlastimir Carnojevic, Zivorad Stankovic, Ibid

³⁸⁾ Serbian Housing Agency Newsletter, Belgrade, June 2013

³⁹⁾ dr Djordje Mojovic, Vlastimir Carnojevic, Zivorad Stankovic, Ibid

⁴⁰⁾ dr Djordje Mojovic, Vlastimir Carnojevic, Zivorad Stankovic, Ibid

⁴¹⁾ The National Social Housing Strategy, "RS Official Gazette", No. 13/2012

⁴²⁾ The National Social Housing Strategy, "RS Official Gazette", No. 13/2012

As a new area, social housing got its legal grounds relatively recently – in 2009 by the adoption of the Law on Social Housing.

The Law on Social Housing sets the foundations for the strategic and institutional elements of the social housing system in Serbia. It regulates the scope of work of the entities eligible to deal with the housing matters pursuant to the Law (Article 2); obligation of the Government to pass the National Social Housing Strategy, stipulating the social housing development objectives, and the sources and the manner of ensuring the funds for its implementation, as well as the Action Plan making the Strategy objectives operational (Article 5); methodology of implementation of the Strategy and the Action Plan by means of social housing programmes (Article 6), setting the priorities, the criteria for use, as well as the conditions for the approval and repayment of funds (Article 7); division of competences between national and local level (Articles 5, 6, 12, 13, 16); the system of non-profit housing associations, as well as the investment framework for the social housing development (Articles 11, 12, 13, 16); directing and control over the non-profit housing associations (Article 14); the allocation criteria (Article 10); and the purpose of use of social housing funds (Article 9).

However, this is a framework law and only the application of the bylaws, as well as the implementation of the Strategy, Action Plan, and the programmes is to reveal any shortcomings that couldn't have been seen before full enforcement of the law.

Pursuant to the Law on Social Housing, in 2012, the Government of Serbia had adopted the National Social Housing Strategy aimed to provide the conditions for sustainable social housing development in the Republic of Serbia. The Strategy sets long and medium-term objectives of the social housing development, which correspond to the regional, overall economic and social development, the sources and the manner of ensuring the funding for the implementation of the Strategy, social housing development and other elements of relevance for social housing.

The National Social Housing Strategy defines the main objectives of the social housing policy of the Government of Serbia, as well as the appropriate measures and priorities aimed at achieving the objectives. The Strategy constitutes a framework for the adoption of specific programmes (short-term and annual) that will be used as the basis for the adoption of financial plans and mobilise different sources of funding. The National Social Housing Strategy foresees different programmes for construction and acquisition of social dwellings, as well as the programmes of subsidising the housing expenditures for the poorest population groups. Only once having reviewed the individual medium-term and annual programmes it will be possible to assess the value of the Strategy.

The Strategy foresees the establishing of the Serbian Housing Agency as a development and expert body that, in accordance with the Law on Social Housing ("RS Official Gazette", No. 72/09) and the Law on Public Agencies ("RS Official Gazette", No. 18/2005 and 81/2005 – corrigendum), would be responsible for the implementation of the National Social Housing Strategy and the Law on Social Housing.

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

In July 2011, the Government of the Republic of Serbia had established the Agency in order to create the institutional framework aimed at ensuring the preconditions for the social housing development, as well as for ensuring and using the funds intended for this purpose.

The primary task of the Agency is to direct its activities toward fund-raising, as well as toward the non-profit housing associations licensed by the ministry in charge of housing (hereinafter: NPHAs) that will manage the construction of the dwellings intended for social housing in the territories of the municipalities or cities of their seat.

The constructed dwellings should be allocated based on the predetermined criteria to the highest ranked persons in public tenders for the allocation of rentals (without having the right to become the owners of these dwellings) or the persons who acquire the right to own the apartments intended for sale under non-profit conditions.

Based on the expression of special housing needs of a certain population group, such as persons with disabilities, Roma, etc., the Agency develops specialised social housing programmes. The specialised programmes determine the scale of the required funding, as well as all other issues of relevance to the implementation of the project of constructing apartments for the population group (e.g. special criteria and conditions for the allocation of apartments).

Once the Government of the Republic of Serbia adopts all individual social housing programmes, the Agency takes over as key player in their implementation – it manages the funds allocated for implementation of adopted programmes, provides expert and technical assistance to the national housing associations that manage the construction of the dwellings in the territory of their respective city or municipality.

The role of the Agency is especially important in terms of controlling that all funds it had allocated to other stakeholders as part of implementation of individual programmes are used for their intended purpose, and especially making sure that the implementation and construction of the planned number of dwellings is efficient and that they meet the required quality.

The Agency's activities of relevance to the final social housing beneficiaries include the technical and expert assistance it provides to the NHAs related to the selection of final social housing beneficiaries, as well as all necessary measures the Agency takes to control that the regulated selection criteria, as the criteria for the allocation of apartments to be rented or purchased by chosen beneficiaries, are respected.

The end result of the Agency's efforts is to create and maintain the type of social housing system which would enable the Republic of Serbia, through cities and municipalities where the activities are led by the NHAs, to build an adequate number of dwellings which would become the property of the cities and municipalities and form a lasting publically owned housing stock used to meet, permanently and to the appropriate extent, the housing needs of the population groups who, out of socially justifiable reasons, are unable to meet them in the real estate market.

The Agency uses the revenue collected from rent and other sources to set up a special fund for social housing purpose, in accordance with the Law on Social Housing.

The city/municipal housing agencies (CHA) as a new institutionalised form of the social housing system at the local level sprung from the initiative of the cities of Kragujevac and Nis aimed to transform what were at the time city solidarity housing construction funds. Through the SIRP programme⁴³⁾ the idea was further developed and the concept used for the establishing of one of key elements of the future social housing system. The first Agencies were formed in 2004 in Kragujevac and Nis, followed by other cities involved in the SIRP programme (Kraljevo, Čačak, Valjevo and Pančevo) and, in 2009, also Kikinda and Smederevo. These housing agencies have inherited the assets of the solidarity funds and continue to collect the annuities from the already allocated solidarity apartments.

CHAs led the process and the preparations on behalf of the city administrations, while the assemblies adopted local housing strategies most of which are still very much applied.

Despite the lack of expected financial and institutional support from the national level, some of these agencies are already affirmed in their respective local communities and handle significant local budget funds.

Most of the eight (8) existing CHAs are founded as public companies. According to the mostly uniformed statutes harmonised with the provisions of the Law on Social Housing that concern the non-profit housing associations, the CHAs are:

1. **Creating the necessary prerequisites for the housing policy development** through screening and analysis of the available housing stock, determination of the realistic housing needs, preparation of programme proposals, data collection, setting up the public housing stock registry, etc.;
2. **Managing the projects of construction of the housing units for rent or subsidised sale** through the provision of the necessary investment and technical documentation, finding the appropriate construction sites, and operational implementation of the approved investment construction projects;
3. **Preparing the programmes of sale and purchase of apartments** and construction of offices for city needs if so regulated by the urban plan applicable to the structure being built, as well as coordinating with other construction efforts aimed to meet the housing needs of the citizens;
4. **Implementing the local social housing policy;**
5. **Managing and maintaining the publically owned rentals:** collecting rent, subcontracting the maintenance works to utilities and other companies;
6. **Servicing mortgage loans for the beneficiaries purchasing apartments:** collecting annuities and transferring funds by sources;

⁴³⁾ "Settlement and Integration of Refugees Programme in Serbia", a 15 million Euro programme funded by the Italian Government.

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

7. **Developing new social housing funding programmes:** rehabilitation of the present housing capacity, public-private partnerships, etc.;
8. **Handling the relations with final beneficiaries:** collecting and administering the applications for allocation of apartments, organising panels for selection of beneficiaries, making contractual arrangements for renting or purchasing apartments or for awarding subsidies, collecting rent and other activities in cooperation with the social care institutions, the commission for refugees and city administration;
9. **Developing and improving the activities** for which the company had been established.

In accordance with the Law on Social Housing, the definition of non-profit CHA operations entails that any potential profit garnered must be reinvested in its primary purpose – funding housing programmes. The number of CHA employees varies and mostly depends on the scope of work, i.e. the realistic political support earned by the systems within their respective administrations. In 2008, the agency with fewest employees was that in Čačak (2) and the one with the most that in Nis (16).

One of the main impediments to the social housing development is lack of stable and sustainable source of funds. Direct public sector investments were small and sporadic, which is an insurmountable problem for the social housing development, and in the current situation there is no interest of private sector stakeholders to get involved in the non-profit housing sector under the presently offered conditions.⁴⁴⁾

There are no housing support mechanisms for the households with median and low income or the poorest population and there were no systemic efforts over the last twenty years to have them developed.⁴⁵⁾

The least financially demanding measure aimed at decreasing the housing expenditures are tax reliefs, so the appropriate tax mechanisms are mostly directed toward the affordable housing sector. Given that it assists the lower-income population, social housing, for the most part, enjoys privileged tax treatment.

At the moment, there are certain tax reliefs for first-time buyers in form of VAT refund to the buyer upon paying out the full amount to the seller either from own funds or from commercial loans. This means that the tax relief can be used by the households with higher income that can either afford to buy an apartment with cash or are creditworthy.

Another significant obstacle to the social housing development in Serbia is a massive disproportion between the market apartment prices, i.e. housing expenditures, and the income of the households. Considered on annual basis, the ratio between the average net earnings and average price of an average-size apartment is around 1:18 if the apartment paid in cash and 1:29 for loan purchases. These figures are the best illustrator of how unaffordable accommodation is in the Republic of Serbia. The rule would have it that whenever this ratio higher than 1:5, it is necessary to introduce subsidies or other financial measures to make the dwellings more affordable to the households.⁴⁶⁾

⁴⁴⁾ The National Social Housing Strategy, "RS Official Gazette", No. 13/2012

⁴⁵⁾ The National Social Housing Strategy, "RS Official Gazette", No. 13/2012

⁴⁶⁾ The National Social Housing Strategy, "RS Official Gazette", No. 13/2012

Given the fact that the full housing expenditures in relation to average income are high, the public sector (state and local self-government, non-profit housing associations, etc.) are aiming to reduce them with different housing policy measures and concurrent to the proclaimed public interest that may encompass both meeting certain social and certain development-related objectives.

The effects of the housing policy measures taken over the last five years as part of the programmes of subsidizing housing loans, combined with the tax reliefs for first-time buyers, and subsidizing the construction loan interest, have led to decrease of the housing expenditures but actually helped only the financially solvent households with income far above the average.

Reductions on the purchase end were only minor and had to do with the reduction of interest for construction investors achieved by the state subsidising a part, up to 7-8 percent, of the housing construction loans the banks give to investors. The reductions were more significant related to consumption and include VAT return to first-time buyers and reduction of interest through subsidising the participation interests in housing loans insured through the NMIC.

5.6. Social housing in Croatia

Following the political changes of the 1990, already the first democratic Government of the Republic of Croatia had announced the implementation of a comprehensive housing reform and review of the housing rights.

The most important part of the housing reform implemented in the 1990s was a privatisation of 249,000 out of the total of 393,242 publically owned dwellings available in the territory of the Republic of Croatia in the early 1990s (around 63% of the total publically owned housing stock). The privatisation process did not include the apartments owned by the army and federal institutions at the time, dwellings on occupied territories, those devastated during the war, or nationalised and confiscated apartments.⁴⁷⁾

The apartments were sold at 10 to 15% of the market price, i.e. for symbolic amounts. The profit from sale of the apartments owned by the Republic of Croatia was to be allocated as 20% for the housing needs of the national body staff, 40 % for the purposes determined by the budget of the Republic of Croatia, and 40 % for building and repairing the housing units destroyed or damaged during the war.

As had been the case in other transition country, the sale of publically owned apartments led to change of ownership structure of the Croatian housing stock and this had pretty much determined the future course of the housing policy development.

Today, 83 % of the dwellings in the Republic of Croatia are privately owned or co-owned. Tenants and subtenants take up only 3.7 % of the population (according to official figures, realistically the number is certainly higher

⁴⁷⁾ The holders of occupancy rights for nationalised publically owned apartments joined in associations and undertook numerous campaigns to influence the authorities to grant them the right to buy-off the apartments.

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

than that), while there are 3.3%⁴⁸⁾ of the, so-called, protected tenants, who are the social housing beneficiaries in the conventional sense of the term (although the term as such is not recognised by the Croatian legislation).

There is no specialised piece of legislation regulating the obligation of the state to provide accommodation to socially vulnerable households in Croatia. Moreover, the category of social dwellings does not exist in the sense recognised by the developed countries. Indeed, the institution of housing units with protected rent somewhat corresponds to the term social dwelling, however the law only provides for the right to use such apartments but not the programmes to build new ones.

Several larger cities are making investments into social dwellings and allocate them based on social criteria to the households without housing, unable to secure it in another way. The occupants of such apartments obtain the status of protected tenants. As mentioned earlier, for construction of this type of apartments, the cities should use their own funds, i.e. the funds from sale of publically owned dwellings.

The rights and obligations related to renting and using the apartments are regulated by the Residential Tenancies Law adopted late 1996. The relations between the lessors and leaseholders are regulated by lease contracts. The law recognises protected and freely arranged rent.

Protected rent is determined based on the terms and criteria set by the Government of the Republic of Croatia. The terms and criteria are determined in accordance with apartment conditions, its usability, costs of maintenance of the shared building sections and equipment, as well as financial solvency of the leaseholder. It was decided that the protected rent cannot be lower than the amount needed to cover the costs of the regular building maintenance.

It is foreseen that protected rent may be paid by the tenants who used to have the legal status of a holder of occupancy rights and did not buy-off the apartment, who are using the apartment based on the provisions regulating the rights of Croatian war veterans, who are using the apartment built from the funds intended to provide housing for the persons of poor financial standing, or who are entitled to it based on specialised legislation.

The freely arranged rent is paid by all tenants ineligible to pay the protected rent under this Law. The Law stipulated that the rent freely arranged and regulated by the lease contract for indefinite period may not be changed during the first year of the contract. Pursuant to the Law, the rent may be increased only to be up to 20% higher than the average freely arranged rent in the given residential area. The Law lays down the cases in which the lessor is allowed to terminate a lease agreement for indefinite period, as well as a minimum period of notice to the leaseholder to vacate the apartment.

The city of Zagreb had passed a Residential Tenancies Rulebook that provides for the tender procedure for leasing out apartments. Based on this, every five years a tender is published for the allocation of publically owned housing

⁴⁸⁾ Institute for sustainable communities, "Ka pristojnim stanovima za siromašne i ranjive Analiza socijalnog stanovanja u zemljama Evropske unije, regionu i Srbiji" [*Toward Adequate Housing for the Poor and Vulnerable – Analysis of Social Housing in the European Union, Countries in the Region and in Serbia*], Belgrade, November, 2008

stock. The selection criteria include the “housing” status, social and health status (total per capita household income may not exceed 75% of the average monthly salary in a Zagreb household for the previous year⁴⁹⁾), duration of residence in the territory of the City, and participation in the war. The city’s public housing stock includes 1,218 dwellings for the most socially vulnerable categories of the population.⁵⁰⁾

There are no programmes of building publically owned rentals that, in line with the experiences of European countries, should be available for the households which, based on their income, are not entitled to social housing but which cannot afford an apartment at market prices either. The rent for these apartments is higher than that for social dwellings and lower than the open market rent.

Given the proportions of the broader circles of urban population in Croatia who are without proper accommodation and who cannot afford it, it is necessary to adopt a law that would encourage the construction of social dwellings and publically owned rentals.

The most fundamental housing programme is the Socially-Supported Government Housing Construction Programme (POS) regulated by the Law on Socially-Supported Housing Construction and amendments to the Law. The programme aims to engage the local self-government units to start building apartments, with the assistance of state funds, at the cost of 910 Euros per square meter (with the loan repayment period of 30 years and 4% interest). All citizens of the Republic of Croatia are eligible to participate in the tender but the advantage is given to those who reside in the dwellings that are not their property. The banks apply the criterion of the financial solvency of potential applicants, while the other criteria are set by the city or municipality pending on the situation in that respective local self-government unit. The aforementioned shows that POS is not intended to assist the housing of socially vulnerable population groups but to facilitate apartment purchase by wider population and support the local economy. The programme has been criticised for departures from the practices supported by the World Bank and the European Union on account of the fact that, inter alia, local self-government units sell their land at as much as 40% higher prices, while the apartments built on the land become privately owned (and may be sold in open market).⁵¹⁾

The local self-government units provide subsidies for payment of rent and housing expenditures to the poorest citizens of Croatia.

As already mentioned, the housing contribution was abolished in the early 1990s but salary contributions at the rate of 0.7% continued to be collected until 1993 to subsidise the rents of socially vulnerable population groups and reconstruct the buildings destroyed or damaged during the war. The criteria for rent subsidies were set by the municipal administrative decisions. The

⁴⁹⁾ Tender for leasing out the apartments owned by the City of Zagreb, Official Gazette, 1 October, 2009

⁵⁰⁾ Institute for sustainable communities, “Ka pristojnim stanovima za siromašne i ranjive Analiza socijalnog stanovanja u zemljama Evropske unije, regionu i Srbiji” [*Toward Adequate Housing for the Poor and Vulnerable – Analysis of Social Housing in the European Union, Countries in the Region and in Serbia*], Belgrade, November, 2008

⁵¹⁾ “Jutarnji list” interview with Vladimir Krtalic, “POS je neodrživ u Europskoj uniji” [*POS is Unsustainable in the European Union*], 1 April 2007

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

number of beneficiaries of the rent subsidies in 1992 was assessed at 34,000, 12,000 of whom in Zagreb alone.⁵²⁾ The households were socially vulnerable. Already in 1993, the contribution was dropped and the subsidising of rents and housing expenditures transferred to the social care system.⁵³⁾

Within the framework of the social care system, i.e. the Social Programme, the entitlement to rent subsidies is acquired based on the inspection of household income and assets, and the size of the apartment where they presently reside, and the subsidies are funded out of state budget. One-off financial assistance for payment of utility bills was applicable to heating, water, power and gas supply, waste collection and other utilities, i.e. housing expenditures. The decisions on the allocation of this assistance were made by the Social Care Centres, based on the material and social circumstance of each individual household. The Centres paid the expenditures directly to the utilities companies. This right could have been used multiple times in a year, provided that the six-month level of the social minimum for the given household was not exceeded.

The adoption of the Law on Social Care (hereinafter: the Law) in 1998 abolished the Social Programme and with it the measures related to subsidising rents and housing expenditures.⁵⁴⁾

The Law introduced the institution of the right to support with housing expenditures. In literature, the right is referred to as subsidies for rent and housing expenditures, i.e. the housing allowance. Cities and municipalities were obliged to ensure a budgetary allocation for social care purposes equivalent to at least 5% of their revenues and the funds were used primarily to provide support with covering housing expenditures.⁵⁵⁾ The housing expenditures were determined by lease contracts and included rent and other costs related to housing and apartment maintenance. The protected rent, which is significantly lower than the freely arranged rent, could not be subsidised.⁵⁶⁾ The support could be approved only to the individuals or families whose income for the previous three months did not exceed the amount of sufficient means of subsistence.

These provisions clearly show that the housing expenditures support, in the case of subsidies rent, was given only to the leaseholder paying freely arranged rent or as they are colloquially referred to as subtenants, who had valid lease contract. Given the low threshold for eligibility for this support and the fact that the lessors were neither willing nor forced by tax or similar authorities to sign and verify the contracts with leaseholders, the implementation of this part of social care policy was problematic.⁵⁷⁾ The relevant authorities continued subsidising the already low protected rent, although without any legal grounds for this.

⁵²⁾ Gojko Bezovan, "Stanovanje i stambena politika u Hrvatskoj", Zagreb [*Accommodation and Housing Policy in Croatia*]

⁵³⁾ Gojko Bezovan, "Stanovanje i stambena politika u Hrvatskoj", Zagreb [*Accommodation and Housing Policy in Croatia*]

⁵⁴⁾ The earlier terms *lease* and *subletting costs* were replaced by the term *rent*.

⁵⁵⁾ Gojko Bezovan, "Stanovanje i stambena politika u Hrvatskoj", Zagreb [*Accommodation and Housing Policy in Croatia*]

⁵⁶⁾ Freely arranged rents in major cities were up to 20 times higher than the protected rents for the same quality apartments.

⁵⁷⁾ Bezovan, G., Zrinscak, S., (2001) Mogućnosti decentralizacije u socijalnoj politici i nova uloge lokalnih vlasti, *Revija za socijalnu politiku*, 8 (3-4) [*Possibilities of Decentralisation in Social Policy and New Role of Local Authorities*]

The citizens living in their own apartments or houses, regardless of their financial standing, were not eligible for support with payment of housing expenditures (such as power, gas, heating, water supply, etc.).

Only 1.8% of Croatian households use the housing expenditures support, and if adding the support related to heating costs to this than the number goes up to approximately 2.4% of the households.⁵⁸⁾ This housing policy instrument had a far less prominent role in Croatia than in other Central European transition countries.⁵⁹⁾

The average amount of the housing expenditures support grew constantly over the period 2000-2005 and in 2005 totalled 165 Kuna a month in average and covered 32% of the average household housing expenditures.⁶⁰⁾

The instrument of subsidising rents and housing expenditures in Croatia is residual in nature and cannot cause a major increase in the demand for apartments, as is the case in developed countries. The instrument is under-developed and subject to political will of the local authorities.

Generally put, the share of apartments entailing the protected rent in the total housing stock is low and, consequently, the number of users of this right is also quite limited. Furthermore, the rents for these apartments are extremely low. Until the end of 2005, they amounted to 1.56 Kuna/m² and were then increased by the Government to 2.36 Kuna/m². Such low rents are insufficient for the management and maintenance of the apartments⁶¹⁾ and, thus, cause losses for the owners, which is why some of the cities, as the owners, are considering selling them.⁶²⁾

The rents for the apartments entailing protected rent should be increased in order to cover the costs of management and maintenance. More decisive steps need to be taken related to tax control over rentals, which would contribute to having more lease contracts signed and, by default, more people entitled to subsidies in a transparent fashion.

6. SOCIAL/AFFORDABLE HOUSING IN B&H

6.1. General features of the development of social/affordable housing in B&H

In developing the social housing system, Bosnia and Herzegovina has taken the path typical for most countries in transition. According to the 1991 census, there were 1.1 million housing units in B&H, of which 26% were so-

⁵⁸⁾ Gojko Bezovan, "Stanovanje i stambena politika u Hrvatskoj", Zagreb [*Accommodation and Housing Policy in Croatia*]

⁵⁹⁾ József Hegedüs: Housing affordability issues in Eastern and Central European countries

⁶⁰⁾ Gojko Bezovan, "Stanovanje i stambena politika u Hrvatskoj", Zagreb [*Accommodation and Housing Policy in Croatia*]

⁶¹⁾ Gojko Bezovan, "Stanovanje i stambena politika u Hrvatskoj", Zagreb [*Accommodation and Housing Policy in Croatia*]

⁶²⁾ Private owners of similar apartments in Poland had initiated the proceedings before the European Court of Human Rights that ruled in favour of the breach of property rights, meaning that the rents should be increased to become economically justifiable (www.echr.coe.int). This decision will affect the policy of setting social rents in transition countries.

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

cially owned, and 74% were privately owned. Socially owned apartments were mostly concentrated in major cities. The average size of socially owned housing units was 60.45 m² per household or 16.68 m² per occupant.⁶³⁾

Social housing rent was very low and there was hardly any need for subsidies.⁶⁴⁾ Emphasis was placed on subsidisation of housing costs (electricity, water, heating) which had an ideological dimension. The subsidisation system was implemented at the local level and involved a compulsory means test. Ideologically, subsidies were justified in terms of care for the living standards of the working class, while in practice these subsidies were mainly given to already subsidised tenants occupying socially owned apartments. Tenants living in privately owned apartments were not eligible for subsidies because they did not have lease contracts.

It was only in the late 1980's that the debates started about the need to provide subsidisation of housing costs for persons living in their own apartments. However, no changes to this effect were made in the law.⁶⁵⁾

Socially owned housing units were mainly located in multi-family residential buildings, in which occupancy rights holders had the same rights as private owners. Occupancy rights were inherited and could be exchanged for other occupancy rights. So the socially owned apartment rent model characteristic of democratic Western societies and based on market economy did not exist in former Yugoslavia. Actually, we can say that the pre-war housing system knew some form of controlled and limited private ownership.

Dissolution of the SFRY and the breakup of the socialist system resulted in a loss of interest by political elites in housing policies and, consequently, mass privatisation of the socially owned housing stock, worsening of construction and maintenance standards, reduction in total value of the housing stock, reduced investments in construction of apartments, problems in access to apartments, i.e. inability of a significant portion of the population to afford adequate housing, and a rise in unregulated, illegal construction.

Statistical data for the volume and structure of the housing stock in B&H is not available at the moment.

Of the 1.1 million housing units recorded in B&H in the 1991 census, it is estimated that approximately 453,000 housing units, or 42% of the pre-war housing stock, were destroyed in the conflict that took place from 1991 to 1995.⁶⁶⁾ Of this number, around 100,000 housing units suffered minor damages⁶⁷⁾, 270,000 housing units suffered medium damages, while the remaining 80,000 housing units were completely destroyed.⁶⁸⁾

⁶³⁾ "Usporedna analiza pristupa pravima izbjeglica i raseljenih osoba", [*Comparative Analysis of the Approach to Rights of Refugees and Displaced Persons*], B&H Ministry of Human Rights and Refugees, December 2005

⁶⁴⁾ Rent for an average apartment was often lower than the TV subscription fee.

⁶⁵⁾ Gojko Bežovan, "Stanovanje i stambena politika u Hrvatskoj", [*Housing and Housing Policy in Croatia*]

⁶⁶⁾ B&H Ministry of Human Rights and Refugees, Revised Strategy of B&H for the Implementation of Annex VII Of the Dayton Peace Agreement, Sarajevo 2010.

⁶⁷⁾ The level of damage was up to 20% of the building value

⁶⁸⁾ B&H Ministry of Human Rights and Refugees, Revised Strategy of B&H for the Implementation of Annex VII Of the Dayton Peace Agreement, Sarajevo 2010.

Considering the importance of public/government owned apartments in the development of social housing in Europe (over 90% of housing units rented under subsidised terms are in social/government ownership), this study attempted to establish the facts about the socially/government owned housing stock as the foundation for the development of social housing in B&H, i.e. renting apartments under subsidised terms.

The term public/government-owned refers to all housing units⁶⁹⁾ owned by government institutions⁷⁰⁾ or local self-governance units (municipalities).

Due to the absence of housing stock statistics for B&H, exact data for the current socially/government owned housing stock is also not available. Namely, the competences for housing policy in B&H are completely fragmented and decentralised. In Republika Srpska, competences for housing policy are divided between relevant ministries in the Government of Republika Srpska and local self-governance units, while in the Federation B&H these competences are divided between cantons and local self-governance units. In certain cantons, housing policy competencies rest on the relevant ministries responsible for housing policy, while in others these competencies are fully delegated to the municipalities.

The exact number of socially/government owned housing units will be known only when the results of the 2013 B&H census become available.

According to the results of field research conducted as part of this study, the average size of apartments remaining in social/government ownership is 44.27 m². The average size of households using socially/government owned apartments is 2.66 m², indicating that in the existing social housing model in B&H the average floor space per occupant amounts to 16.67 m².

The current socially/government owned housing stock available for rental to certain social categories under non-market terms, and as such representing different forms of social housing, consists of 3 types of housing units: a) Apartments not claimed during the apartment privatisation process and returned to the municipality pursuant to Article 13 of the Law on the Cessation of Application of the Law on Abandoned Apartments (Official Gazette of FBiH, no. 28/05, 2/08); b) Apartments constructed using joint funding by international donors and local communities as part of different programmes supporting the implementation of Annex VII of the Dayton Peace Agreement and as such registered as property of local communities – municipalities and cantons; c) Apartments financed from entity government budgets in order to address the needs of the most vulnerable social groups (mainly families of soldiers killed in the war and war veterans with disabilities, families with children with special needs, etc.).

Non-privatised apartments

During the course of the war in B&H, certain regulations were adopted with the aim to put an end to the institute of social ownership – the Law on Transformation of Social Ownership (Official Gazette of RB&H, no. 33/94),

⁶⁹⁾ All buildings designated for residential use and registered as such in the cadastre.

⁷⁰⁾ Institutions of the State of B&H, Federation B&H, RS and Brcko District, and cantonal institutions in FBiH.

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

which stipulated that on the date of its coming into effect the Republic of B&H will assume ownership of all socially owned property.

On the other hand, with the same goal Republika Srpska adopted the Law on Transfer of Social Assets to Government Ownership (Official Gazette of RS, no. 4/93, 29/94, 31/94, 9/95, 19/95, 8/96 i 20/98). This Law stipulates that all social property in the territory of RS becomes government property. In 2007, the RS National Assembly produced an authentic interpretation of this Law (Official Gazette of the RS, no. 74/07), which states that all property that became government property pursuant to Article 3 of this Law will be registered in land records as property of RS.

The fact remains that both laws were signed before the signing of the Dayton Peace Agreement, and the Constitution of B&H, which resulted in certain practical dilemmas which have not been solved to date.

Adoption of the Framework Law on Privatisation of Companies and Banks in B&H (Official Gazette of B&H, no. 14/98) started the process of privatisation of public property. Privatisation of public property was carried out in four stages, as follows: privatisation of enterprises, privatisation of banks, privatisation of housing units and privatisation of constructed land plots.

The process of privatisation of housing units included the entire government owned housing stock throughout B&H. However, each entity applied its own privatisation model.

Privatisation of government owned housing units in FB&H was regulated by the Law on Sale of Apartments Subject to Occupancy Rights (Official Gazette of FB&H, no. 27/97, 11/98, 22/99, 27/99, 7/00, 25/01, 61/01, 15/02, 54/04, 36/06, 51/07, 72/08 i 23/09). In Republika Srpska this was the RS Law on Privatisation of Public Apartments (Official Gazette of the RS, no. 11/00, 18/01, 35/01, 47/02, 65/03, 03/04, 70/04, 02/05, 67/05), and in Brčko District the Law on Sale of Apartments Subject to Occupancy Rights of Brčko District (Official Gazette of BDBIH, no. 10/02, 17/04, 41/06 and 19/07).

Privatisation through certificates, as the method employed in the Federation B&H, completely favoured occupancy rights holders and did not result in any income for FBiH. On the other hand, privatisation of the government owned housing stock using vouchers, the method employed in the RS, had somewhat better results but both methods can be seen as methods for distributing publicly owned housing stock, because the financial effect of privatisation of the RS housing stock also did not exceed 10-15% of its actual market value.

The result of privatisation is an almost complete disappearance of the government owned housing stock.

The Law on the Cessation of Application of the Law on Abandoned Apartments in FBiH stipulates very clearly that if the owner of the housing unit is an enterprise that has been privatised or has ceased to operate and was deleted from the registry of companies, disposal rights for any such unclaimed housing units will be transferred to the municipality where the housing unit is located. Actually, this means that privatised companies had to let the municipalities determine how such apartments would be allocated to certain population categories, whereby the occupants would then have the right to purchase

these apartments pursuant to the Law on the Sale of Apartments, which practically continued the process of selling-off of publicly owned housing stock. In practice, the majority of these housing units are being used for temporary housing of refugees and displaced persons, pursuant to different decisions reached by the competent ministries. It is almost impossible to establish the actual number of these apartments, their status or the actual structure of the population that uses them. There is no central registry of such apartments neither at the B&H State level nor at the entity level. The cantonal governments we visited in the course of preparation of this study did not have records or a complete overview of the housing stock in their respective territories.

Apartments constructed through assistance from the international community in support of implementation of Annex VII of the Dayton Peace Agreement

International donor and credit funding that reached B&H mainly through programmes aimed at supporting the implementation of Annex VII of the Dayton Peace Agreement have been used to construct a certain number of new apartments that were intended to address the needs of certain categories in the refugees and displaced persons category whose housing needs could not be addressed through other models of support to the return process in B&H.⁷¹⁾ Upon completion of construction works, these apartments were commonly registered in the municipal or cantonal balance sheets. A feature of this model of construction of social housing is that international non-governmental organisations found themselves in the role of implementers of such projects, taking full responsibility for contracting and supervision of construction works and moderation of the beneficiary selection process for allocation of these apartments, in cooperation with other local stakeholders. According to our research, approximately 300 such apartments were constructed with the assistance of international non-governmental organisations (mostly CRS and Hilfswerk Austria International). These apartments are now owned by local communities and construction of around 60 new apartments is currently underway. A legal feature of this category of government owned housing is that, according to donation agreements signed with local institutions and under which these local institutions took ownership of the constructed housing units, these housing units are subject to an embargo on privatisation for a certain number of years. Specifically, local partners (usually cantonal or municipal administrations) have made a commitment in the donation agreement that, for a specified number of years, they will not alter the purpose of these housing units or privatise them pursuant to the Law on Privatisation. Regardless of the fact that there is a real possibility that this category of government owned apartments would be privatised upon expiry of the contractual limitation⁷²⁾, in the coming 20-30 year period this group of apartments actually represents the most solid foundation for long-term development of social housing in B&H.

⁷¹⁾ Housing projects for users of collective/alternative accommodation financed from the Return Fund of B&H

⁷²⁾ Contracts for transfer of ownership to municipalities stipulate that apartments may not be privatised for a certain number of years (15-20 years).

Apartments financed from the local budgets

The third model used for construction of the present social housing stock in B&H was construction of new government owned housing financed from the budgets of entity or cantonal governments. Under this model, entity and cantonal governments were directly responsible for implementation of these projects, i.e. taking care of contracting of works and supervision as well as beneficiary selection. This mainly involved different entity housing programmes aimed at addressing housing needs of certain socially vulnerable categories, such as war veterans, families of soldiers killed in the war or left with disabilities, families with children with special needs, etc. Although in a large number of cases the relevant political decisions have not been made yet, there is widespread belief that this social housing stock financed from the local budgets will eventually be privatised and that these population categories will be given an opportunity to buy the apartments under subsidised terms.

Our estimate is that approximately 2,000-2,200 apartments were constructed using this model.

The analysis of the current legal framework in B&H strongly indicates that the process of transitioning from the previous 'socialist' housing model to a social housing model resembling the Western European type is still not finished and that, with the existing legal framework, it will be very difficult to develop a serious social/affordable housing system typical for Western Europe, i.e. based on contractual leasing of socially/government owned housing units to population categories that cannot afford housing under commercial market conditions, which would address the needs of B&H citizens in a significant manner.

6.2. Existing social/affordable housing models in B&H

BiH does not have the legal or institutional frameworks, at state or entity levels, that defines housing policy in B&H. Therefore, we cannot talk about existence of any particular model or models of social housing.

If we exclude this issue from the jurisdiction of the State of B&H, which, other than jurisdictions related to fiscal support measures (e.g. tax reductions for the construction sector), does not have significant competencies relevant to the housing policy, issues related to the development of social housing remain under jurisdiction of the entities, cantons and municipalities.

Although the current legislation does not explicitly prevent development of social housing, it is extremely difficult to identify a path through the 'thick forest' of limiting regulations (limitations on disposal of public property, limitations imposed on local self-governance units' budget expenditure and borrowing, issues with urban construction land, etc.), which is why few municipalities opt for this type of construction. Still, some municipalities have demonstrated in practice that implementation of such projects depends on serious political will and the skills and abilities of municipal leaders.

Existence of certain practices in social housing in B&H is mainly related to activities performed in the context of implementation of Annex VII of the

Dayton Peace Agreement, i.e. support to return and reintegration of refugees and displaced persons in B&H.⁷³⁾ These activities were implemented with financial support from the European Union and other international donors, as well as substantial financial contributions from municipal administrations and cantonal and entity governments.

The absence of legal and institutional frameworks for housing policy in B&H has forced local government institutions and international civil society organisations to turn to specific ad-hoc models with regard to construction, terms of use, beneficiary selection, management and maintenance of housing units in cooperation with local stakeholders in order to be able to implement their programmes effectively. This is the reason why current practices cannot be viewed as several different models.

The following table provides an overview of existing practices in social housing in B&H:

⁷³⁾ There is a small number of social apartments constructed as part of other projects, but their number is almost negligible.

EXISTING PRACTICE	DESCRIPTION	BENEFITS	WEAKNESSES
Urban housing model with combined beneficiary structure	Newly constructed housing units financed by international donor funds and subsidised by local self-governance units	- Mixed beneficiary structure - Introduces the social inclusion system and reduces social stigmatisation - Allows returnees/beneficiaries using housing units to start their own small business	- Long-term sustainability (portion of housing cost is accumulated in an investment account, i.e. provision for depreciation of housing units) - Adequate management mechanisms⁷⁴⁾ - Questionable sustainability of small businesses due to location
Urban model of social housing for particularly marginalised social groups	Housing for particularly marginalised social groups (single parent households and Roma families)	Support to particularly vulnerable social groups	- Concentration of particularly vulnerable social groups may lead to increased stigmatisation and poverty - Long-term sustainability (portion of housing cost is accumulated in an investment account, i.e. provision for depreciation of housing units)
Urban model of social housing for particularly marginalised social groups	Permanent housing for the weak and elderly from collective centres and alternative accommodation	Support to existing forms of social services and care	- Independent living without additional healthcare, social services and care is not possible - Long-term sustainability (healthcare and social protection systems cover only a portion of the total housing cost, while the majority of costs are accumulated in an investment account, i.e. provision for depreciation of housing units)
Urban social housing model for the elderly with additional healthcare and social services	Social housing model for the elderly	- Support to existing forms of social services and care - Day-care is financed by the ministry responsible for social affairs	- Independent living without additional healthcare, social services and care is not possible - Long-term sustainability (healthcare and social protection systems cover only a portion of the total housing cost, while the majority of costs are accumulated in an investment account, i.e. provision for depreciation of housing units))
Rural social housing model in support of the return process	Newly constructed housing units in rural communities aimed at supporting the return process	Support to sustainable return through engagement of beneficiaries in agricultural activities	- Long-term sustainability (full housing cost is accumulated in an investment account, i.e. provision for depreciation of housing units) - Requires significant local community investment in infrastructure - Adequate management mechanisms
Urban social housing model in support of the return process	Housing units not claimed in the privatisation process used for temporary housing of displaced persons and refugees	Support to the sustainable return process	- Long-term sustainability (full housing cost is accumulated in an investment account, i.e. provision for depreciation of housing units) - Poor culture of living and care for apartments - After temporary occupants vacate the apartment, apartments are left mostly unfit for further occupation
Urban social housing model in support of the return process	Newly constructed housing units financed from entity budgets aimed at permanent housing of displaced persons and the war veteran population. Apartments are used rent-free, with the option to buy under subsidised terms pursuant to the Law on Privatisation of State Owned Apartments	Support to the sustainable return process and permanent housing of the war veteran population	- Long-term sustainability (portion of housing cost is accumulated in an investment account, i.e. provision for depreciation of housing units) - Does not contribute to the long-term sustainability of social housing and expansion of public housing stock

⁷⁴⁾ Absence of clearly defined public housing policy and adequate legal framework represents a weakness in all existing practices (column: Weaknesses) listed in the table.

This overview of existing practices clearly shows that the employed solutions are ad-hoc and primarily aimed at addressing urgent return needs on the ground and provision of housing for particularly vulnerable social groups. The existing practices should therefore be viewed in this context.

It would be completely wrong to try to value existing practices in the context of results attained or as social housing models comparable to those existing in the neighbouring countries or the rest of Europe. All existing practices are a result of compromise between different factors: identified urgent needs, political priorities in terms of reintegration and reconstruction in B&H, donor requirements and individual programmes which financed the construction of these apartments, as well as the capacities, options, resourcefulness and priorities of the local communities. Each example of existing practices was the best solution available at the given moment and each one fully accomplished its objectives.

Every one of these ad-hoc models actually represents an experiment in itself and, other than the fact that they accomplished their objectives in terms of support to return of refugees and displaced persons, their major added value is that they can be used as valuable lessons for establishment of public housing policies at state or entity levels.

However, the following two elements present in existing practices should definitely be singled out as elements that require special attention in the context of any consideration of potential social/affordable housing models, due to the fact that they have the potential to slow down or even result in negative long-term impact on the development of social/affordable housing in B&H.

Firstly, there is the ongoing current practice of allocation of public/social apartments (regardless of whether these are newly constructed apartments or not) to certain beneficiaries with the right to buy them under subsidised terms pursuant to the Law on Sale of State Owned Apartments. Without delving into political, social or ethnic dimensions of the decision to proceed with selling the remaining government owned housing stock under subsidised terms, i.e. below its actual market price, or the fact that this involves sale of newly constructed apartments and those constructed before the war, the continuation of this practice would greatly impede development of the social/affordable housing system. In other words, even countries much better off than B&H cannot afford to solve housing needs of individual social categories in this manner (by selling off apartments below their real value). At the same time this practice would completely destroy any possibilities for development of other mechanisms for financing social housing in B&H.

The second problem evident in the existing practice is that a significant portion of housing costs goes towards depreciation of housing units, which makes the entire social/affordable housing system unsustainable in the long run.

Namely, any form of housing has its price, i.e. certain costs associated with occupancy. Housing costs include depreciation of the value of the housing unit, ongoing maintenance costs for the apartments, maintenance costs for common parts of the building, insurance costs, and building maintenance costs. For any housing model to be sustainable in the long term, it must start from the fact that housing costs must be borne by someone. As opposed to

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

commercial/market housing where the end user pays the full cost of housing regardless of title or ownership of the apartment, in social/affordable housing the state, partially or fully and depending on the model and circumstances, participates in housing costs. Any deviation from this principle jeopardises long-term sustainability of the social/affordable housing model because it fails to account for depreciation or maintenance needs. Thus it is only a matter of time before these housing units become unfit for adequate housing.

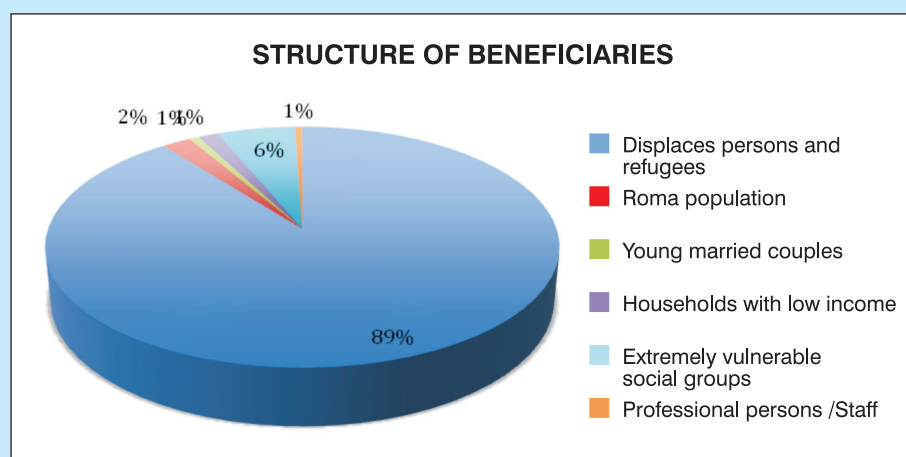
In all of these cases or sub-models that exist in B&H, a greater or lesser portion of costs goes toward depreciation and maintenance of housing units, which makes every one of these sub-models unsustainable in the long term. This is an inevitable consequence of such practice, as is apparent in the current situation in the Ilijaš municipality. Due to the fact that in the existing practice (generally, all apartments owned by the Ilijaš Municipality are leased to final beneficiaries free of charge) the municipality did not allocate nor did the state provide any form of subsidisation for depreciation and maintenance costs for these buildings, today almost 25% of buildings in the housing stock owned by the Ilijaš Municipality are unfit for further occupation.

6.3. Structure of beneficiaries of social housing in B&H

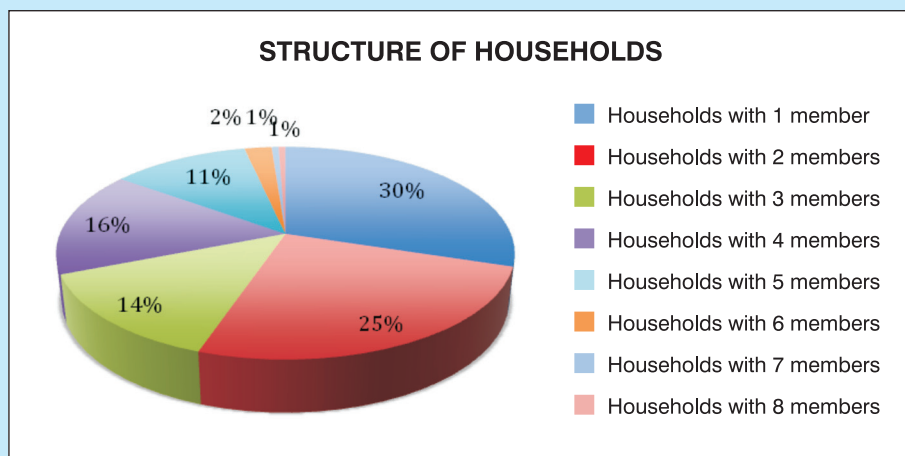
A field survey of social housing beneficiaries confirmed the findings presented in the introductory chapters of this Study, namely that the existing practices in social housing have developed mainly in support of implementation of Annex VII of the Dayton Peace Agreement and it is therefore no surprise that the beneficiary structure is dominated by 89.49% of refugees and displaced persons.

In addition to refugees and displaced persons, the groups somewhat represented in the social housing beneficiary structure are particularly vulnerable social groups with 5.66%, and the Roma population with 2.16%.

We should note here that this beneficiary structure was determined based on the primary criteria used in the apartment allocation process. This means that in the refugees and displaced persons category of beneficiaries there are some elderly persons and low income households, and some particularly vulnerable social groups, however the primary reason why they were selected as beneficiaries was the fact that they belong to the refugees and displaced persons group.

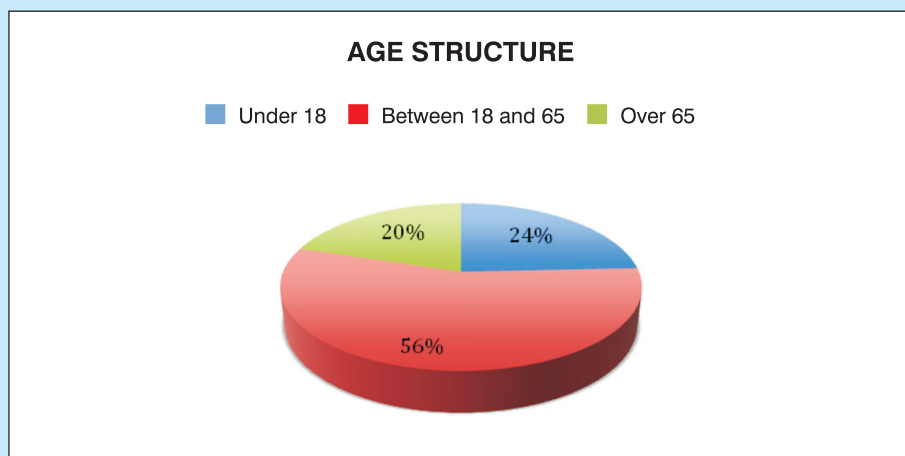


The average beneficiary household using social housing has 2.41 members. The largest number of households using social apartments have one or two household members. These households make up almost 55% of the total number of beneficiaries in these apartments.



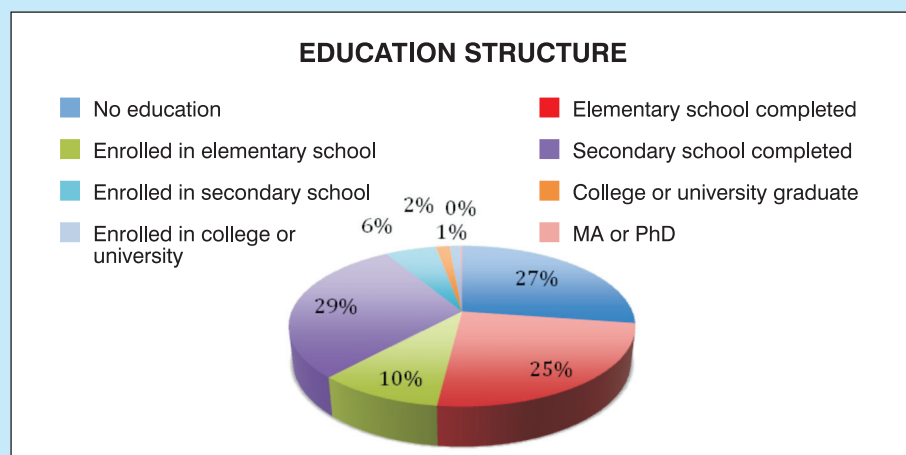
The number of households with 5 or more members represents only 14.94% of the total number of households using social housing.

In terms of age structure of these households, there are no substantial deviations from the average age structure in households in B&H.



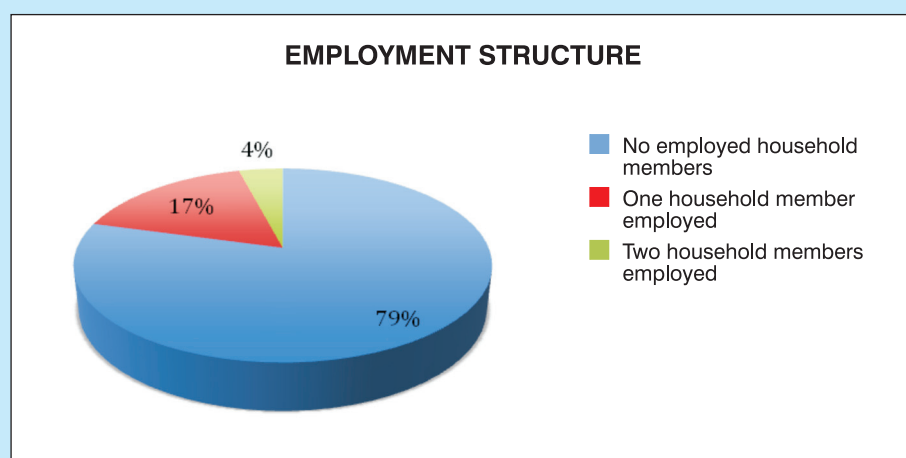
ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

In terms of education, the survey has shown that most households have lower levels of education.

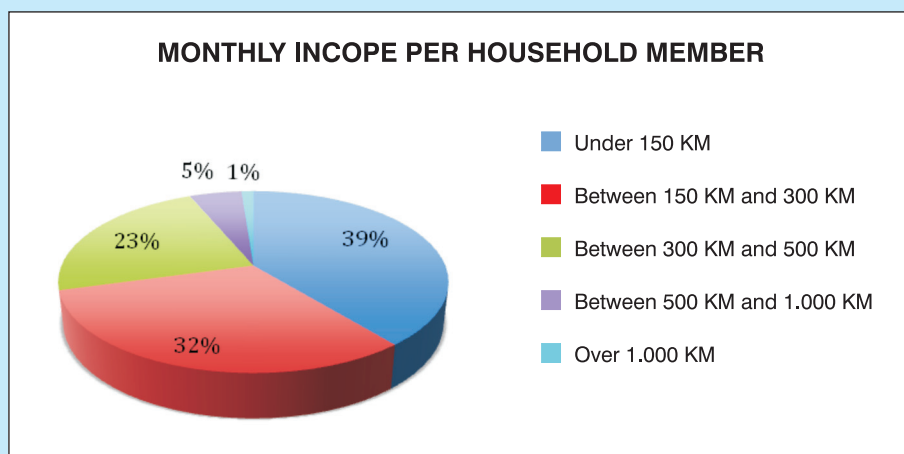


The survey has shown beyond doubt that the beneficiaries of social housing in B&H are mostly persons without any form of vocational qualification. Specifically, of the total number of respondents, 67.49% were educated to a level that did not provide any vocational qualification (primary school or less, or some secondary education). Only 1.8% of respondents stated that they have completed secondary or higher education.

In terms of social status of these households, the survey has shown that these are mostly households without employed household members (79.31%). Just 4.02% of households using social housing have two employed household members. The survey did not record any households with more than two employed household members.

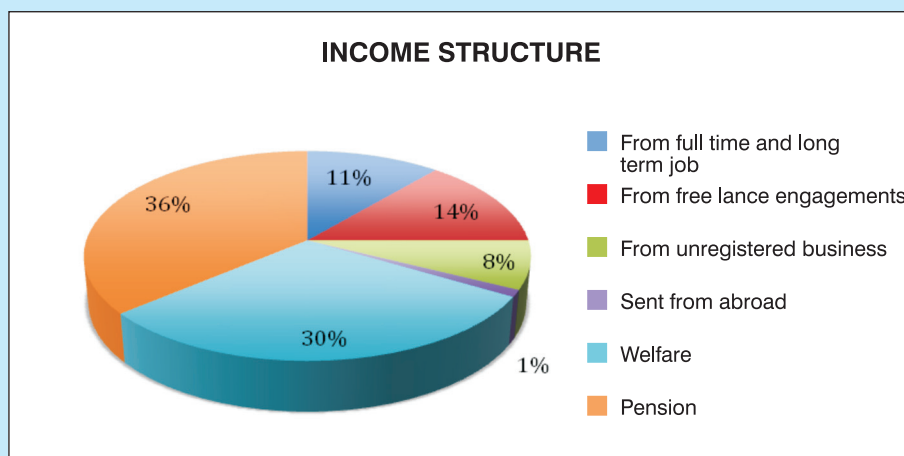


The social structure of households using social housing clearly shows that 39.08% of them live below the extreme poverty line⁷⁵⁾, while additional 31.61% live within the parameters defined as poverty.



Only 1.15% of surveyed households have incomes that can be considered satisfactory.

The largest number of households using social housing are financed by welfare assistance and retirement pensions (66.49%).



Only 11.7% are financed from full-time jobs, and 13.83% are financed from occasional jobs.

63.8% of households using social housing does not pay any rent, while the remaining 36.2% of households pays on average 43.60 KM in rent for an average size apartment (44.27 m²).

4.6% of surveyed households stated that they are exempt from paying the cost of water supply, 23.6% is exempt from paying the cost of electricity, while 33.3% are exempt from heating costs.

This survey demonstrates that social housing beneficiaries use a major portion of their modest incomes to pay for food, utilities and telecommunications.

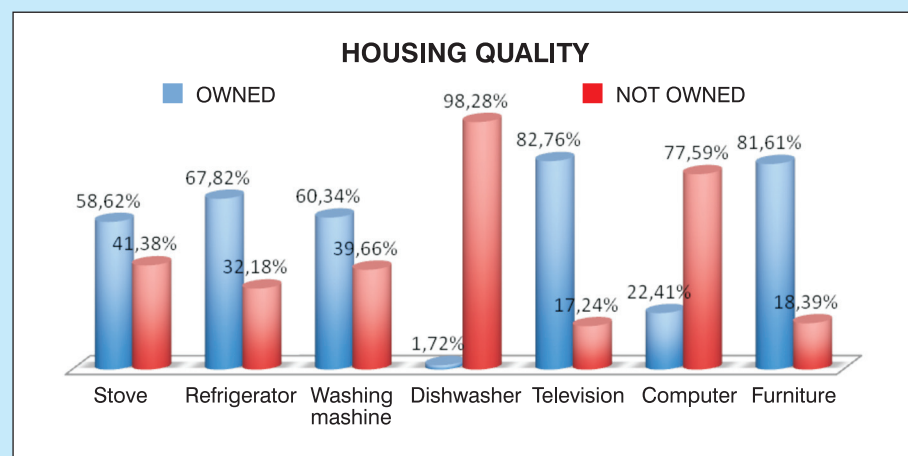
⁷⁵⁾ UN defines the extreme poverty line as households with expenditure of less than 4 USD per person per day.

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

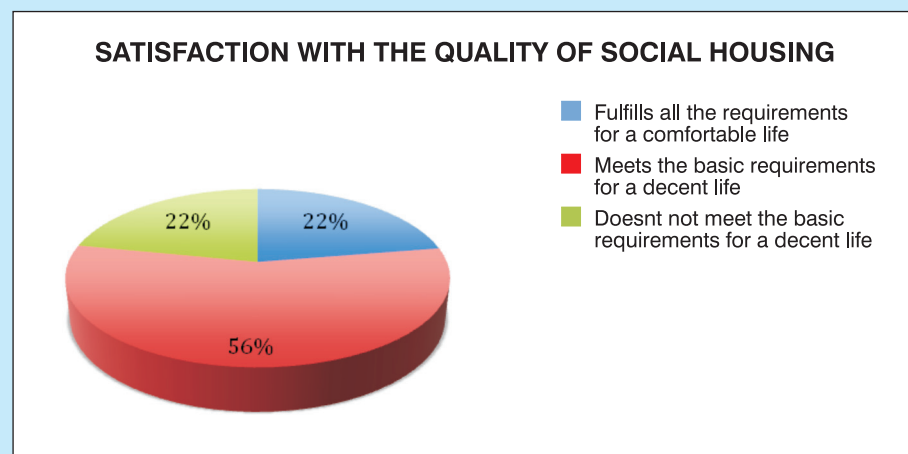
It is quite interesting that as many as 62.10% of households declared that they cannot afford to buy clothes, while 9.80% stated that they do not spend anything on hygiene.

Only 14.9% spends any portion of their income on education and training, while a worrying 99.40% of households does not spend anything on social pursuits (newspapers, books, theatre, cinema, sports, recreation).

In terms of quality of housing, the survey has shown that almost one third of beneficiary households do not have basic household appliances such as a stove, refrigerator, washing machine, television set or basic furniture.



When it comes to beneficiaries' assessment of the quality of provided housing, the majority of responses were positive.

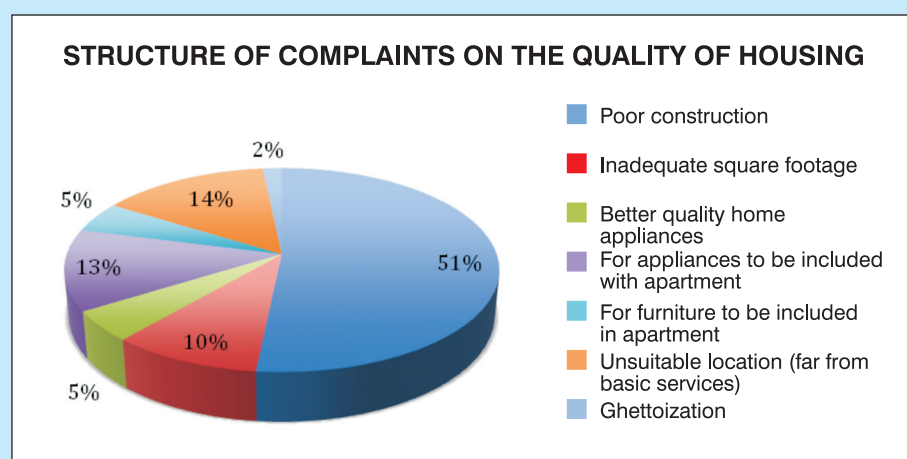


Specifically, 78.16% of households stated that the social apartments they are using provide all the basic requirements or comply with all requirements for comfortable and dignified living. Only 21.84% of households expressed their dissatisfaction with the quality of provided social housing.

Complaints can be divided into two sets. The first set relates to complaints directly related to the social housing system, such as quality of construction, apartment size, access to social services, quality of appliances in the apartment, etc.

The second set relates to different interpretations of the purpose of social housing. It is evident that some of the beneficiaries using social apartments believe that the society should take care of their other needs, not just provision of an adequate apartment, that are related to the quality of housing but are not necessarily addressed through the social housing system. Actually, this second set of complaints has more to do with the functioning of the social protection system in B&H and resolving these complaints falls outside the domain of social housing.

The largest number of complaints directly related to the social housing system is directed at the quality of construction, apartment size, access to social services, quality of appliances in the apartment, etc.

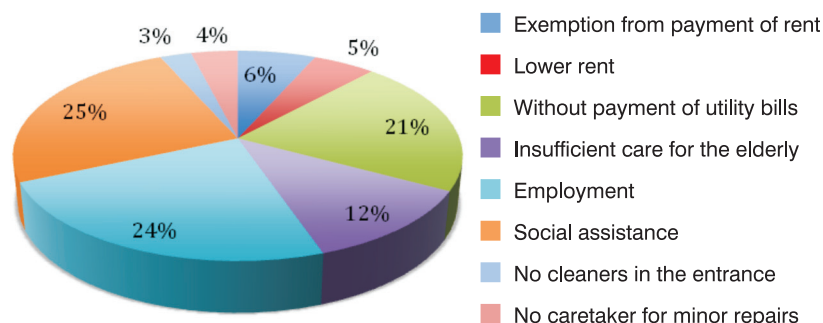


Of the total number of complaints in this set, 51% relates to the quality of construction of the building. This complaint should be taken seriously because 18.39% of surveyed households objected to the quality of construction of social apartments. The number of social housing beneficiaries complaining about the inadequate location in terms of distances to basic social services (healthcare institutions, pharmacies, shops, public transport) is also not negligible. 5.17% of surveyed households had this type of complaint.

With regard to the second type of complaints, they mainly concern exemption from payment of rent or utilities, lack or inadequacy of care for the elderly, and the need to provide jobs and welfare assistance through the social protection system to social housing beneficiaries. These complaints generally stem from the common belief in the B&H society that the state, through the social protection system, should provide not just completely free housing (including cleaning and maintenance of buildings) but also jobs and welfare assistance. Actually, these sorts of complaints speak more of the general state of social awareness in B&H and the unrealistic expectations held by a population that is unable to independently obtain adequate and appropriate housing under market terms, rather than the actual social housing practice.

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

STRUCTURE OF COMPLAINTS ON THE QUALITY OF HOUSING



What can be concluded from the second set of complaints is that none of the stakeholders, including international organisations that have put the most effort in the development of social housing, did not pay enough attention to working with target groups and potential social housing beneficiaries and raising their awareness about what the social housing system is and what it involves.

7. ASSESSMENT OF THE SOCIAL HOUSING NEEDS FOR DIFFERENT SOCIAL GROUPS IN B&H

In the making of this study we started from the conviction that, in addition to displaced persons and refugees, there are other social groups (according to international definitions) that need assistance from the society in solving their housing needs, i.e. which are unable to independently afford adequate housing under market terms.

As the available literature uses different classifications of social groups that use social housing, for the purposes of this study we adopted the classification system used in the study titled “Need of Social Housing in Bosnia-Herzegovina”, created as part of the EU-funded project “Follow Up on the Functional Review of the Return Sector in B&H” by Charles Kendall and Partners LTD and EURASYLUM. According to this classification there are 5 social groups that need to be included in the strategy for development of social housing in B&H:

- Refugees and displaced persons, including persons repatriated to B&H under readmission contracts
- Roma population
- Elderly persons
- Youth, in particular young married couples who are still unable to obtain their first real estate
- Households with very low income

This classification also adds another social group: professionals of the profiles particularly needed in the given local community.

The research team attempted to obtain reasonably accurate estimates of housing needs for these seven social groups in B&H. However, this was not a simple task because B&H does not have, at any government level, a ministry that is in charge of housing policy and which collates data and prepares estimates of social housing needs for individual population categories in B&H.

The vast majority of competent ministries at the B&H and entity levels do not prepare estimates of housing needs for individual social categories, which includes estimates of social housing needs, and these estimates are also not prepared by municipal administrations. Estimates of social housing needs for the above social groups have mostly been taken from various available studies and evaluations and strategic documents from international and local governmental and non-governmental institutions. The existing estimates, regardless of their accuracy and validity in the present moment, i.e. changes that occurred since the time when these estimates were made, are a very good indicator of the current situation in the housing sector in B&H and provide at least a general overview of social housing needs. These estimates must certainly be taken with some reserve, because they were prepared by different institutions and were often based on methodologies that have not been scientifically validated and that may not withstand scientific scrutiny. The research team did not try to validate the methodologies used by different institutions in making these estimates, because the actual accuracy of estimates is not as relevant for the purposes of this study as the fact that B&H has vast needs for adequate housing solutions for a vast number of its citizens and that social housing, same as in other countries, can represent only one of the instruments of housing policy used to address the needs of the B&H population.

7.1. Displaced persons and refugees

Annex VII of the Dayton Peace Agreement stipulates that the parties will respect the rights of refugees and displaced persons, in particular their right to return, as well as the right to reclaim their property and/or receive compensation. Although, evidently, major results were achieved in terms of implementation of Annex VII, there remains a large number of refugees and displaced persons as well as other victims of the conflict in need of a permanent solution. According to the data of the Ministry of Human Rights and Refugees of B&H, there are still 41,013 families or 125,072 displaced persons, of which 56,287 or 45% have been displaced in the territory of FB&H, 67,673 or 54.1% in the territory of RS, and 1,112 or 0.9% in the territory of Brčko District B&H.⁷⁶⁾ Many of these people are extremely vulnerable, traumatised and living in inhumane conditions.

Unfortunately, there are still some 2,700 families residing in collective accommodation centres in B&H.⁷⁷⁾

⁷⁶⁾ Ministry of Human Rights and Refugees of B&H, Revised Strategy of B&H for the Implementation of Annex VII of the Dayton Peace Agreement, Sarajevo, January 2010

⁷⁷⁾ Ministry of Human Rights and Refugees of B&H, Revised Strategy of B&H for the Implementation of Annex VII of the Dayton Peace Agreement, Sarajevo, January 2010

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

A permanent solution to the needs of a significant portion of this population can be found in continuation of reconstruction programmes and voluntary return to their pre-war residences.

However, it is important to recognise the fact that reconstruction of pre-war housing units does not represent a permanent housing solution for a large number of displaced persons. This primarily implies persons whose displaced person status was revised for protection, humanitarian and other reasons, as well as persons with special needs, because in the course of the (re)registration process it was established that a fairly large number of displaced persons also belongs to particularly vulnerable person categories, such as: physically and mentally disabled persons, chronically ill, single parent families, children without parental care, elderly persons without means, and other persons with objective reasons to not return to their pre-war place of residence.

For such cases, it is necessary to take a highly sensitive approach to finding long-term solutions, either by accommodation in special purpose institutions or through assistance programmes far more complex than mere reconstruction and housing construction projects.

Not counting the population of displaced persons whose permanent housing needs can be, in the best case scenario, solved through reconstruction efforts, the remaining 45,000 displaced persons or 15,000 households, which account for approximately 36% of the displaced population in B&H, will need alternative forms of housing solutions, either through provision of housing in their pre-war place of residence or integration in the current place of residence, which can potentially be decided based on their (un)willingness to return.

A significant part of the solution for these 15,000 families can be found in some form of subsidised social housing, together with housing for persons who returned to B&H under readmission contracts.

7.2 Roma population

Considering that the most recent demographic data is based on the 1991 census, and in the light of the fact that the demographic structure of B&H has undergone major changes in the meantime, partly due to natural processes and dynamics and partly due to the war (1992-1995), for the purposes of this study we used the official estimate of the number of Roma households and their social housing needs provided by the B&H Agency for Statistics, as well as the data provided by the B&H Ministry of Human Rights and Refugees.

In the course of implementation of the Action Plan on Roma in B&H, in 2009 the B&H Ministry of Human Rights and Refugees initiated the process of registering the Roma population and their needs.⁷⁸ This process was carried out in all municipalities with temporary or permanent Roma populations. The second phase was continued in 2010, when the B&H Ministry of Human Rights and Refugees distributed an additional survey questionnaire to selected centres for social work (a total of 40 centres) with a request to deliver information about the Roma population.

⁷⁸ Ministry of Human Rights and Refugees, "Analysis of the registration of Roma needs", Sarajevo, 2011.

The initial survey indicated that 16,771 Roma live in B&H, in 4,308 Roma households.⁷⁹⁾ It is very important to note that the registration process encountered some Roma households that did not wish to be registered or were absent at the time. In relation to the number of registration areas, the estimate is that in certain areas up to 30% of households did not wish to be registered or were away at the time of registration. Therefore the B&H Ministry of Human Rights and Refugees came up with an estimate that there are approximately 35,000 members of Roma ethnic minority living in B&H, in approximately 9,000 households.⁸⁰⁾

According to the same analysis by the B&H Ministry of Human Rights and Refugees, between 50% and 70% of Roma in B&H live in inadequate housing, which led to the conclusion that between 4,500 and 6,000 housing units would be required just for housing the Roma population. A fair portion of needs of these Roma households could be addressed through the social housing system.

7.3. Young married couples

Housing, as well as employment, represents one of the major challenges faced by the majority of young people in B&H at the start of the productive stage of their life.

According to the official estimates, there are 1,354,000 youth in B&H, of which 777,000 aged between 15 and 29.⁸¹⁾ Only 7% of youth is independent in terms of housing, of which 2% live in rented housing and 5% in apartments or houses they own.⁸²⁾ In absolute terms, this means that around 15,000 young people in B&H currently live in rented accommodation and pay market rates in rent.

The same study established that around 20% of youth aged between 15 and 29 are married and living with their spouse. According to the data of the Commission for Coordination of Youth Issues in B&H, 93% of young married couples do not own their own apartment or house and 85% live with their parents, of which 79% in an apartment or house owned by their parents and 6% in rented apartments.⁸³⁾

Based on these indicators, it can be concluded that at this moment there are around 1,500 young married couples living in rented accommodations and searching for their first home.

The existing credit lines are rarely available to youth – some cannot secure the required collateral (mortgage, co-debtors), while others do not have

⁷⁹⁾ Ministry of Human Rights and Refugees, "Analysis of the registration of Roma needs", Sarajevo, 2011.

⁸⁰⁾ Ministry of Human Rights and Refugees, "Analysis of the registration of Roma needs", Sarajevo, 2011.

⁸¹⁾ Mladi trebaju omladinsku politiku – Analiza položaja mladih i omladinskog sektora u B&H /Youth Needs Youth Policy – Analysis of the Position of Youth and the Youth Sector in B&H/, Sarajevo 2008.

⁸²⁾ Mladi trebaju omladinsku politiku – Analiza položaja mladih i omladinskog sektora u B&H /Youth Needs Youth Policy – Analysis of the Position of Youth and the Youth Sector in B&H/, Sarajevo 2008.

⁸³⁾ Analysis of the Position of Youth and the Youth Sector in B&H

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

permanent employment or are employed in the informal sector. Even those with secure employment often cannot accept the credit burden required to buy an apartment because the monthly loan payment is higher than their salary or leaves them without enough money to live a normal life. Almost half of the youth aged 15-24 is unemployed, i.e. youth unemployment rate is almost twice as high as the unemployment rate in the general population.⁸⁴⁾

From the perspective of banks, youth is the most risky category as youths usually do not have a credit history, they work in companies with low and insecure income and are unable to provide loan securities such as a mortgage or acceptable co-debtors. This is why youth are not offered special concessions by lenders. Several the banks are making an exception and offering youth loans with somewhat lower interest rates and favourable credit terms.

Besides the declarative willingness of governments to address youth housing issues, and regardless of the existence of a certain number of financial and credit schemes such as housing loans offered by the Republika Srpska Investment-Development Bank (IRBRS) and the Sarajevo Canton and similar initiatives in local communities, the real results that would properly address this issue are still not there.⁸⁵⁾

These loans are available only to young married couples with university education and above-average incomes, which eventually results in these loans being used predominantly by those employed in the administration and the public sector, while those working for the private sector can hardly satisfy the formal requirements.

Based on these demographic and socioeconomic indicators, it can be assumed that the majority of youth will not be able to independently, without assistance from the society, buy an apartment under market terms, and therefore the option to rent an apartment under terms more favourable than those offered on the market would be highly advantageous.

It is extremely important to take the needs of this social group seriously in establishing the social housing system because they are the major factor that drives social growth, especially in cities.

7.4 Elderly persons

The elderly are a separate social group in terms of social housing needs. The displaced population in B&H includes a large number of persons unable to return to their pre-war homes, especially in the rural parts of B&H, due to the lack of adequate healthcare and social protection services as well as the absence of relatives that would take care for them.

In addition to provision of housing units within one of the available models, this social group requires additional social services (particularly healthcare and palliative care). Almost any future initiative aiming to define social housing strategy and models must take into account the needs of this partic-

⁸⁴⁾ Aleksandar Draganić, Mišel Pavlica and Stevo Pucar, "Stanogradnja za mlade – Podrškom do krova" /Building Apartments – Support Through to the Roof/

⁸⁵⁾ Aleksandar Draganić, Mišel Pavlica and Stevo Pucar, "Stanogradnja za mlade – Podrškom do krova" /Building Apartments – Support Through to the Roof/.

ular group and combine some form of social housing with day-care. Positive examples of such social models can already be seen in practice in Republika Srpska as well as in some cantons in FB&H.

7.5. Low income households

Low income households most often have difficulties with covering housing costs (which include, in addition to rent or loan instalments, utility and maintenance costs). According to the Survey of Social Housing Needs in B&H prepared by Hilsfwerk Austria International for the B&H Ministry of Human Rights and Refugees in 2009, social housing needs of this social group amount to 8,182 apartments, of which 5,468 in FB&H and 2,714 in RS.⁸⁶⁾

7.6. Particularly vulnerable social groups

Current social policies in both entities and in the Brcko District focus entirely on the so-called 'social cases'. Besides returnees, internally displaced persons and war veterans, current legislation in both entities recognises 6 more categories as particularly vulnerable social groups. These are: homeless, migrants, civilian victims of war, persons with disabilities and special needs, single parents and children without parental care. According to the Survey of Social Housing Needs in B&H prepared by Hilsfwerk Austria International for the B&H Ministry of Human Rights and Refugees in 2009, social housing needs of this social group amount to 13,691 housing units.⁸⁷⁾

7.7. Apartments for professionals

The need for apartments that could be leased out under special terms to young professionals that are in strong demand in the local community and which would be hardly persuaded to relocate, especially to small communities, without being provided with this option, is the least researched social housing need in B&H. All our respondents stressed the need for such apartments in their communities but none of them have prepared a needs estimate for such apartments. We were mainly presented with rough estimates, which were then used, in the absence of more adequate methods, as the basis for estimating the need for apartments for professionals in B&H.

Considering the needs expressed in the surveyed municipalities, our estimate is that some 2,500 to 3,000 apartments would be enough to satisfy the current needs in local communities.

⁸⁶⁾ Hilsfwerk Austria International, Survey of Social Housing Needs in B&H, Sarajevo, 2010.

⁸⁷⁾ Hilsfwerk Austria International, Survey of Social Housing Needs in B&H, Sarajevo, 2010.

8. POTENTIAL SOURCES OF FUNDING FOR CONSTRUCTION OF SOCIAL HOUSING

In theory, there are four possible finance sources for construction of social housing in B&H:

1. Local public budgets
2. Loans
3. EU programmes and other donor funds
4. Private funds (private-public partnerships)

8.1. Local public budgets

As we have seen in previous chapters, European Union Member States allocate different amounts from their national, regional and local public budgets for the needs of social housing construction. Those amounts vary between 0.2% to 3.0% of GDP.

Aside from the funds directly allocated from the public budgets, this category also includes the funds that are obtained from different international loans that are, again, later serviced by the public budgets, as well as local in kind contributions, namely contributions in free allocation of municipal ground for construction of social housing, exemption from different fees and rents and free project documentation.

When it comes to this manner of provision of funds for construction of public/social housing that is later being given for usage to different social groups (mostly rent-free and with or without buyoff right) and that can, by definition, be listed under social housing, we estimate that different levels of authority in B&H in the past few years allocated from their budgets approximately 15 to 20 million KM per year.⁸⁸⁾ That is about 0.07 to 0.11% of B&H GDP. This manner of fundraising constructs between 300 and 400 housing units in social/public ownership annually, and the units are leased under special preferential conditions to certain social groups.

In the following years this amount could significantly increase via implementation of new CEB project in the amount of 104 million Euro (60 million Euro are a loan from Council of Europe Developmental Bank, whilst the remaining 42.7 million Euro will be provided directly from local budgets and through in kind contribution).

Advantage of this financing model for social housing construction is that the state keeps all the decision-making and control mechanisms in both the housing construction and selection of final beneficiaries and setting up the rent amount and lease conditions.

Disadvantages of this financing model for social housing construction are the fact that B&H is currently not able to allocate significant funds and that this financing model can meet insignificant portion of B&H's needs for social housing.

⁸⁸⁾ We have obtained this data by analysis of realised housing projects from state and entity budgets – see Vesna Vignjević, “Housing projects for collective alternative accommodations beneficiaries funded by finance joined under the Return Fund B&H”

8.2. Loans through non-profit housing cooperative

Social housing construction financing from loans obtained in the free capital market is one of the most common financing manners in majority of European countries today. In some countries, like Austria, Netherlands or Denmark, this financing model is dominant source of social housing construction funding. This financing manner assumes existence of adequate legal and institutional framework, as well as appropriate political interest for development of loan-based social housing system. Namely, in order for the entire loan-based social housing system to be functional and sustainable, it is necessary for it to be partially subsidized by state and local administration and controlled in the sense of quality of housing construction, rent amount, manner of rent collection, and maintenance of housing fund and selection of beneficiaries. That political interest is expressed by existence of a guarantee fund for institutions that would take loans from financing institutions, without which it would be impossible to achieve acceptable loan conditions and to establish adequate housing subsidies tools, as well as municipal social housing programmes. Without state subsidies and municipal contributions to social housing construction, in the sense of allocation of fee-free land and exemption from part of fees and compensations for the construction documentation, the entire concept would be unsustainable. Namely, without state subsidies the rent would be slightly lower than freely formed rent in the commercial sector.

This model of social housing financing needs provision of and establishment of special legal non-profit entities, which would be certified for the execution of this type of business and for entry into credit arrangements for social housing construction.

8.3. EU programmes

Different programmes of the European Union in the future might be exceptionally significant source for social housing construction in B&H. Financing possibilities from these sources are currently limited due to the structure and priorities of the assistance the EU is providing to the full-fledged EU membership candidate and potential candidate countries, including B&H through IPA programme.⁸⁹⁾ However, even with such circumstances, we estimate that several million Euro could be generated and about a hundred social housing units could be built annually.

However, accession to the EU would significantly change the situation. As we have already said in one of the previous chapters, European Parliament has already in 2005 adopted the decision that expenditures related to rehabilitation of housing units in public ownership can be covered by structural funds, and as of 2007 new EU Member States can use those funds for construction of social housing units programme, as well as for urban rehabilitation.

Advantage of this financing model for social housing construction is that those are grant funds and B&H is expected to, in relation to this financing

⁸⁹⁾ Financial instrument for the European Union (EU) pre-accession process for the potential candidates and of the candidate countries

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

model, participate in co-financing with so-called in kind contribution, which is the cheapest way for B&H to obtain one part of the needed social housing units.

Disadvantage of donor financing models in general is that B&H housing policy has to fit in the programme goals of a certain donor who is asked to provide the funds.

In practice, that means that each donor will give priority to social component during selection of final beneficiaries of the social housing units (the most vulnerable social categories that are, most often, without any income and that are not able to pay even this subsidized rent), which then imposes an obligation to the state, i.e. the local administration, to cover the housing expenses for the final beneficiaries. Another disadvantage of donor financing models is the fact that it is common that every donation carries a certain programme directed to, mostly, one type of final beneficiary, and that these programmes most often create buildings with social housing units that are assigned to one or two final beneficiary target groups, which draws a consequence of their ghettoization and certain level of social exclusion.

Therefore, for the needs of adequate communication with potential donors it is extremely important to, as soon as possible, determine the strategic housing policy framework in B&H, which would also include the issue of social housing development. In that sense, there are already demands from the European Commission to the B&H authorities to adopt their strategies for housing policy development in B&H, and which would meet the European standards and cover the entire population in need for adequate housing, regardless of their status.⁹⁰⁾

8.4. Private-public partnership

Long-term speaking, from perspective of B&H, and taking into account current needs of B&H for social housing and, at the same time, all budgetary limitations and availability of EU and other donor funds, this source of fundraising for social housing construction presents, objectively, the only way to build, in a relatively short period of time, large number of social housing units in order to meet currently most highlighted needs. However, for this model to function completely and be fully fruitful, certain legal and institutional preconditions must be developed.

Primarily, that implies that it is necessary to clearly define the interest of potential investors through comprehensive housing policy in B&H. Also, it is necessary to create appropriate legal framework and appropriate private-public partnership programmes that would be offered to private investors, and to build appropriate institutional mechanisms that would be assigned to carry out the implementation of the private-public partnership programmes. It is very important here to emphasise that this financing model can be developed only upon imitative of the state. Our research has shown that, especially on the local level, there is no adequate understanding of the potential and ways of

⁹⁰⁾ Revised strategy of B&H for the Implementation of Annex VII of the Dayton Peace Agreement, Sarajevo, January 2010.

functioning of this financing model for the social housing construction and that, mostly, the belief that private investors have to offer such programmes to the local communities prevails.

Advantage of this financing model is that, if the interest of the investor is appropriately identified and articulated, it becomes the source of almost unlimited funds.

Disadvantage of this financing model is the fact that there has to be, with constant maintenance, a balance between social and economic component of the social housing system, namely, that private investors will in no way tolerate that accommodation price will go at the expense of investment value maintenance (depreciation). In practice, that would mean that during the selection of the final beneficiaries one of the key criteria would have to be their ability to regularly pay their rent.

Given that at this moment there is a huge need in B&H for some kind of state intervention in provision of adequate housing for a large number of B&H citizens, it is necessary to provide, for any kind of model proposed for B&H, the access to all three forms of financing, taking into account the limitations and potentials of each of them.

9. SUSTAINABILITY

There are two factors that are important for sustainability of the social housing system: potential safe sources of financing for construction of the social housing units, which we discussed in the previous chapter and the issue of covering the housing expenses.

9.1. Construction costs

In the series of challenges concerning development of the social housing in B&H, the price of construction of such housing units is one of the key issues.

The costs of construction, investor's profit and price of the land on which the building is built dominate the structure of selling prices of new housing units. These three elements together with the VAT represent more than 80% of the price, whose orientation structure is presented in the table below:⁹¹⁾

⁹¹⁾ Structure of the costs of constructing housing units taken from: Aleksandar Draganić, Mišel Pavlica and Stevo Pucar, "Stanogradnja za mlade – Podrškom do krova" ("Housing construction for youth – supporting housing solutions")

Structure of the price of newly constructed housing units	Share
Construction costs	35%
Land	18%
VAT (17% of the selling price without taxes)	14%
Fees, contributions, compensations	4%
Utility connections (power supply, heating...)	2%
Land development (water supply, sewage)	2%
Financing costs	2%
Project and technical documentation	1%
Surveillance	1%
Other costs (apportioning condominium units, marketing...)	1%
Profit (investor)	20%
Total	100%

The price of constructing one square meter of condominium under market conditions in B&H varies between 1,200 KM and 3,200 KM.⁹²⁾ The variation in the price is affected by different variables, such as location (price of development land), price of rent, costs of capital and investor's profit. The average interest rate of 8 i.e. 9% annually for 20 i.e. 30 years has been taken as variable of the cost of capital, which in turn presents 50 to 80% of the construction price in the total costs of housing construction. We have taken 15, i.e. 20% as the variable of value of investor's profit, which is a standard value of the profit in civil engineering in B&H.⁹³⁾

The room for savings exists almost everywhere under conditions of stimulating housing construction. If the local community is also to appear as holder of the specific housing construction project for the purpose of social housing, there is possibility of significant reduction of price of social apartments in almost all elements of its structure. The municipality can provide development land by allocation of the funds in the amount of its market value, prepare a project, secure necessary permits and approvals, and in line with a tender select and hire the contractor, finance and monitor the entire construction process.

⁹²⁾ Price of square meter of a condominium can significantly exceed this price depending on the degree of equipment availability in the condominium, Source: Real Estate Agency, B&H Bureau of Statistics and www.propertywire.com

⁹³⁾ "Stanogradnja za mlade – Podrškom do krova" ("Housing construction for youth – supporting housing solutions")

Structure of price of newly constructed condominium	Factor of price reduction	Estimated factor of reduction of item price
Construction costs	Less luxurious equipment	10%
Land	Municipality to provide development land by allocating funds in the amount of its market value	100%
VAT (17% of the selling price without taxes)	Lower VAT accounting basis	54%
Fees, contributions, compensations	Municipality to relinquish part of its fees	50%
Utility connections (power supply, heating...)		0%
Land development (water supply, sewage)		0%
Financing costs		0%
Project and technical documentation		0%
Surveillance	Municipal services monitor the construction works	100%
Other costs (apportioning condominium units, marketing...)	No marketing costs	50%
Profit (investor)	The municipality as investor to relinquish the profit	20%
Total		52%

Construction costs (works, materials and equipment) are the most important elements in the structure of price of new condominiums. Due to increase in price of materials and works, the construction price has increased for 12-15% in the last ten years. There is some room for certain savings through installation of less luxurious materials and equipment, but still observing construction standards and legal provisions.

The land, depending on the location, is a significant part of the total price, around 20%, and even up to 50% at very attractive locations. The room for reduction of price is the highest here if the housing units are built on the development land, which is located at the less attractive locations or on the municipal land.

Regarding the construction price of a condominium intended for social housing, previous practice of constructing social housing with the assistance of the international non-governmental organization has shown that it is possible to equalize the price of constructing social housing units with the construction price of developing square meter of a condominium, equipped in the way as to meet all construction standards in B&H. The price is 810 KM or 414 Euro due to the fact that costs of development land, design, rent, surveillance, cost of financing (price of capital – interest rates) or investor's profit are not included in the price.⁹⁴⁾

⁹⁴⁾ The price has been calculated based on the average price of social housing construction by CRS-a and Hilsfwerk Austria International – see "Recommendations for development of non-profit housing in B&H, CRS and Vesna Vignjević; "Housing projects for beneficiaries of collective alternative accommodation financed with the funds collected in the B&H Return Fund".

ELEMENTS TO CALCULATE VALUE OF CONDOMINIUM	VALUE OF THE CONDOMINIUM in KM					
	VALUE OF SOCIAL NON- PROFIT CONDOMINIUM		VALUE OF COMMERCIAL CONDOMINIUM OF LOWER STANDARD		VALUE OF COMMERCIAL CONDOMINIUM OF HIGHER STANDARD	
PRICE OF LIVING SPACE PER m ²		810.00		685.00		1,100.00
PRICE OF DEVELOPMENT LAND PER NET m ² OF LIVING SPACE		0.00		50.00		400.00
PRICE OF RENT PER NET m ² OF LIVING SPACE		0.00		25.00		80.00
FINANCING COSTS	0.00%	0.00	30.00%	343.00	80.00%	1,264.00
PROFIT	0.00%	0.00	15.00%	171.75	20.00%	316.00
VALUE OF THE CONDOMINIUM		810.00		1,200.75		3,160.00

Price of constructing a social housing unit is very important for determining value of the social housing unit's price, because it represents basis for calculating housing price, and even the price of the rent.

9.2. Housing costs

Regardless of the fact of how much possibility of stable and long-term financing of the social housing units' construction conditions sustainability of a social housing model, the coverage of the living costs affects its long-term sustainability even more.

Namely, living in a housing unit has its costs regardless of who is owner of the building, the price and how it was built, as well as regardless of the social status of the final beneficiary. Even in case when owner of the housing unit is owner (tenant) at the same time, there are certain housing costs.

Housing costs include depreciation of the building, maintenance costs (for the housing unit, but also for the joint parts of the building), insurance costs and management costs. Besides these, more or less fixed housing costs (we say more or less fixed, because these are fixed percentages that are set in regard to value of the unit), there are variable costs that include all utility costs (electricity, water, sewage, heating, gas, garbage disposal, etc.).

The percentages to calculate housing costs are taken from international standards, which are applied in managing, maintaining and securing residential buildings.

In absolute values the housing costs in B&H are significantly lower than in other countries of the European Union or the region due to the fact that the basis to calculate housing price, value of square meter of housing unit, is much lower in B&H than the price of value of one square meter of housing unit in other countries.

ELEMENTS OF HOUSING COSTS	PRICE OF HOUSING					
	SOCIAL NON-PROFIT HOUSING		COMMERCIAL HOUSING OF LOWER STANDARD		COMMERCIAL HOUSING OF HIGHER STANDARD	
DEPRECIATION	1.70%	1.15 KM	1.70%	1.99 KM	1.70%	4.48 KM
MAINTENANCE COSTS	1.20%	0.81 KM	1.20%	1.40 KM	1.20%	3.16 KM
INSURANCE COSTS	0.05%	0.03 KM	0.05%	0.06 KM	0.05%	0.13 KM
MANAGEMENT COSTS	0.50%	0.34 KM	0.50%	0.58 KM	0.50%	1.32 KM
PRICE OF HOUSING		2.33 KM		4.03 KM		9.09 KM

According to our calculation the price of housing by market conditions in B&H varies between 4.03 KM/m² per month and higher, while the minimum price of housing in social housing units is 2.33 KM/m².

This price of housing secures maintenance of the value of the residential building through complete depreciation of the housing unit for the period of 60 years, regular routine and investment maintenance of joint parts of the housing units and the housing units, insurance of the joint parts of the building from any damage, and third party liability insurance, as well as costs of the building management.

This calculation of housing costs in the social housing units in B&H does not in any way imply that this price has to be paid by the final beneficiary. The price of 2,33 KM/m² is minimum housing price in social housing units that someone has to pay in order to make the entire system sustainable. How much the State or local community is to subsidize housing for the social categories that are not in position to cover the costs of social housing themselves depends on the social policy of a country.

Previous dominant practice of having no one covering the costs of social housing is unsustainable in the long run. Namely, the fact is that in most of the cases living in the social housing units is free of any charge for final beneficiaries, and at the same time owners of social housing units (usually the municipalities) did not establish a special housing fund for management and maintenance of social housing units nor did they specifically earmark and accumulate funds necessary to cover depreciation, maintenance and insurance of these housing units, actually meant that the housing costs in the social housing units were charged to the value of these housing units.

Such a model of social housing is unsustainable in the long run, since due to inadequate maintenance and lack of depreciation funds these units, sooner or later (depending on the quality of construction and degree of inadequate use by the final beneficiaries), became unfit for living.

10. CONCLUSION

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

Regardless of the situation on the ground and the urgent need to find certain solutions for the social housing system that would allow for smooth implementation of the ongoing social housing projects in B&H, the model of social, i.e. affordable housing which will be functional, integrated and long term should be identified in the context of B&H housing policy.

As noted in Section 6.2., the current legislative framework allows for implementation of low intensity social housing projects today, since implementation of such projects require strong political will, as well as skills and competence among the decision makers at the local level and those engaged in implementation of such projects. As a result of the current situation, over the past 10 years a very small number of social housing units have been constructed in B&H.

This is why B&H needs an adequate institutional, legislative and financial framework for social housing development, which will not focus only on making the current situation and practices legal but also on creating precondition for serious changes in this area.

There cannot be any systematic development of social housing, without clearly identified elements of the B&H's housing policy together with its objectives, priorities, institutions responsible for implementation, as well as policy and available resources. Social housing is an integral part of the housing policy of all countries and there is not a single country in Europe that has managed to develop a functional social housing system, without having previously identified strategic objectives and priorities for its housing policy.

Even the European Commission noted clearly in its review of the Strategy for implementation of Annex 7 of the Dayton Peace Agreement that it expects for B&H to adopt an adequate housing policy, which shall include the right of access to social housing for all the social groups without discriminating anyone.

The issue of development of the social housing system can only be tackled though serious political dialogue among different stakeholders, since that process requires a series of very important political decisions to be taken. Due to limited financial resources available to B&H at the moment, giving greater priority to this issue and increasing allocations for funding of social housing construction would require certain concessions in terms of other public policies, as well as wider political consensus, which proved to be a very difficult and slow process over the past 15 years.

In view of the constitutional set up in B&H, it is very unlikely that single housing policy will be possible to identify at the state level only. Thus, it would be ideal to pass a framework document at the state level to identify the basic principles of the housing policy in B&H and affirm global principles and standards for the housing policy sector, as identified by various international documents, i.e. recommendations by the EU and UN Human Settlements Programme (HABITAT). At the same time, strategic and operational objectives of the housing policies and systems of social housing could be identified though entity housing policies. Thus, B&H would once again affirm its commitment to becoming a part of

the EU and accepting the international obligations, while at the same time observing the competencies as defined in the B&H Constitution.

Regardless of how housing policy in B&H is identified, it may not in any case be allowed housing policy, i.e. model of social housing in B&H, to become a continuation of the earlier practice of adopting different policies, strategies and laws which are not harmonised with budgets and financial resources in B&H, and not implemented due to lack of funds in public budgets.

Any housing policy in B&H which shall include the issue of development of the social housing model in B&H must start from current needs of those social groups which at the moment cannot, due to different socio-economic reasons, afford adequate housing conditions. Housing policy priorities must be established based on these assessments, financial resources for implementation of identified political objectives provided.

This research has clearly established significant needs for provision of housing for a large number of citizens in B&H who cannot provide adequate housing conditions for themselves under market based prices and that social housing is one of the instruments to respond to these needs. At the same time, the research indicated that B&H has extremely low potential for investment into construction of social housing, i.e. subsidising the costs of housing for most vulnerable population groups.

Key for the success of the future model of social housing primarily depends on the ability of stakeholders to harmonise priorities for the housing policy, and consequently priorities of social housing system, with B&H's realistic financial prospects. Any deviation from the realistic financial possibilities will greatly diminish the chances for social housing system to start functioning and to become effective in the future.

The simple process of identifying targeted groups for social housing beneficiaries will trigger a serious debate, since it is inevitable that different views will emerge regarding the question which social groups should be prioritised as social housing beneficiaries, i.e. whether B&H should develop residual or universal model of social housing.

Namely, our research has clearly indicated that the market based price of housing is 4 KM/m² and above. Therefore, starting from the generally accepted definition saying that any individuals or households who cannot provide themselves an adequate housing based on its market value, due to different social and economic circumstances, are eligible as the social housing beneficiaries, would imply that any social groups in B&H that cannot afford at least 4 KM/m² would be targeted group of potential social housing beneficiaries. According to some assessments, in line with the definition above up to 50% of population in B&H would be potential social housing beneficiaries.

The social housing definition clearly identifies that primary social housing beneficiaries are those population categories which due to different socio-economic reasons cannot afford to pay market determined rent (4 KM/m² or more), but can afford to pay the rent in social housing (amounting at 2.33 KM/m²).

From the charitable and ethical perspective, the most vulnerable population categories and those without any income should surely be given priority

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

in the process of selection of social housing beneficiaries. However, this at the same time means that B&H (this refers to all levels of authority in B&H) would have to undertake covering the cost of housing for these population categories, because in most cases the most vulnerable population groups in B&H are unable to cover from their own income the costs of housing at the market value of 4 KM/m². Furthermore, due to the same reasons they are unable to pay for the subsidised (social) rent in the amount of 2.33 KM/m².

The research also clearly indicated that even the small percentage of the current social housing beneficiaries in B&H, paying a symbolic rent in the amount of 0.5 or 1 KM/m² which cannot ensure sustainability of the social housing system, deem that this is too much in view of their income.

Vulnerable population groups which cannot afford to cover the subsidised rent in the amount of 2.33 KM/m², which would guarantee sustainability of the entire social housing system, should not be primary focus of the housing but rather social policy in B&H. Government institutions in B&H (including entity and cantonal governments, as well as local communities, through law on social protection and centres for social protection) must find ways how to additionally subsidise social housing through different social programmes so that in the end it is additionally reduced or free of charge for such beneficiaries. However, the housing costs of these vulnerable population groups must not be allowed, on account of social solidarity or ethical principles, to undermine sustainability of the entire social housing system.

Therefore one of the key challenges to be tackled in the future social housing strategy, before strategic priorities for development of social housing in B&H are identified, is agreeing on which beneficiaries to prioritise in view of the limited capacities of social housing and limited financial resources available in B&H to provide additional subsidies for the cost of housing to most vulnerable population groups.

The research team strongly believes that some stakeholders will deem that the social housing system should be created and directed in a way which takes into consideration primarily providing housing to most vulnerable population groups without any income and those which are unable to pay for any rent, and that the governments have the obligation to take care of these population groups. The research team fully supports such view, however we believe that the governments must take care of such population categories through social protection programmes and provide through such programmes resources required to provide housing to them, rather than through the social housing programme, which would make it an impediment for development of the social housing system.

Institutional framework will be the other key challenge in the process of identifying potential social housing models.

The analysis of the existing practices clearly indicated that there is currently no institutional framework, i.e. relevant institutions which would be in charge of formulating and implementing public housing policy in B&H, including the social housing issue. As noted in the previous chapters of this Study, responsibility for housing policy is very fragmented and to the largest extent it is the competency of the local self-governance units.

Such fragmentation made it impossible to create appropriate institutional mechanisms required for development of social housing system in B&H, in addition to leading to fully fragmented interpretation of the social housing. In such circumstances, each ministry interprets the issue of social housing as a part of their public policy: for example in case of the ministries responsible for refugees and displaced persons, social housing was made a part of the returns policy and these ministries are only interested in that component, thus creating only programmes for this population group. The same happens with the ministries responsible for war veterans, youth, and social protection. Each of these ministries views the social housing issue as a part of their public policy efforts, focusing and implementing projects intended only for their targeted groups.

In FB&H, efforts are underway in several cantons to regulate legal and institutional framework for development of the social-non profit housing through laws on social housing which would sit outside of the general housing policy framework in B&H. The very attempt to adopt laws on social-non profit housing without having previously identified objectives and priorities of the housing and social housing policies represent a kind of precedent for the public administration. Namely, according to international standards for public administration and methods used for establishing public policies, the first step in identifying a certain public policy would be identifying the needs in certain area and identifying priorities for such public policy through strategic documents. Only after the needs, objectives and priorities of some public policy have been clearly identified, operational plans, laws and by-laws are adopted as instruments for achieving the identified public policy objectives and priorities. In case of the two cantons which have already adopted laws on social-non profit housing, the public policy instruments were adopted without identifying objectives and priorities of this policy or the resources required to implement them. The body which adopted the law on social-non profit housing in the Goražde Canton recently recognised this omission by charging the Cantonal Government and Ministry for Urbanism, Spatial Planning and Environment Protection to adopt cantonal strategy and action plan for social-non profit housing covering a 10-year period, within 12 months from the law on social-non profit housing entering into effect.⁹⁵⁾

The law on social-non profit housing the Goražde Canton provided some very good solutions, such as:

- Clearly identified competencies of the Goražde Canton's Ministry for Urbanism, Spatial Planning and Environment Protection and the cantonal housing stock for creating and implementing cantonal policy on social housing;
- Clearly identified responsibilities of the local self-governance units;
- Clearly identified general and special criteria for use of the social housing stock;
- The need to introduce a separate regulation to establish that the purpose of the housing stock units cannot be changed over the next 20 years.

⁹⁵⁾ Deadline for adopting the strategy and action plan is July 2015.

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

However, the law does not provide for any sanctions against those responsible individuals and municipalities which fail to comply with provisions of this Law. Only after cantonal strategy for social housing is adopted, with clear objectives and priorities, and after it is announced what amounts will be allocated for this purpose by the Canton and individual municipalities in their 2015 budgets, it will be possible to discuss actual value and impact of this law.

Unlike the law on social-non profit housing in the Goražde Canton, the current legislation in the Zenica-Doboj Canton has not ensured optimal pre-conditions for the social housing development. Analysis of the law on social-non profit housing in Zenica-Doboj Canton leads to conclusion that allocating any responsibility to cantonal institutions for identifying a clear housing policy, which would cover the issue of social housing and allocation of funds for implementation, was deliberately avoided. The law has not identified institutions responsible for implementation of the social housing policy, nor provided for sanctions for failure to implement them. Namely, the current legislative framework allows the cantonal institutions, i.e. local self-governance units to implement the law to the extent they are able or interested to do so.

The impression is that the only purpose was to create minimal legislative framework so that international organisations and donors can continue, in co-operation with local communities, to build and lease out social housing unit, as needed.

According to the collected data and experiences from other countries, we are convinced that it will not be possible, under the current economic conditions in B&H and the two existing legislative solutions, to establish a social housing system that would create any semblance of an adequate social housing stock.

Namely, we are convinced that none of the existing institutional mechanisms at the cantonal or local level would be able to secure serious funding from various sources, such as EU funds and state (entity) subsidies for construction of the social housing stock and subsidisation of housing costs for the socially most vulnerable population categories, or be able to develop adequate programmes for management and maintenance of the housing stock. Such a system, where each municipality would have its own housing agency or fund that would operate independently and prepare expert analyses, promote the local housing policy and manage its own housing stock, would simply be too massive, too slow and, most importantly, inefficient and too expensive. Actually, none of the political or socioeconomic characteristics of B&H could justify such a colossal, inefficient and expensive social housing system.-

Our study has shown beyond doubt that in the two cantons which have adopted the Law on Social Housing, none of the municipalities have prepared official estimates of social housing needs or programmes for housing specific social categories through the social housing system. Without these multianual and annual programmes it is absolutely impossible to develop an integrated social housing system. Also, none of the municipalities have designated budget funding for this purpose, nor do they have a dedicated fund for

social housing. In most of the municipalities which charge a symbolic amount of rent (between 0.5 to 1 KM), these funds go to the municipal budget. None of the municipalities have a dedicated fund for social housing or an adequate system or programme for management and maintenance of social housing units (regular, current and investment maintenance plans). Current and investment maintenance of social housing buildings is done on an 'as needed' basis and depends on the availability of funds in municipal budget reserves. The majority of respondents in local self-governance units have expressed willingness to co-finance construction of social housing, however only on an ad-hoc basis, i.e. when approached by potential donors with a specific proposal or offer.

The only conclusion that can be drawn from this research and evaluation is that there is a real need to focus on finding institutional solutions at the entity level, particularly in terms of institutional mechanisms for development and implementation of public policies (through housing agencies or housing funds) which would be responsible for development and implementation of entity housing policies, which would include development and implementation of programmes dedicated to social housing.

We need to make a clear distinction between institutional mechanisms for development and implementation of the public/social housing policy and the institutions responsible for implementation of individual social housing projects, i.e. management and maintenance of the social housing stock.

Entity housing agencies/funds would be responsible, in cooperation with entity ministries of spatial planning, urban development and housing, to develop draft entity housing policies and social housing strategies. Furthermore, these agencies/funds would be responsible, in cooperation with the relevant ministries and other stakeholders, for assessment of housing needs for different social categories and proposing different models to address these needs.⁹⁶⁾ Based on these needs estimates, housing agencies/funds would, again in cooperation with the relevant ministries and stakeholders, develop multiannual and annual social housing stock development programmes.

Actual implementation of individual social housing projects and management and maintenance of the social housing stock should be fully liberalised and delegated to the municipalities or certified non-profit housing unions.

This approach would allow the entities to maintain absolute authority over public housing policies and to supervise their implementation (via the certification system), with parallel introduction of market elements and competition between enterprises interested in housing stock management. Cantons and municipalities which possess the necessary financial and other capacities could manage their own social housing stock, while those cantons and municipalities which do not possess adequate capacities or hold a small housing stock and have no interest in managing it by themselves could make a

⁹⁶⁾ Only a portion of the identified needs would be addressed through the social housing system. Some of the identified needs would be addressed through other models, such as housing construction subsidies, subsidisation of interest rates for housing loans, provision of mortgage guarantees for long term housing loans, temporary subsidisation of rent, etc.

contract with one of the certified housing unions to manage their housing stock on their behalf. The goal of this approach is to have a system governed by the principles of financial viability and cost-effectiveness. For municipalities that have a sufficiently large housing stock or a budget surplus that they wish to invest in establishing and operating their own housing agencies, this approach would be able to accommodate their wishes. Other municipalities could still rely on certified non-profit housing unions to perform these tasks on their behalf.

11. RECOMMENDATIONS

Final recommendations regarding integrated and sustainable model that can be implemented in B&H will be provided to the relevant institutions by the expert body set up as part of this project.

We will provide just several instructions to serve as general guidelines which we deem as preconditions to ensure that any model of social housing is functional, integrated and sustainable.

11.1. Legislative and political framework⁹⁷⁾

In all European countries, social housing is a part of the state housing policy. In addition to its basic function (to ensure decent living conditions), any social housing is aimed at achieving some social objectives (for certain population groups) and thus represents a very important element or instrument of public policy implementation; however, for the functioning of the overall system, in terms of legislative or political framework, it is very important to define social housing primarily under the housing policy in any given country.

At which level of authority (state, entity, or cantons) shall the housing policy be seated is essentially irrelevant in terms of the legal or political aspects. However, it is very relevant in terms of the financial aspect, i.e. sustainability of the overall system. In addition to vertical competencies (state, entity, or cantons), it is also very important to establish horizontal competencies, i.e. which ministries will be in charge at the operational level for drafting and implementing housing policies, which should also include strategic objectives for the social housing development. In most European countries, such competencies are allocated to the ministries for physical planning, urbanism and housing.

As noted in earlier sections of this Study, in view of the constitutional structure of B&H, it is very unlikely that it will be possible to identify a single housing policy at the state level only in B&H. Thus we deem that a framework document should be adopted at the level of the B&H Council of Ministers to identify basic principles of the housing policy in B&H and affirm global principles and standards relevant for the housing policy sector, as identified by various international documents, i.e. recommendations by the EU and UN Human

⁹⁷⁾ In terms of policies, i.e. public policy

Settlements Programme (HABITAT). At the same time, strategic and operational objectives of the housing policies and systems of social housing could be identified through entity housing policies.

11.2. Institutional framework

The institutional aspect of any social housing model must be set up along the lines of the legislative and political framework. In view of the current number of social housing units in B&H and all challenges that an initiative for identifying housing policy in B&H could face, we believe that an optimal solution would be to establish entity housing agencies which would be responsible for identifying and implementing entity housing policies and development of multiannual and annual housing programmes for different social groups, which also include social housing. The entity agencies should be set up as independent expert and operational bodies within the competent ministries for spatial planning, urbanism and housing, which would implement entity housing policies and manage all types of public housing subsidies.

Institutional framework would have to drive and enable development of the local housing agencies and non-profit housing cooperatives which would manage the social housing stock. It should by no means be allowed for local self-governance units to employ further staff, without valid economic reasoning, and under the guise of decentralising the social housing system. These agencies, i.e. housing cooperatives should be funded only from the portion of the social housing rent intended for management, not exceeding 0.5% of the overall value of the social housing unit per year.

11.3. Financial elements

One of the key aspects to be taken into consideration when proposing possible social housing models will be the likely source of funding for construction of social housing and subsidising cost of social housing.

Namely, as already noted in the previous sections of this Study, resources for funding construction of the social housing and subsidising costs of social housing are very limited.

Thus the only logical model to enable financing of a substantial number of social housing units in B&H would be the universal model, relying mostly on the loans and development of public-private partnerships. Our research clearly indicated that over the next 10 years B&H will not be possible to finance from the public budget more than 200 to 300 social housing units a year, which will by far fall short of meeting the current needs. Thus any future model of social housing should primarily be based on funding from loans and private sources, through development of different public-private partnership programmes.

Relying on these two sources of funding would imply that the entire system must be based on the market principles and that rent for social housing units would have to be harmonised with actual costs of construction of such housing units and costs of their management and maintenance. Relying on

the fourth identified source of funding would require introduction of housing cooperatives with limited profit making.

Also, citizens with low to medium income range, who can afford to pay the rent for social housing, would clearly be the biggest beneficiary group for social housing units constructed from loans or private funding. The benefits of overall social housing system for households with lowest income or no regular income will primarily depend on the governments' readiness to subsidise costs of housing for them.

Regardless of the peculiarities of different funding sources, by accepting the recommended principles of integrated and sustainable model of social housing any requirements put forward by these could be met.

11.4. Integrated model of social housing

To ensure for the proposed social housing models to be integrated, we must primarily ensure integrated planning of the social housing system. Namely, according to experience from the European countries only one model of government intervention regarding housing policy has allowed for full integration and in one case there was only partial integration of the beneficiaries into the local community. The model which ensured full integration is the voucher model of subsidising the housing costs whereby the beneficiaries receive a certain amount of money on monthly basis, allowing them to rent whichever apartment they want where ever it suits them, regardless of whether it is a commercial or social housing. The other model which enabled partial integration is to have some of the units from social housing put up for sale at the same time, but at prices which are lower than those at the market. This would ensure tenants of different social backgrounds to mix and enable greater integration of social housing beneficiaries into the local community. The downside of such a system is that at some point households with low to medium income lose interest in purchasing apartment in such settlements or buildings, regardless of the subsidies.

It should by no means be allowed for the proposed social housing models to continue supporting the practice whereby social housing facilities (buildings) are constructed by certain programmes (regardless whether local or international). Namely, such practice leads to ghettoization and social exclusion. In the field at the moment, we can find examples of separate buildings constructed for war veterans, special needs families and Roma respectively.⁹⁸⁾ The fact that there are mixed members of different social groups which all belong to the vulnerable population group by no means indicates their inclusion in the local community.

Since due to the limited budget funds in B&H there is currently no realistic basis for introducing the voucher based model of integration of beneficiaries into the local community, the only option available is to enable the social housing beneficiaries to also buy the housing units.

⁹⁸⁾ The existence of a couple of buildings built by Hilfswerk Austria and CRS in which there are two or three mixed social groups are more the exception than a rule.

11.5. Sustainability

To ensure sustainability of the proposed models of social housing, it must be made sure that the price of subsidised or social housing indeed represents the actual price of social housing and that this price will long term indeed ensure maintenance of the building value and that someone actually is paying for this. This Study also includes a cost calculation for social housing based on the average value of the social housing units. The price of social housing in B&H can vary from one area to the other, as well as among different programmes. However, we believe if one wants to comply with certain quality standards in housing construction then the price cannot be much lower than 810 KM/m², i.e. KM/m² social housing rent calculated based on that.

As noted before, someone has to cover the cost of housing in social housing. Whether this would be the beneficiaries of social housing or some other government institution or local self-governance unit via different social programmes, is irrelevant for sustainability of the overall social housing. The proposed model must ensure that rent is regularly collected, regardless of the beneficiaries' living circumstances and regardless of whether it is collected by municipalities, local housing agencies or non-profit housing cooperatives.

11.6. Selection of beneficiaries

As noted earlier in this Study, in addition to some general criteria (B&H citizens, not owning an apartment or a house, with income below a certain level, etc.), primary criteria for selection of beneficiaries should be whether the given individuals or households at the given time are unable to provide decent living conditions at the market determined price, but can afford to pay social housing rent. To these criteria identified as primary, some secondary criteria may also be added focusing on health condition, number of family members, financial circumstances in general, etc. Secondary criteria may be established only after the other components of the programme have been identified, i.e. when programme objectives and targeted groups are clear.

ANNEX NO. 1

LITERATURE

- Aleksandar Draganić, Mišel Pavlica i Stevo Pucar, "Stanogradnja za mlade – Podrškom do krova" [*Building Apartments – Support Through to the Roof*]
- Analiza položaja mladih i omladinskog sektora u B&H [*Analysis of the youth and youth sector in B&H*]
- Christine Whitehead and Kathleen Scanlon, Social Housing in Europe, LSE, London 2007
- Donner, Ch. (2006). Housing Policies in Central Eastern Europe. Vienna
- Đorđe Mojović, Vlastimir Čarnojević, Živorad Stanković, "Lokalna stambena politika- Osnovne informacije i mogućnosti razvoja javne intervencije u oblasti stanovanja u gradovima Srbije", Beograd 2009. [*Local Housing Policy: Key Information and Options for the Development of Public Housing Sector Interventions in Serbian Cities, Belgrade 2009*]
- Bežovan, G., "Stanovanje i stambena politika u Hrvatskoj" Zagreb [*Accommodation and Housing Policy in Croatia*]
- Bežovan, G., "Stambena prava u Hrvatskoj i problemi njihova ostvarenja" [*Tenancy Rights in Croatia and Problems with Claiming Them*]
- Bežovan, G., Zrinščak, S., (2001.) Mogućnosti decentralizacije u socijalnoj politici i nova uloge lokalnih vlasti. Revija za socijalnu politiku, 8(3-4) [*Possibilities of Decentralisation in Social Policy and New Role of Local Authorities*]
- Country profil for Housing Sector Serbia & Montenegro, Economic Commission for Europe, New York & Geneva, 2006
- General Directorate for Internal Policies, "Social Housing in EU" Brussels, 2013
- Hegedüs József: Housing affordability issues in Eastern and Central European countries
- Hegedüs, J., S. Mayo and I. Tosics. 1996. 'Transition of the Housing Sector in the East Central European Countries'. Review of Urban & Regional Development Studies. 8, pp.101-136.
- Hilsfwerk Austria International, Procjena potreba za socijalnim stambenim zbrinjavanjem u B&H", Sarajevo 2010.
- Informator o radu Republičke agencije za stanovanje, Beograd, June 2013.
- International experiences in social housing (with a special focus on new EU member states)
- Institute for sustainable communities, "Ka pristojnim stanovima za siromašne i ranjive Analiza socijalnog stanovanja u zemljama Evropske unije, regionu i Srbiji", Belgrade, November 2008 [*Towards Adequate Housing for the Poor and Vulnerable – Analysis of Social Housing in the European Union, Countries in the Region and in Serbia*]
- Kathleen Scanlon and Christine Whitehead, "Social Housing in Europe II", London School of Economics and Political Science, December, 2008

ANALYSIS OF THE CURRENT MODELS OF SOCIAL HOUSING

- Ka pristojnim stanovima za siromašne i ranjive Analiza socijalnog stanovanja u zemljama Evropske unije, regionu i Srbiji Preporuke u prilog razvoju socijalnog stanovanja u Srbiji, Beograd, November 2008. [*Towards Adequate Housing for the Poor and Vulnerable – Analysis of Social Housing in the European Union, Countries in the Region and in Serbia*]
- Michael Oxley, “The Future of Social Housing – Learning from Europe” June 2000
- RS Ministry of refugees and displaced persons, “Informacija o ostvarivanju prava izbjeglica i raseljenih lica i povratnika u Republiku Srpsku” [*Report on the rights of refugee and DPs and returnees to RS*], Banja Luka, 2012
- BiH Ministry of Human Rights and Refugees, “Usporedna analiza pristupa pravima izbjeglica i raseljenih osoba” [*Comparative analysis on access to rights for refugees and DPs*], December 2005
- BiH Ministry of Human Rights and Refugees, Revidirana strategija provedbe Aneksa VII. Dejtonskog mirovnog ugovora [*Revised Strategy of B&H for the Implementation of Annex VII Of the Dayton Peace Agreement*], Sarajevo 2010
- Ministry of Human Rights and Refugees, “Analiza evidentiranja romskih potreba” [*Analysis of the registration of Roma needs*], Sarajevo 2011
- Mladi trebaju omladinsku politiku – Analiza položaja mladih i omladinskog sektora u B&H, [Youth Needs Youth Policy – Analysis of the Position of Youth and the Youth Sector in B&H], Sarajevo 2008.
- Need of social housing in Bosnia-Herzegovina
- Nacionalna strategija socijalnog stanovanja Republike Srbije, “Official Gazette of RS”, No. 13/2012
- Reinventing Social Housing in Post-socialist Europe
- Dr Sasha Tsenkova, “Provision of affordable housing in Europe, North America and Central Asia: policies and Practices”
- Dr Sasha Tsenkova, “Trends and Progress in housing reforms in South Eastern Europe, Paris, October, 2005
- UN-HABITAT, “Affordable Land and Housing in Europe and North America”
- United Nations Human Settlements (UN-HABITAT) (2005) Housing and Property Rights: Bosnia and Herzegovina, Croatia, Serbia and Montenegro. Nairobi: UNHABITAT.
- Vesna Vignjević, “Projekti stambenog zbrinjavanja korisnika kolektivnih alternativnih smještaja finansiranih iz sredstava udruženih u Fond za povratak B&H” [*Projects of providing housing for beneficiaries of the collective centres funded from joint Fund for Return to B&H*]
- Wolfgang Amann, Housing review on 23 countries in the Europe and Central Asia region, IIBW – Institute for Real Estate, Construction and Housing Ltd.; August 2013
- Wolfgang Amann and Alexis Mundt, “The Austrian System of Social Housing Finance”
- Wolfgang Amann, “How to Boost Rental Housing Construction in CEE/SEE Countries”

ANNEX NO. 2

M-1 Code of respondent	M-2 Code of interviewer	M-3 Date
-------------------------------	--------------------------------	-----------------

START OF QUESTIONNAIRE

Q-1 Municipality

Q-2 Street

Q-3 Number of family members

Q-4 Your apartment size in square meters

Q-5 Age structure of your family members

	1. Male	2. Female
<i>Up to 18</i>		
<i>From 18 to 65</i>		
<i>Over 65</i>		

Q-6 Education of your family members

	1. Male	2. Female
<i>No elementary school completed</i>		
<i>Elementary school completed</i>		
<i>Enrolled in elementary school</i>		
<i>Secondary school completed</i>		
<i>Enrolled in secondary school</i>		
<i>College or university graduate</i>		
<i>Enrolled in college or university</i>		
<i>MA or PhD</i>		

Q-7 How many of your family members have jobs

Q-8 Average monthly income per household member in your family

- | | |
|---------------------------|-----------------------------|
| 1. Less than 150 KM | 4. Between 500 and 1,000 KM |
| 2. Between 150 and 300 KM | 5. Over 1,000 KM |
| 3. Between 300 and 500 KM | |

Q-9 Your income is from

- | | |
|--------------------------------|----------------|
| 1. Full time and long term job | 5. Welfare |
| 2. Free lance engagements | 6. Pension |
| 3. Unregistered business | 7. Other _____ |
| 4. Sent from abroad | |

NOTE: Multiple answers possible

RECOMMENDATIONS OF THE
EXPERT WORKING GROUP
FOR THE ESTABLISHMENT OF
THE INTEGRATED MODEL
AND SELECTION OF
BENEFICIARIES OF SOCIAL
HOUSING IN BOSNIA AND
HERZEGOVINA

2

1. INTRODUCTION

Recommendations for the establishment of an integrated model and the selection of beneficiaries of social housing in Bosnia and Herzegovina (hereinafter the Recommendations) start from the “*right to housing*” and the basis set out in the framework of the most important documents of the United Nations (UN) and the Council of Europe (CoE), and Bosnia and Herzegovina is bound to apply them.

“*The right to housing*”, i.e. the nature of this law is very complex. Among the theorists of human rights there have been ideas, which equated the recognition of “*the right to housing*” with the State's obligation to everyone, without exception, to provide living space.

This starting point is found in Article 2 of the Covenant on Economic, Social and Cultural Rights of the UN stating that each State signee to the present Covenant shall be obliged to take appropriate steps in order to achieve the full realization of rights (including the right to housing) that are recognized in the Covenant, particularly through the adoption of legislative measures⁹⁹), which explicitly obliges Member States of the UN to build a house for anyone who requests it.

“*The right to housing*”, i.e. the appropriate accommodation, finds its place in the documents of the Council of Europe. Most important is the **European Social Charter** of 1961, which in Article 16, and then the **Additional Protocol** to the European Social Charter of 1988 in Article 4, as well as the **Revised European Social Charter** in Article 31, lays down the “*right to housing*”. To this end, Member States commit to (1) take measures aimed to improve access to housing to an adequate standard, (2) to prevent or reduce the occurrence of homelessness, (3) and make the prices of housing accessible to those who do not have sufficient funds.

The definition given by the European Committee for the Coordination of Social Housing (CECODHAS) presented to the European Commission in 1998 states:

“Social housing is providing decent housing conditions of the citizens who can not obtain them under market conditions¹⁰⁰).”

Based on these sources and practices applied by European countries, increasingly the preferred term “public housing” and the phrase “**social housing**”, which in some way implies that this is the housing people of the low economic condition and that these are apartments of lower standards.

In contrast, the term “**public housing**” puts the spotlight on the support of the public sector to persons that in a certain period of their lives are not able to meet their housing needs on the market in an appropriate manner,

⁹⁹) *International Covenant on Economic, Social and Cultural Rights* in article 11, paragraph 1, stipulates that Member States of the Covenant shall recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing, housing, and to the continuous improvement of conditions of life.

¹⁰¹) *Social housing is housing where the access is controlled by the existence of allocation rules favouring households that have difficulties in finding accommodation in the market.* /

RECOMMENDATIONS OF THE EXPERT GROUP FOR THE ESTABLISHMENT OF THE INTEGRATED MODEL AND SELECTION OF BENEFICIARIES OF SOCIAL HOUSING IN BOSNIA AND HERZEGOVINA

which implies that there are different categories of users, different institutional arrangements and different standards of living.

Often stressed is the developmental function that programs of social housing can achieve as *programs of social housing in less developed areas or regions* that can accelerate the economic, social and cultural development. Also, programs of social housing can contain important educational function (self-help courses with training, the efficient use of energy and thermal and hydro insulation, or on the regulation of the surface around the apartment buildings, etc.)¹⁰¹⁾.

Based on the above it can be concluded that by its nature, “**the right to housing**” is not always suitable for the realization of a right, but that as such is a progressive obligation of states that need to renounce active violations of economic, social and cultural rights.

As pointed out by the Human Rights Committee of the UN:

“The concept of progressive realization of this right is recognition that the full realization of all economic, social and cultural rights will generally not be able to be achieved in a short period of time. However, even when the available resources are inadequate, the state must ensure the widest possible enjoyment of the relevant rights under the circumstances.”¹⁰²⁾

In this context, the minimum essential requirement in respect of the right to adequate housing

“(...) means the duty of the state to immediately address the housing needs of their residents if a significant number of individuals is deprived of a roof over their heads.”¹⁰³⁾

Starting from the present situation in the field of social housing and of the obligations of Bosnia and Herzegovina in regard to the respect of international standards relating to the exercise of social rights, i.e. “the right to housing (the appropriate accommodation),” pushing the three levels of obligation – the UN standards: (1) the obligation to respect, (2) protect and (3) the fulfilment of these standards.

(1) The obligation to respect: implies a negative obligation of the state, or the maintenance of all public authorities and their agents from any activities that would violate the housing rights of individuals or groups of people. This obligation implies refraining from unilateral and discretionary forced evictions.

¹⁰¹⁾ Discussion Paper of the Secretariat of the UNECE, and CECODHAS- and, for the purposes of the conference “Workshop on Social Housing” held on 19 and 20 May 2003, Prague; chapter “Sustainable development of social housing”, p. 90-138, <http://www.unece.org/hlm/prgm/hmm/social%20housing/soc.hou.proceedings2003.pdf>.

¹⁰²⁾ General Comment No. 3 of the Committee on Economic, Social and Cultural Rights- The legislation on the right to housing: an overview of international and national legal instruments, the Office of the High Commissioner for Human Rights (OHCHR) and the United Nations Human Settlements Programme (UN-HABITAT), 2003, p. 14

¹⁰³⁾ Ibid p.14

RECOMMENDATIONS OF THE EXPERT GROUP FOR THE ESTABLISHMENT OF THE INTEGRATED MODEL AND SELECTION OF BENEFICIARIES OF SOCIAL HOUSING IN BOSNIA AND HERZEGOVINA

(2) The obligation to protect: implies an active role of the state in preventing violations of the rights of individuals or groups of citizens. This includes the effective fight against all forms of state discrimination. “The obligation to fulfil includes the obligation to facilitate and an obligation to grant rights”.

(3) The obligation for the fulfilment of these standards: forces the government to, legally and politically, clearly indicate the full and comprehensive implementation of the right to housing through a series of active measures, including inter alia:

1. Legal recognition of the right at the national or local level;
2. Creating norms to housing rights in housing and related policies;
3. Identification of targets, clear indicators measured in terms of the full enjoyment of the right to housing by all sectors of society.¹⁰⁴⁾

It would also be useful for member states to agree on and adopt a strategic document for the solution of housing problems that:

1. Define the objectives for the development of the housing sector;
2. Identify available resources for the realization of these aspirations;
3. Specify the most economical ways to use them;
4. Anticipates the responsibilities and deadlines for the implementation of necessary measures.”¹⁰⁵⁾

European sources in the field of social rights are more explicit and of the Council of Europe member states seek for: (...) Member States shall take measures aimed (1) to improve access to housing to an adequate standard, (2) to prevent or reduce the occurrence of homelessness, and (3) to make the price of housing accessible to those without sufficient resources.”

Within the framework of the Analysis of the model of social housing, which was prepared before these recommendations various models were presented that are applied in European countries, and countries in the region which can be useful for determining the model for Bosnia and Herzegovina.

It is common for all that which we emphasize, (...) that if the developed countries adopted goals that everyone should live decently, then there are certain minimum housing standards that are linked to issues of public health, social stability and economic development (Garnett, 2000).

Under the conditions prevailing in Bosnia and Herzegovina the key problems should be taken into account related to housing people with the objectives that there must be a sustainable housing policy, according to European experiences, such as:

1. **Affordability** of housing: sized housing costs relative to income level.¹⁰⁶⁾

¹⁰⁴⁾ The legislation on the right to housing: an overview of international and national legal instruments, the Office of the High Commissioner for Human Rights (OHCHR) and the United Nations Human Settlements Programme (UN-HABITAT), 2003, p. 14 Committee on Economic, Social and Cultural Rights uses the standard “at first glance does not fulfil its obligations under the Covenant”

¹⁰⁵⁾ Ibid p. 15

¹⁰⁶⁾ The household can afford a decent apartment if the state controls rents on the housing market, subsidizes rent, builds social and public housing, subsidizes housing savings, provides tax incentives for purchase of the apartment and takes an active role in land policy. Puljiz V. et al. Social Policy, Zagreb, Faculty of Law (2005), ISBN 953-6714-75-2, p. 363

2. **Accessibility** of housing: means access to an adequate apartment that is properly managed and maintained in accordance with the needs of the household.¹⁰⁷⁾
3. **Housing standards**: quality of housing stock implies growth of standards in newly built homes, and better maintenance of the existing housing stock.¹⁰⁸⁾
4. **Integrability**: new guidelines which the housing and adequate housing policy attributed to the broader role, it is about meeting the basic needs, in terms of contribution to social cohesion and wider social stability.¹⁰⁹⁾

Given the diversity of the situation in Bosnia and Herzegovina and the decentralized role of the state in housing consumption, there remains a major challenge for the relevant authorities in Bosnia and Herzegovina in which direction will the housing policy move recognizable, which is within two types:

- a) **Comprehensive** housing policy, which implies responsibility for meeting the needs of the entire population, or
- b) **Supplementary** housing policy, aimed at meeting the specific needs and solving specific problems of vulnerable groups of the population that cannot, on the basis of their earnings, reach a decent apartment in the housing market.

2. THE PURPOSE OF THE RECOMMENDATIONS

Primarily in order to ensure an adequate level of protection of human rights and to fulfil international obligations of Bosnia and Herzegovina, and in particular to facilitate the realization of the obligation of the state to ensure minimum housing for its citizens, the Recommendations are created for the establishment of an integrated model and the selection of users of social housing in Bosnia and Herzegovina.

These recommendations advocate the establishment of a framework of integrated models for the creation of a housing policy and social housing programs in Bosnia and Herzegovina.

We perceive also the needs of different vulnerable groups of citizens in Bosnia and Herzegovina such as refugees, displaced persons, minorities, the elderly, victims of war and natural disasters, victims of violence, trafficking, foreigners, asylum seekers and other vulnerable groups, and the needs of young people and of the elderly, especially indigent people (the homeless).

Accordingly we see **the urgent need to create a framework for housing policy, a framework for the establishment of an integrated model of social housing and the selection of users of social housing.**

¹⁰⁷⁾ It is expected that in the housing market there is an offer of different apartments that are in demand. In one city there can be a problem with accessibility to social housing, because they do not build. Also, there may be a demand for private homes, they are inaccessible if in the city plans they do not have locations for their construction. Ibid p. 364

¹⁰⁸⁾ Ibid p. 364

¹⁰⁹⁾ Ibid p. 364

In particular, we recognize the present needs and the fact that many of these vulnerable groups are living in collective centres or in inadequate housing conditions, so it is necessary to consider the criteria for collective housing. Existing evidence suggests that there is a steady growth in demand for social housing, and increasing are the needs of other categories of citizens (especially young people), which is a signal for all levels of government in Bosnia and Herzegovina, and in particular the entity governments and the government of Brčko District, that as soon as possible they need to agree on strategic solutions in the field of housing policy and standards for the implementation of social housing programs.

Past experiences are welcomed as in Bosnia and Herzegovina various programs of social housing are being implemented, such as programs of the return of refugees, displaced persons, social housing for the Roma minority, other social categories and the like. However, further implementation is fully conditioned by agreeing on strategic a framework, primarily due to the need to continue to draw European and other donor and credit sources with which each country should, because of credit debt, proceed with caution.

In practice there are many different social housing programs, and a number of them with the help of various international and national non-governmental organizations that are by their characteristics cannot be classified into a single model.

Therefore, these recommendations are intended to promote and give basic directions → for the establishment of an integrated model and the selection of users of social housing in Bosnia and Herzegovina. This document draws on the existing international sources, the current practice, the entity, the constitutional and legal regulations. The available resources are the capacities of existing relevant institutions in Bosnia and Herzegovina that are responsible for social housing and that have an obligation to take appropriate legislative and practical measures to ensure the minimum rights to the housing, where some of them have already started the construction of the legal and strategic regulations.

3. METHODOLOGY FOR DEVELOPMENT

Creating the Recommendations is based on the analytical processing of documents available for Bosnia and Herzegovina, were constructed by representatives of various institutions gathered in a large and small scale expert working group. Previously, the consultants developed the analysis of existing models of social housing in B&H, which is the basic document on which all members of the working group could provide concrete suggestions and approve its final text. Part of the analysis will be these recommendations. Based on the analysis and additional material to be collected, the draft text of the Recommendations will be finalized within the framework of focused discussions in the working group and the wider debate, and ultimately create a final document entitled “Recommendations for the establishment of an integrated model and the selection of users of social housing in Bosnia and Herzegovina”.

RECOMMENDATIONS OF THE EXPERT WORKING GROUP FOR THE ESTABLISHMENT OF THE INTEGRATED MODEL AND SELECTION OF BENEFICIARIES OF SOCIAL HOUSING IN BOSNIA AND HERZEGOVINA

4. THE STARTING POINT FOR RECOMMENDATIONS

4.1. Definitions, expressions and terms used in the guidelines

It has already been pointed out that at the international level there is no single definition of social housing or generally accepted standards and norms of quality housing. This is due to major economic, political, cultural, geographical, social and other differences, habits, lifestyles, architectural heritage and traditions between the Member States of international organizations.

Definitions of adequate housing are provided as a general framework, and it is expected that each individual state operationalize these concepts in accordance with their economic opportunities, social and political characteristics.

a) **“Adequate shelter”** means more than a roof over their heads. This implies: privacy, space, physical accessibility, safety, security of tenancy – tenure, structural stability and durability, lighting, heating and ventilation, basic infrastructure such as water supply, sanitation, waste water drainage, adequate quality of environment and factors important for health, and accessible location with regard to work and basic services; all at *available and affordable prices*”.¹¹⁰⁾

b) **“Social housing”** is a generic term that refers to the different models of ensuring adequate (decent) housing conditions for certain social groups outside the market context. There is no single definition of the term “social housing” in Europe. In the semantic sense, the term “social” can refer to the legal status of the landlord, and in other cases relating to the administration regimen of flats to rent, ways of financing or a target population.

c) **“The right to housing”** in broad terms and for the purposes of this document, the authors used as synonymous terms in the similar context can be found in a variety of legal documents: **suitable housing, adequate housing and appropriate accommodation**.

d) **“Non-profit housing”** is housing of an appropriate standard which provides with the support of the state, or local government units, households or individuals that for social, economic and other reasons cannot provide housing under market conditions.

e) **An integrated model of social housing** implies that a certain model of social housing is fully integrated into the local community, i.e. that users of social housing in any way will not be socially excluded, discriminated against or their health placed at risk just because of the use of these apartments. In practice, this would mean that, in addition to “a roof over their heads”, the model must ensure adequate access to all other social services (school, kindergarten, medical institution, public transport, parks and playground for children, a store of basic foodstuffs, social institutions, Internet...) under the same terms and service quality standards as the other residents and the local community have. An integrated model of social housing in no way implies that the state or local community is required to provide users any of these social

¹¹⁰⁾ The definition offered by HABITAT Agenda (Istanbul 1996.).

services free of charge or beyond the standards that apply to all other citizens and local communities.

4.2. International framework relevant to B&H

When it comes to universal international documents in which the right to housing is treated, in addition to the previously mentioned in the introduction to these guidelines the following international documents are important:

Universal Declaration of Human Rights, 111) that under Article 25, paragraph 1, stipulates that everyone has the right to a standard of living adequate for health and well-being, which includes food, clothing, housing, medical care and services social services.

International Covenant on Civil and Political Rights, 112)

This pact establishes in article 17, paragraph 1 that no one can be subject to wilful or unlawful violation of the home, and (in paragraph 2) that everyone has the right to the protection against such harm.

International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families 113), which in article 43, paragraph 1 provides that workers – migrants enjoy equal treatment with nationals in relation to access to housing, including social programs and also in the area of housing, and protection from exploitation through rent.

Convention relating to the Status of Refugees 114), when it comes to housing in Article 21 stipulates that States Parties must provide refugees to be treated more favourably, not less favourable than that generally foreigners are in the same circumstances.

International Convention on the Elimination of All Forms of Racial Discrimination, the International Convention on the Elimination of All Forms of Discrimination against Women, the Convention on the Rights of the Child 115) also contain provisions relating to the right to adequate housing.

“*The right to housing*”, i.e. the appropriate accommodation, finds its place in the documents of the Council of Europe. Most important is the **European Social Charter** of 1961, which in Article 16, and then the **Additional Protocol** to the European Social Charter of 1988 in Article 4, as well as the **Revised European Social Charter** in Article 31, establishes the right to housing. In this regard, Member States of the CoE undertake to adopt measures that aim to improve access to housing of an adequate standard, to prevent or reduce the occurrence of homelessness, and make that price of housing accessible to those without sufficient resources.

RECOMMENDATIONS OF THE EXPERT GROUP FOR THE ESTABLISHMENT OF THE INTEGRATED MODEL AND SELECTION OF BENEFICIARIES OF SOCIAL HOUSING IN BOSNIA AND HERZEGOVINA

111) It was adopted and proclaimed a Resolution by the General Assembly of the UN 217 (III) from 10 March 1948

112) Adopted and opened for signature by UN General Assembly Resolution 2200A (XXI) from 16 December 1966,

113) Adopted and opened for signature General Assembly Resolution 45/158 from the United Nations on 18 December 1990.

114) Entered into force on 22 April 1954, B&H took over by succession on 1.9.1993.

115) Adopted and opened for signature and ratification or accession by General Assembly Resolution 44/25 from the United Nations on 20 November 1989. Entered into force.

Bosnia and Herzegovina is a member of the Council of Europe, and for us one of the most important documents of the Council of Europe is the Strategy for Social Cohesion, which was approved by the Council of Ministers on 31 March 2004, and the social housing is viewed in the context of achieving full social cohesion in the Member States of CoE. The right to housing is seen as a part of other social rights, as a prerequisite for the creation of social cohesion in a society. In paragraph 16 of this document we have reaffirmed the principles of the CoE related to: (1) equal access to rights for all, without discrimination; (2) the availability and attainability of services for all citizens; (3) special attention to the needs of vulnerable members of society, and to avoid their stigmatization; (4) maintain consistent and sustainable fiscal policy; and (5) user involvement in policy-making related to the exercise of social rights. In particular, paragraph 21 underlines the need for action of state bodies in order to prevent any exclusion of vulnerable groups in access to social rights. In the priorities in the years to come, in paragraph 52, it is emphasized that this strategic document has its basis in the Revised European Social Charter. The application of this document ensures access to basic social rights of all members of society. It was emphasized that the European Committee for Social Cohesion, in addition to the right to social protection and access to social services and the right to work, especially to treat and the right to housing. More specifically, the focus will be access to this right, and the CoE member states in which the access to this right is acutely threatened.

4.3. The national legal framework

According to the B&H Constitution, there is no original jurisdiction of the state in housing matters, but these fields are defined at the entity level and BD.

Recognizing a prominent need and necessity for the activities in this field to be coordinated, and that the approaches to these issues are conducted in a comprehensive manner, amendments to the Law on Ministries and other government authorities of Bosnia and Herzegovina ("Official Gazette of B&H", no. 5/03, 42 / 03, 26/04, 42/04 and 45/06), established the responsibility for housing policy at the state level in the Ministry of Human Rights and Refugees (MHRR), which is responsible:

"To establish the basic principles for coordination of activities, harmonization of policies and plans of the authorities of Bosnia and Herzegovina and the international community in the field of housing, reconstruction and development".

At the level of Bosnia and Herzegovina there are several categories for which the state is responsible in respect of their housing, such as immigrants and migrants, *asylum seekers, temporarily readmitted personnel, foreign and domestic trafficking victims, and it is obliged to provide assistance in housing as the Roma and other disadvantaged groups when the need arises.*

4.3.1. Provision of housing for displaced persons and refugees

Housing support in dealing with the consequences of the conflict, in accordance with the provisions of Annex VII of the Agreement for Peace in Bosnia and Herzegovina (hereinafter: DPA), served as the primary purpose of the impairment effects of war on the population. In terms of housing assistance it has been focused on two operational areas: the restitution of property, tenancy rights and reconstruction.

Law on Refugees from B&H and Displaced Persons in Bosnia and Herzegovina (BiH Official Gazette, no. 23/99, 21/03 i 33/03)

This law defines the acquisition and cessation of refugee status in Bosnia and Herzegovina (hereinafter: refugees from B&H) and displaced persons in Bosnia and Herzegovina (hereinafter: displaced persons), returnees, the rights of refugees from B&H, displaced persons, returnees; *the manner of exercising their rights and resources to support the creation of conditions for the return of refugees from B&H and displaced persons* as well as other issues relating to refugees from B&H, displaced persons and returnees.

Assistance granted from funds affiliated to the Fund for Return is non-cash assistance in the reconstruction of housing units on a “key in hand” to the standards prescribed by the **Ordinance on the minimum housing conditions for the rehabilitation and construction of housing units for the purpose of return** (Official Gazette of B&H, no. 93/06 od 26. 11. 2006.)

The process of selection of beneficiaries undertaken by the appropriate municipal commission in accordance with the **Instruction on the manner and procedures of selection of beneficiaries of return and housing reconstruction** (Official Gazette of B&H, no. 48/06 od 26. 6. 2006.)

“Strategy of Bosnia and Herzegovina for the Implementation of Annex VII of the Dayton Peace Agreement,” is the first joint, framework document on the level of Bosnia and Herzegovina which defines the objectives and plans of necessary actions and reforms towards the final implementation of Annex VII of the General Framework Agreement for Peace in Bosnia and Herzegovina. The special importance of this document is the fact that it is accepted both by respective State and entity institutions and by the international community in B&H.

The Strategy identified the following **strategic objectives**:

1. Completion of the process of return of refugees from B&H and displaced persons in B&H;
2. Implementation of repossession of property and tenancy rights;
3. Complete the process of reconstruction of housing units for return;
4. Ensuring conditions for sustainable return and reintegration process in B&H.

Within this document housing for persons in poor social situations are referred to and it states that there is a discrepancy between the actual needs and possibilities to finance different modalities of housing in order to find durable solutions for displaced persons and other socially vulnerable categories of population in need of social housing.

Also, there is a need for other types of durable solutions for displacement issues.

RECOMMENDATIONS OF THE EXPERT GROUP FOR THE ESTABLISHMENT OF THE INTEGRATED MODEL AND SELECTION OF BENEFICIARIES OF SOCIAL HOUSING IN BOSNIA AND HERZEGOVINA

In parallel with the process of reconstruction it is necessary to find adequate solutions for housing of other persons in poor social situations, and for which durable solutions cannot be ensured by reconstruction of their pre-war homes.

In this regard it is necessary to develop a new strategy of access to housing in Bosnia and Herzegovina with a special focus on socially vulnerable categories of population on multiple grounds, so it is necessary:

1. In accordance with general goals for economic reconstruction, development and cooperation to promote access to the right to housing without discrimination;
2. To develop sustainable housing and urban development, including the development of instruments for prosperity improvement in this area, with a special focus on ensuring access to appropriate housing solutions tailored to the needs of the most vulnerable, or people in need of social protection;
3. To establish basic principles for coordination of activities, harmonization of policies and plans of B&H authorities and the international community in the field of housing.
4. Take appropriate actions in order to promote, protect and ensure the full and progressive realization of the right to housing, with a special focus on access to adequate housing for vulnerable groups;
5. Create an adequate legal framework, proper institutional arrangement and adopt policies which will lead to non-discriminatory access to housing for all;
6. Clearly define needs, goals and target groups, standards and procedures for monitoring results in order to prevent any discrimination in access to housing, taking into consideration interdisciplinary links with other policies.

Provision of housing for vulnerable categories of population requires actions not only of the competent authority at all levels of government but of all segments of society, including the private sector, NGOs and counterparts of international community.

Also, vulnerable categories of the population and the institutions of civil society should be allowed to take proactive role through participatory mechanisms in defining adequate programs.

Readmitted persons, strategy for the reintegration of readmitted persons

Bosnia and Herzegovina has within the framework of the Stabilisation and Association Agreement with the European Union, and the Road Map for liberalization of visa regime with the Schengen countries, accepted the obligation to readmit any of its nationals, whose stay in the host countries becomes unlawful on any grounds (loss or cessation of refugee status, unresolved stay in the host country by citizenship, legal labour or other grounds, refusal of requests for subsequent asylum, etc.).

In this regard, the government adopted the Strategy of reintegration of returnees under the Agreement on Readmission. Based on the adopted strate-

gies amendments to the Law on Ministries and other administrative bodies of B&H were adopted, which had the Ministry of Human Rights and Refugees, among other things, proclaimed as responsible for ensuring accommodation for a period up to 30 days for citizens of B&H returning to B&H by the Agreement on Readmission.

After the entry into force of the Law on Amendments to the Law on Ministries and other administrative bodies of B&H and opening of the Readmission centre in Salakovci, the Sector for Refugees, Displaced Persons, Readmission and Housing had prepared a set of by-laws:

- Decision on the Establishment readmission centre in Mostar,
- Regulation on the work, functioning and conduct rules within the readmission centre in Mostar,
- Instructions on how to care for citizens of Bosnia and Herzegovina on the basis of the readmission agreements, which have also been published (B&H Official Gazette, no. 39/13).

The Decision on the establishment of the Readmission centre in Mostar (B&H Official Gazette, no. 39/13).

Hereby, the readmission Centre in Mostar was established within the Sector for Refugees, Displaced Persons, Readmission and Housing Policy of the Ministry for Human Rights and Refugees, with a view to accept and care for up to 30 days Bosnian citizens who are returning to

Bosnia and Herzegovina on the Agreement on Readmission.

Regulation on the work, functioning and conduct rules within the readmission centre in Mostar (B&H Official Gazette, no. 39/13).

The readmission centre in Mostar was established with the aim of temporary care and accommodation for a period up to 30 days of B&H citizens who are returning to Bosnia and Herzegovina on the basis of the Readmission Agreement.

Instructions on how provide temporary care of citizens of Bosnia and Herzegovina on the basis of the Readmission Agreement (Official Gazette of B&H, no. 39/13).

This Instruction prescribes the basic principles, the competent authorities; conditions and manner provide temporary care for citizens of Bosnia and Herzegovina on the basis of the readmission agreements and other issues relevant to the temporary care of such persons.

According to Article 2 the competent authorities for the implementation of this instruction are: Ministry of Human Rights and Refugees, Ministry of Security, Border Police, Ministry for Refugees and Displaced Persons of Republika Srpska, Federal Ministry of Displaced Persons and Refugees and the competent department of the Government of the Brčko District of B&H.

4.3.2. Provision of housing for protected and vulnerable groups

In addition to the above mentioned categories in Bosnia and Herzegovina, there is also the Law on Movement and Stay of Foreigners and Asylum (BiH Official Gazette, no. 36/08 and 87/12) regulates issues related to the

RECOMMENDATIONS OF THE EXPERT GROUP FOR THE ESTABLISHMENT OF THE INTEGRATED MODEL AND SELECTION OF BENEFICIARIES OF SOCIAL HOUSING IN BOSNIA AND HERZEGOVINA

movement and residence of foreigners including the issues of accommodation for:

- Foreigners on subsidiary protection,
- Foreigners on temporary protection,
- Refugees,
- Foreigners victims of trafficking,
- Foreign children unaccompanied,
- Asylum seekers,
- Illegal migrants.

Within the framework of Article 56, paragraphs 1 and 2 of this law it is stated that the Ministry of Security is responsible for providing special protection and assistance to victims of trafficking for their recovery and return to the country of habitual residence or within the country of admission, and is obliged to by regulation to issue pursuant to the rules and standards in treatment, as well as other issues concerning the admission of victims of trafficking in human beings, their rehabilitation and return (repatriation).

The Regulations on the protection of victims of trafficking in human beings (Official Gazette of B&H, no. 90/08) regulates the care and accommodation of victims of trafficking, which is organized when it comes to foreigners victims of trafficking, within the shelters which have signed protocols on cooperation with the Ministry of Security B&H. In the identification stage, the security services in collaboration with the centre for social work, management of shelters and legal aid, assess what type of accommodation is necessary to ensure the victim: shelter of high risk, medium-risk shelter, shelter of low risk and other types of accommodation.

Special forms of collective and individual housing are provided for **domestic trafficking victims**. In question is housing in shelters and the so-called “safe houses” and / or individual accommodation.

When it comes to domestic nationals trafficked, their accommodation regulates “Decision on adoption of rules on the protection of victims and witnesses of human trafficking of citizens of Bosnia and Herzegovina” (Official Gazette, no. 66/07). By adopting these rules the obligations of Bosnia and Herzegovina are fulfilled and established in international instruments ratified by Bosnia and Herzegovina in terms of administration and compliance with the standards of human rights protection of victims and witnesses of human trafficking. The Rules provide for in Article 12, point 1 and 2 to:

1. *Victims and witnesses will be provided by the competent institution for social protection protective care and housing, financial assistance, counselling, therapeutic treatment and professional assistance in terms of inclusion in a program of resettlement in accordance with the laws regulating social protection in B&H.*
2. *The victim and witness of the victim are provided with **protective care and housing**, which can be accomplished within the shelters, or in a facility that is used to house victims of trafficking and violence (safe houses), other families or foster families and social and child protection in accordance with laws regulating social protection in B&H.*

Also under Article 24, paragraph 3 of the Rules it provides that:

“Ministry for Human Rights and Refugees will conclude the basic protocol on cooperation with non-governmental organizations, which shall specify the binding elements for signing of the protocols at the local level. The basic protocol will regulate the conditions of care of victims and witnesses and establish standards of accommodation, and mutual accountability to a protocol, financing activities required by the protocol and all other issues relevant to the implementation of the basic protocol. According to the same principles, cooperation protocols may be concluded at the local level between the Centre for Social Work and authorized organizations.”

MoHRR concludes the Basic protocol on cooperation with NGOs that sets binding elements in terms of care of victims and witnesses and establishes standards of accommodation, and mutual accountability of the Parties to the Protocol, financing activities required by the protocol and all other issues relevant to the implementation of the basic protocol. According to the same principles, cooperation protocols may be concluded at the local level between the Centre for Social Work and authorized organizations.

The Law on the Protection of Threatened Vulnerable Witnesses (Official Gazette of B&H, no. 3/03, 21/03, 61/04 and 55/05) also provides for special forms of accommodation.

The Law on Protection of National Minorities (Official Gazette of B&H, No.12 / 03 and 76/05) guaranteed rights of national minorities in accordance with the highest international standards of human rights and fundamental freedoms. Entity laws, i.e. The Law on Protection of National Minorities in FBiH (from 2008) and the Law on Protection of National Minorities in RS (from 2005) have harmonized and confirmed commitments in the protection of national minorities.

The Framework Convention for the Protection of National Minorities of the Council of Europe, ratified by B&H, is thus directly applied and is an integral part of the legal system of B&H.

In order to implement the law and to improve the living conditions of the Roma population, Bosnia and Herzegovina has adopted the following documents:

- Strategy of B&H to resolve the problems of Roma (adopted in 2005),
- Action Plan for Solving Problems of Roma in the field of education, housing and health care (adopted in 2008),
- Signed the Declaration on the accession to the Decade of Roma Inclusion 2005-2015 in September 2008.

In these documents, which are applied throughout the country, the authorities have committed themselves to the Roma national minority to improve the overall socio-economic status, including the solution of housing problems of Roma that is realized, and for this purpose developed legal acts:

- Instructions on how to allocate aid, beneficiary selection and execution of projects for the housing of Roma in Bosnia and Herzegovina.

RECOMMENDATIONS OF THE EXPERT GROUP FOR THE ESTABLISHMENT OF THE INTEGRATED MODEL AND SELECTION OF BENEFICIARIES OF SOCIAL HOUSING IN BOSNIA AND HERZEGOVINA

- Standards for the repair and construction of housing, facilities for the purpose of housing care of Roma in Bosnia and Herzegovina (BiH Official Gazette, no. 53/13).

4.3.3. Brčko Distrikt B&H

Provision of housing for displaced persons and refugees, protected and vulnerable groups

In the BD, Article 2 of the Law on Repossession of Abandoned Property (Official Gazette of the BD B&H, no. 10/02), “alternative accommodation” means one or more rooms, which provide the users from natural disasters and protect their furniture from damage, with at least 5 m² per person, excluding surface kitchens, bathrooms, toilets and corridors.

Adequate provision of housing is based on the number of family members in need which should provide a form of temporary housing. In the BD we can single out apartments that are so-called humanitarian apartments formed in 6 locations. Accommodation includes access to the entire infrastructure, utilities, organized transportation, and through certain procedures can be provided and nutrition of the occupiers, etc.

The basic service of accommodation is the accommodation itself, with the role of protecting the tenant and the protection of his/her furniture. The destruction of apartments is due to below-average level of socio-cultural education, and inadequate use of the apartment in terms of “a good host”. For these reasons apartments are destroyed or more funds set aside for their ongoing maintenance.

Violent evacuations are allowed in the legal framework by the competent services in the presence of police officers and centre for social work.

Displaced persons and persons in need of housing are awarded by the Decision of the BD Mayor pursuant to Article 2 of the Law on Social Protection BD (BD Official Gazette of B&H, no. 15/03) and the Ordinance on conditions and methods of solving the housing problems of permanent social assistance and persons in need, to which it was not given an opportunity to appeal.

According to the Law on Social Protection of BD (BD Official Gazette of B&H, no. 15/03) and the Ordinance on conditions and methods of solving the housing problems of permanent social assistance and persons in need (Article 2), it was determined that apartments which can be subject to distribution are dwellings of the competent department – the Department of Housing and all other dwellings the mayor by decision put at the disposal of the Department – Department of Health, public Safety and services to citizens in order to solve the housing problems of persons defined by this ordinance.

The right the resolution of housing issues under Article 3 of the Law on Social Protection of BD and the Ordinance on conditions and methods of solving the housing problems of permanent social assistance and persons in need are beneficiaries of social assistance and persons in need.

Article 6 of the Law on Social Protection of BD and the Ordinance on conditions and methods of solving the housing problems of permanent social assistance and persons in need for addressing housing issues determined the

following criteria: the degree of vulnerability of housing, number of household members, child's age, state of health and disability, single parents.

Based on the above-mentioned regulations the specific criteria are defined that affect the priority housing and housing allocation independent of the order of general standards such as: loss of the apartment due to force majeure: fire, flood, storm, earthquake; unplanned increase in family.

For social housing from the budget of BD per year will be allocated in the amount of KM 30,000.00, with the possibility with the opportunities for these funds to increase.

In BD, the Law on Social Protection of Brčko District of B&H (Official Gazette of the BD B&H, no. 1/03, 4/04), (Article 81) provides for establishing institutions for children and youth, by the decision of the Assembly of BD for children without parental care, for education-deprived children and for children with physical or mental disabilities, but in BD there are no such facilities

4.3.4. The Federation of Bosnia and Herzegovina

Provision of housing for displaced persons and refugees and other protected categories

The Law on Displaced Persons and Returnees in the Federation of Bosnia and Herzegovina and Refugees from Bosnia and Herzegovina (Official Gazette of FB&H, no. 15/05), regulates the basic rights and duties of displaced persons and returnees, acquisition and termination of status, their return to the place of residence from which they were displaced, the manner of keeping records of these individuals, providing funds for the return and the exercise of other rights, and other issues concerning the rights and obligations of such persons in the Federation of Bosnia and Herzegovina.

Persons with a recognized status of displaced persons and returnees are temporarily provided with the following rights: assistance in necessary repair of their houses or apartments; assistance in the use of loans or grants to start businesses in creating income for themselves and their families; temporary accommodation; necessary food; social adaptation and psychological support; health care; education of children and youth and meeting other basic needs.

This law establishes the definitions and standards related to: Article 13 reception and transit centres; Article 14 collective centres, Article 15 settlements that are purpose-built, reconstruct accommodation for displaced persons and returnees; Article 16 for the available apartments, apartments that are in terms of this Act which provide for the minimum area of 8-10 m² which can be used for temporary accommodation.

In the Federation of Bosnia and Herzegovina the question of housing policy is regulated partly by federal and partly by cantonal laws, where so far only two cantons regulate the field of social housing through their own laws: Bosnia-Podrinje (Goražde) and Zenica-Doboj Canton, as well as a number of decisions of municipalities and cities. In addition to the adopted legislation in these cantons, in municipalities in which they are implemented projects of social housing decisions were made, regulations, lease agreements and other legal documents that make the system sustainable.

RECOMMENDATIONS OF THE EXPERT GROUP FOR THE ESTABLISHMENT OF THE INTEGRATED MODEL AND SELECTION OF BENEFICIARIES OF SOCIAL HOUSING IN BOSNIA AND HERZEGOVINA

These laws regulate social non-profit housing as:

(...) Non-profit-social housing of an adequate standard to ensure that with the support of the state, or local government units, households or individuals that for social, economic and other reasons cannot provide housing under market conditions. Housing appropriate standards in accordance with the laws of is housing which is in line with the principles: protection of the public interest; stability and durability of structures; health protection; environmental protection and space; protection from natural and technological disasters; fire protection, explosions and industrial incidents; thermal protection and energy efficiency."

In FBiH, Article 20 the **Law on Social Protection, Protection of Civilian War Victims and Families with Children of FB&H** provides that persons and families in need, who qualify for entitlement to social protection under Article 19 of this Law, provided at the expense of social welfare and certain forms of health care and meeting the housing and other needs in accordance with the Law.

In FBiH, the accommodation of children with ensured meals in preschool education is one of the fundamental rights in terms of the Law on Social Protection, Protection of Civilian War Victims and Families with children can be granted to a family with children (Article 89, item 7).

Cantonal regulations have detailed regulation of conditions, methods, procedures, authorities and financing of the aforementioned rights (Article 90, paragraph 2 of the Law on Social Protection, Protection of Civilian War Victims and Families).

4.3.5. Republika Srpska

Provision of housing for displaced persons and refugees and other protected categories

The Law on Cessation of the Law on Use of Abandoned Property ("Official Gazette of Republika Srpska", number 16/10. Revised text) and the housing in which there is no tenancy rights ("Official Gazette of of Republika Srpska", number 98/11) and the Law on displaced persons, returnees and refugees in Republika Srpska (Official Gazette of RS, no. 42/05 and 52/12) regulates the issue of displaced persons, returnees and refugees in Republika Srpska.

Certainly most important to note is the new Law on Displaced Persons, Returnees and Refugees in Republika Srpska governing the rights of displaced persons, refugees and returnees in Republika Srpska; determination and cessation of the status of displaced persons and returnees; social reintegration and return of persons; bodies and organizations for law enforcement; financing and provision of resources for the realization of these rights and other issues of importance for the protection of persons in RS. Article 14 stipulates that all displaced persons and returnees have the right to an adequate standard of living, the right to basic temporary accommo-

ation, health care, social protection, education and vocational training, freedom of religious expression and political activity. In addition to the rights mentioned in the preceding paragraph displaced persons and returnees during the status have the right to: assistance in necessary reconstruction of their houses and apartments; use loans to start businesses in order to generate income for themselves and their families; adequate financial assistance; basic health care; primary education; social assistance, provided they are not employed.

The persons referred to in the previous paragraph will be provided with temporary accommodation if they have sufficient resources, including income sufficient for their accommodation needs. The assessment and analysis of the economic situation of persons from the previous paragraph shall be performed by departments of the Ministry with the previously obtained information from the local community council, the Department of Employment and Centre for Social Work.

In the RS, according to article 38 of the Law on Social Protection, accommodation in social care is realized by referring users to the appropriate institution, which provides care (housing, food, clothing, care, support and care), education, training certain work activities and health care in accordance with special regulations, occupational, cultural and recreational and rehabilitation activities and social work services. Exceptionally, accommodation may be carried out in a medical institution that meets the requirements for the provision of accommodation in boarding schools or students, when the user is referred in order to qualify for work. The right to placement in another family belongs to persons who are eligible for placement in an institution (Article 38).

Social welfare institutions which provide accommodation for children, according to the Law are: home for children and young people, home for children and youth with disabilities, home for physically disabled children and young people with good mental capabilities, home for the education of children and youth, reception centres, centres for services and day care.

Home for Children and Youth provides care for children without parental care and children whose development is hindered by family circumstances, to ensure the conditions for return to their families or care in adoptive or foster family, or to train for independent living (Article 61).

In Republika Srpska in 2000 the Fund for housing was established whose main activity is “the collection and distribution of funds for the housing needs of citizens”, primarily by providing loans for priority population groups identified by the law.

4.4. Findings of the study

The purpose or general objective of the study is to provide an overview of the existing system of social housing in the EU neighbouring countries and Bosnia and Herzegovina on the basis of which, with the full participation of all stakeholders, there will be a proposal for an integrated and sustainable model of social housing which could be applied in Bosnia and Herzegovina.

RECOMMENDATIONS OF THE EXPERT GROUP FOR THE ESTABLISHMENT OF THE INTEGRATED MODEL AND SELECTION OF BENEFICIARIES OF SOCIAL HOUSING IN BOSNIA AND HERZEGOVINA

The specific objectives of the Study are:

- Analyse existing systems and models of social housing in the EU, the region and B&H, as well as the possibility that the same to be applied in B&H, given the existing legal and policy framework;
- Assess the sustainability and adequacy of existing models of social housing in Bosnia and Herzegovina through a comprehensive field study;
- Propose an integrated and sustainable system of social housing or several possible models of social housing that would represent a sustainable and permanent solution to the problem of social housing in B&H;
- Develop the general criteria for the selection of beneficiaries for 6 residential units in six municipalities in B&H, which will be developed through the project Social Housing System (SHS) – Development of an Integrated Model in Theory and Practice.

Based on the objectives, the Study responded to the following questions:

1. What experiences from the EU and the region can be applied in Bosnia and Herzegovina?
2. What are the previous experiences in the development of social housing in Bosnia and Herzegovina?
3. What integrated system can be applicable in B&H, given the existing legal framework and practice?
4. What kind of legal and political changes to the proposed model are required?
5. How would local actors need to be involved in ensuring the financial sustainability of social housing?
6. How would the proposed system of social housing ensure long-term involvement of users in the local community?

For the purpose of this Study the classification set in the study “Need of social housing in Ireland” was used, which was part of the project funded by the European Union “Follow up on the functional Review of the Return Sector in B&H” conducted by Charles Kendall and Partners LTD and EURASYLUM. According to this classification five social groups have been identified that should be included in the development strategy of social housing in B&H:

- Refugees and displaced persons, including persons who have returned to Bosnia and Herzegovina under the contract on readmission
- The Roma population
- Seniors
- Young people, with a focus on young couples who are unable to buy their first property
- Households with very low incomes

This classification added another social group: a group of experts / staff that is in demand in certain local communities.

The study states that there are four possible sources of financing the construction of social housing in B&H:

1. Local budget funds
2. Credit funds
3. The programs of the European Union and other donor funds

4. Private funding (private-public partnership)

The study found the conclusions and recommendations that were the basis for the development of these recommendations.

5. RECOMMENDATIONS FOR THE CONSTRUCTION OF INTEGRATED MODELS OF SOCIAL HOUSING IN B&H

From the experience of European Union it is recommended that countries in transition should adequately determine the role of social housing in society and the housing system and the countries recommend the following:

- a) Making appropriate organizational and supervisory legal framework,
- b) Clearly identify the target groups that can get social housing,
- c) Ensure connectivity of social housing with economic development and social inclusion.

The main mechanism for this approach is to develop strategies that would actualize the problem of low demand, excess housing and abandoned areas, especially in the field of return of refugees and displaced persons and the present trend of migration of the population in Bosnia and Herzegovina.

Social housing should respond to the expectations of the various vulnerable groups. It is necessary to explore and examine whether the problems of “affordability” of rental housing, housing subsidies and price of social housing are well placed.

5.1. Improving the strategic development documents and harmonization of laws in the field of social housing in Bosnia and Herzegovina

Recommendation 1. At the level of Bosnia and Herzegovina in accordance with Article 12 of the Law on Ministries and other government authorities of Bosnia and Herzegovina, and in cooperation with the entities and District Brčko, initiate the development and adoption of the framework and the entity legal framework for creating strategies of housing policies that include standards for realization of an integrated program for social housing and developed criteria for selection of beneficiaries of social housing in accordance with the responsibilities of Bosnia and Herzegovina and entities for the care of members of different vulnerable groups.

Recommendation 2. In Entities and in Brčko to pass the Law on social housing and harmonize existing to local governments to enable a more efficient way of solving the housing needs of vulnerable people and households that cannot resolve their housing problem in the existing, especially solving:

- a) Precise jurisdiction over the management and maintenance of the housing fund, that is, objects of social housing and facilities that will be built in the future or provide for these purposes.
- b) The establishment of precise records of social housing (recording and analysis of the existing Social Fund), and methodology updates

RECOMMENDATIONS OF THE EXPERT WORKING GROUP FOR THE ESTABLISHMENT OF THE INTEGRATED MODEL AND SELECTION OF BENEFICIARIES OF SOCIAL HOUSING IN BOSNIA AND HERZEGOVINA

and further collecting data necessary for the development and adoption of local social housing programs.

- c) Accelerate and / or regulate the registration of social housing with the proper authorities in order to establish ownership of the local community over the existing fund.
- d) Establish a methodology of making the assessment and analysis of housing needs.
- e) Define standards of human residence – minimum housing conditions.
- f) Regulate forms of legal and practical protection against forced evictions for all users of social housing, applying the principle of ensuring minimum housing conditions.
- g) Provide a methodology development of the Local social housing program that achieves social cohesion and social solidarity, predict the state assistance to local governments in the provision of housing for persons who do not have a house and who cannot provide housing facilities, improving the quality of life of citizens, especially members of vulnerable social groups that cannot resolve their housing needs in the existing market, in order to reduce poverty.
- h) Planning and implementation of social housing programs, taking into account balanced regional and overall economic and social development.
- i) Prescribe the criteria for selection of beneficiaries of social housing on the basis of policy frameworks.
- j) Establish appropriate authorities and anticipate development of appropriate regulations necessary for their work.
- k) To ensure the participation of relevant civil society organizations that have experience in the field of social protection and social housing.

Recommendation 3. In the Entities and in Brčko adopt a harmonized strategy for social housing that will establish the concept, policy and criteria of social housing and the general objectives of the development of social housing, in line with regional, overall economic and social development, and based on international, and especially EU standards.

5.2. Improvement and / or the establishment of an institutional framework for social housing

Recommendation 4. It is necessary for the MoHRR to establish appropriate professional and development capacity and improve the regional and international cooperation with various bodies (UNHABITAT, CoE and the EC, etc. International bodies) which will work on establishing the basic principles. coordination of activities, harmonization of policies and plans of the authorities of Bosnia and Herzegovina and the international community in the field of housing, reconstruction and development.

RECOMMENDATIONS OF THE EXPERT GROUP FOR THE ESTABLISHMENT OF THE INTEGRATED MODEL AND SELECTION OF BENEFICIARIES OF SOCIAL HOUSING IN BOSNIA AND HERZEGOVINA

Recommendation 5. The establishment of operational teams of BD, Republika Srpska, the Federation and the cantons and local authorities, agencies and / or the institutes for the development of social housing in whose work representatives of civil society organizations are involved and that have experience in the field of social protection and social housing

Recommendation 6. Establishment of capacity for training and development of uniform standards in the field of social housing and the system of cooperation with civil society and other non-profit organizations that have a minimum of 5 years' experience in the field of social housing and social protection.

5.3. The establishment of sustainable models and financing of social housing

Recommendation 7. In addition to the budget resources it is necessary to identify other models for the satisfaction of their housing needs with various forms of support from the public and private sector (donations, grants, loans, establishing a partnership between public, private and non-profit sector in field of social housing), a combination of different sources of financing, financial facilitation, organizational forms, ownership status and the regime of housing units for use.

Recommendation 8. Consider introducing incentive measures within the existing budget available to improve housing conditions in dwellings that do not meet the minimum requirements and the construction of social housing with a lease, which is a necessary measure for the formation of the social housing fund.

Recommendation 9. It is necessary to provide the material basis for addressing housing issues of the next generation, and in public housing programs, whether conducted by the competent entity authority or local governments, ensuring representation of all actual costs of acquiring and using of the housing, and on this basis to determine the methods of determining the cost of housing or lease to end-users. Introduce as a principle of sustainability of the housing fund by introducing a cost approach in determining the amount of the rent, because sustainability or sustainable development means the ability of a system that works long term.

Recommendation 10. By law set a minimum price of rent, which cannot be less than the amount required to settle the costs of regular maintenance of the residential building, classified according to different groups and supplemented by budget subsidies.

Recommendation 11. Initiate that the MoHRR in accordance with Article 12 of the Law on Ministries and other government authorities of Bosnia and Herzegovina, establish body for coordination and harmonization of standards

for social housing in Bosnia and Herzegovina with internationally accepted standards by B&H in the work of which will take part representatives of the competent entities and the Brčko District of B&H.

The selection of beneficiaries of social housing

Recommendation 12. Create selection process beneficiaries of social housing and monitor the implementation taking into account the following principles:

- a) The prohibition of discrimination,
- b) To ensure application of the criteria for distinguishing by the degree of endangerment (vulnerability),
- c) To determine the general and specific criteria with measures of positive discrimination,
- d) To ensure two-instance decision-making (right to appeal) in the selection,
- e) To ensure supervision and verification of beneficiary selection and transparency of the process,
- f) To ensure the protection of personal data,
- g) To facilitate administrative procedures and provide technical and legal support, especially for the most vulnerable groups,
- h) To establish a methodology of the selection process of the beneficiaries,
- i) Ensure the transparency of work of the body of selection.

Recommendation 13. It is necessary to define the methodology of monitoring the level of harmonization and application of standards in the field of social housing for Bosnia and Herzegovina.

The recommendations for the establishment the integrated model and selection of beneficiaries of social housing in Bosnia and Herzegovina are the result of the work of the Expert Working Group made up of officially appointed the representatives of the relevant ministries: State of Bosnia and Herzegovina (3 members), the entities: the Federation of B&H (3 members) and the Republika Srpska (3 members), Brčko District of B&H (one member), Herzegovina-Neretva Canton, Canton Sarajevo and Tuzla Canton (4 members), and representatives of donors and implementers.

Most of the members of the Expert Working Group adopted the final document of recommendations, while representatives from RS, after active participation in the work of this working group, did not accept part of the recommendations.

6. REFERENCES

1. Puljiz V. et al. Social Policy, Zagreb, Faculty of Law (2005), ISBN 953-6714-75-2, p. 363
2. Discussion Paper of the Secretariat of UNECE, and CECODHAS, for the purposes of the conference “Workshop on Social Housing” held 19th and 20th May 2003 in Prague, chapter “Sustainable development of social housing”, str. 90 – 138,
<http://www.unece.org/hlm/prgm/hmm/social%20housing/soc.hou.proceedings2003.pdf>.
3. General Comment No. 3 of the Committee on Economic, Social and Cultural entitlements- The legislation on the right to housing: an overview of international and national legal instruments, the Office of the High Commissioner for Human Rights (OHCHR) and the United Nations Human Settlements Programme (UN-HABITAT), 2003. p. 14.
4. The legislation on the right to housing: an overview of international and national legal instruments, the Office of the High Commissioner for Human Rights (OHCHR) and the United Nations Human Settlements Programme (UN-HABITAT), 2003, p. 14.
5. Social housing reform act, 2000. (Garnett, 2000.)

Authors of the Recommendations for the establishment of a comprehensive model and the selection of beneficiaries of social housing in Bosnia and Herzegovina were the members of the Expert Working Group:

1. Saliha Đuderija, Assistant Minister, Ministry of Human Rights and Refugees;
2. Elmira Terko, Expert Adviser in the Department for Refugees, Displaced Persons, Readmission and Housing Policy, Ministry for Human Rights and Refugees;
3. Sanela Fočo, Senior Expert Associate for Social Protection, the Ministry of Civil Affairs of Bosnia and Herzegovina;
4. Ekrem Banda, Government of Brčko District;
5. Ševka Palo, Head of Department, Ministry of Displaced Persons and Refugees of FB&H;
6. Enver Brkan, Expert Adviser for Displaced Persons and Refugees - Returnees, the government of the Herzegovina-Neretva Canton;
7. Zoran Jovetić, Ministry of Labour, Social Affairs, Displaced Persons and Refugees of Sarajevo Canton;
8. Azem Poljić, Assistant Minister, Ministry of Labour, Social Affairs and Return of Tuzla Canton;
9. Ljubo Lepir, Assistant Minister, Ministry of Health and Social Welfare;
10. Adila Hodžić, Senior Advisor for social welfare institutions in the Department of Social Welfare and protection of family and children, the Ministry of Labour and Social Policy
11. Minka Dautbašić, architect, FB&H Ministry of Physical Planning;
12. Nada Lipovac, Advisor to the Minister, Ministry for Refugees and Displaced Persons RS;

RECOMMENDATIONS OF THE EXPERT WORKING GROUP FOR THE ESTABLISHMENT OF THE INTEGRATED MODEL AND SELECTION OF BENEFICIARIES OF SOCIAL HOUSING IN BOSNIA AND HERZEGOVINA

13. Jadranka Simović, Legal Affairs, Ministry of Physical Planning, Civil Engineering and Ecology RS;
14. Tehvida Džebo, Senior Expert Associate, Ministry of Housing Policy, Sarajevo Canton.
15. Suzana Jašarević, Director of HWA B&H;
16. Azema Avdusinović, Project Coordinator HWA;
17. Muris Kodžaga, Project Manager HWA;
18. Lejla Brulić, Project Manager HWA
19. Jasmina Mujezinović, Executive Director FLD;
20. Selma Begić, Program Manager FLD;
21. Amra Hadžić, Program Manager FLD.

CIP i ISBN