

**Project Fiche – IPA Annual Action Plan 2007 for Bosnia and Herzegovina -
Support to return to Kotor Varos Municipality**

1. Basic information

1.1 CRIS Number :

1.2 Title: Support to return to Kotor Varos Municipality

1.3 ERLAG Statistical Code: 01.63

1.4 Location: Sarajevo, Bosnia and Herzegovina

Implementing arrangements:

1.5 Contracting Authority (EC): European Community, represented by the European Commission for and behalf of beneficiary country

1.6 Implementing Agency: EC Delegation and implementing Agency to be selected following the Call for Proposals

1.7 Beneficiary (including details of project manager):

Primary beneficiary

At least 40 beneficiaries in Kotor Varos returning to the pre-war dwellings

Ministry for Human Rights and Refugees

Mr. Mustafa Alikadic, Secretary with Special competencies and SPO

Financing:

1.8 Overall cost: 556.000 Euro

1.9 EU contribution : 500.000 Euro

1.10 Final date for contracting: N+2

1.11 Final date for execution of contracts: N +4

1.12 Final date for disbursements: N + 5

2. Overall Objective and Project Purpose

2.1 Overall Objective:

The overall objective of the Return Programme is to support the implementation of Annex VII (GFAP).

2.2 Project purpose:

BiH authorities acquire the capacities to effectively fulfil their role in the return and re-integration of refugees and DPs (at the municipal level), and that BiH creates an environment more conducive to sustainable return.

2.3 Link with AP/NPAA / EP/ SAA

The European Partnership priorities include the need for effective human rights provisions, (completing the refugee return process, facilitating refugees' economic and social reintegration. and for a more effective public administration as well as the requirement to take steps to implement BiH's Council of Europe (CoE) post-accession criteria, especially in the areas of democracy and human rights.

This project contributes to one of the priorities goals (Ensure that the Refugee Return fund is properly funded and fully operational. Contribute to ensuring the implementation of the Sarajevo Declaration. *Complete the process of returnee/refugee return and achieve significant progress towards their economic and social integration*)

2.4 Link with MIPD

The minority and vulnerable groups' concerns will be reflected in all activities programmed under IPA.

Assistance will contribute to overcome the legacy of the war through assistance to the return process, notably to the social and economic integration of returnees and to support de-mining and assistance to mine victims and will support the social and economic inclusion of minorities and vulnerable groups (Section 2 – Pre-accession assistance strategy for the period 2007-2009, Point 2.1 Strategic Choices and 2.2.1.1 Main areas of intervention, priorities and objectives)

2.5 Link with National Development Plan (where applicable)

According to the MTDS there must be completed measures that enable the poorer members of society to participate in growth, including in particular: labour market improvements, education, health and measures to promote inclusion of women, young people and other disadvantaged groups (including the returnee population).

2.6 Link with national/ sectoral investment plans (where applicable)

3. Description of project

3.1 Background and justification:

During the war which started in the spring of 1992, approximately 2.5 million persons were displaced internally within Bosnia and Herzegovina (BiH) and as refugees from BiH into other countries. It is estimated that approximately 27% of all housing stock in the Republika Srpska and 38% of all housing stock in the Federation were damaged either by military action (shells or bombs).

In its Annex 7, the Dayton Peace Agreement of the latter part of 1995 established the right to return and the principle of minority return.

Significant amount of money have been invested into the repair of privately and socially owned dwellings damaged or destroyed in war in period from 1996 to 2006. Much of this was in the form of grants from international donors using Non Profit Making Organisations (NPOs) and International Organisations (e.g. UNHCR, UNDP) as vehicles to implement projects.

In the period from 1996 to 2002 return and reintegration assistance was funded by international donors according to the priorities set by the Reconstruction and Return Task Force (RRTF) and in line with the views of its two co-chairs, the Office of the High Representative (OHR) and the UN High Commissioner for Refugees (UNHCR). In the year 2003 the EC has requested the local authorities to establish the list of priority locations where support should be provided.

In the framework of the EC strategy in the return sector, and in line with the Annex 7 Strategy for BiH developed by the State Ministry for Human Rights and Refugees (MHRR) in late 2002, the responsibility for the return process in BiH must be transferred to the local authorities. The SUTRA (Sustainable Transfer to Return-related Authorities) initiative, UNDP-co-financed and implemented, aims to support government structures to utilise more effective and efficient mechanisms of policy-setting and project implementation in the return sector. Inter alia, the project assists the State Commission for Refugees and Displaced Persons (SCRDP), comprising representatives from state and entity ministries, in setting return priorities (municipalities List of priority areas including Kotor Varos Municipality).

In close consultation with the RRTF and all other key stakeholders in the Return Sector, the SCRDP adjusted a methodology for the selection of priority municipalities. The methodology is based on objectively verifiable indicators, which relate to both return needs and “performance” of municipalities (e.g. PLIP implementation rate).

Under the SUTRA project, the selected priority municipalities receive training and technical assistance for the development and implementation of integrated return projects with strong community involvement that result in the return of minority, cross-border, and PLIP beneficiaries.

Under this Call for Proposals, the Implementing Agency which will be awarded grant will have to replicate the above methodology of implementation in realization of the project in Kotor Varos Municipality.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact (where applicable)

Although this project will not be able to deal with the macro economic circumstances adversely affecting refugee return, it has been demonstrated through many of the projects financed that a strong need exists for similar projects aiming at rehabilitation of dwellings and improving specific aspects of infrastructure in returnee communities (roads, schools, clinics etc). Not only would this assist the sustainability of return but, by benefiting the whole community contribute in large measure to the acceptance of the returnees by the domiciled population.

3.3 Results and measurable indicators:

Project proposed for supporting at least 40 families implemented and beneficiaries returned.

3.4 Activities:

- a) Reconstruction of 40 dwellings and related technical infrastructure connections.

It is expected that the beneficiaries of this project are those refugees, displaced persons and internally displaced persons, selected under a previous CESVI project (selected in accordance with *Instruction on implementation of the selection procedure of beneficiaries of delivery assistance programmes in support of reconstruction of housing units in aim of return*) which was halted on instructions of DG AIDCO/DG ELARG following irregularities in other projects operated by this organisation and not related to these activities. Once the contract is signed the list of future beneficiaries should be verified in cooperation with Municipal Project Implementation team and Ministry for Human Rights and Refugees. In the event that new beneficiaries should be included or old ones removed from the list the Implementing Agency should ask for prior authorisation from the EC Delegation.

The following actions may be financed:

1. *Repair of dwellings and related technical infrastructure connections*: Rehabilitation works may be entirely contracted, or implemented using “self-help” methodology or combine “self-help”/contracted labour methodology. No preference will be given to

any of methodologies listed. The selected beneficiaries of the project should be verified for eligibility and it is crucial to crosscheck the names of potential project beneficiaries with the Ministry for Human Rights and Refugees of BiH and municipality, in line with *Instruction on implementation of the selection procedure of beneficiaries of delivery assistance programmes in support of reconstruction of housing units in aim of return* . The movement of primary and secondary returnees must be monitored and/or assisted if PLIP beneficiaries are included in the project. Dwellings can only be rehabilitated for potential returnees who freely express their genuine wish to return. Pre-war ownership rights of each potential returnee must be checked by/with the competent municipal authorities. Prior to the commencement of any rehabilitation activities each potential returnee has to sign a Tri-partite Agreement. Any forms filled in and signed by the potential returnee should stipulate that personal data shall be used in full compliance with local legislation. No new dwellings may be built and standards for the rehabilitation of war-damaged properties must be defined in the project proposal. The recommended Building Standards and the table showing the categories of war-damaged dwellings should be respected.

It is expected that the local (municipal and/or cantonal) bodies as “Associates” (with full assistance/supervision of NPO) participate in a number of project activities (e.g. beneficiary selection verification, tender preparation and launch, tender evaluations, supervision of works).

The work with municipal actors will depend on the capacities of a particular municipality. At the project proposal stage the applicant should provide a detailed and strong methodological approach, which upon the contract signature will be used for the comprehensive assessment of the capacities of the municipality to carry out the tasks envisaged. It is expected that the proposed methodology will address or at least indicate the division of responsibilities between all parties involved in the project implementation. The project proposal should offer alternative methodologies of work depending on the different estimated capacities of a municipality and/or group of municipalities, availability of potential local partners relevant for the project and general environment for the project implementation in a particular area. The fine tuning of the proposed methodology/methodologies, including a detailed work plan, partnership arrangements not yet entered into (MoUs, partnership contracts), definition of the project micro-locations and steering arrangements with other stakeholders would be finalised during the contract inception phase. In a case of an associate agreement signed with local authorities no fees or allowances for their staff will be allowed.

Therefore, in terms of this Call for Proposals, local authorities (Cantons, Municipalities) cannot be included in the project as “Partners”, since they should accomplish the same eligibility criteria as the Applicant and this is not the case. The local authorities should participate in the project as Associates.

2. The *Return assistance reserve* (max. 0,5% of total project costs) is made to cover small, unforeseen expenditures of the returnees such as travel costs for visits to the return areas (refugees from Croatia and Serbia and Montenegro, displaced and internally displaced persons), minor repairs, and vital assistance to the vulnerable returnees (support to winterisation activities like provision of basic furniture, blankets

etc.) and should be used when all other existing means (UNHCR, IOM, etc.) have been exhausted.

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3.6 Conditionality and sequencing:

The willingness of the local authorities leadership to utilise the project effectively is assumed although the project may well be involved in actions to cultivate this further if required. The Municipality of Kotor Varos has on several occasions explicitly asked for the reconstruction to take place.

3.7 Linked activities

European Union funds have been used to rehabilitate properties, basic utilities and social infrastructure, as well as to implement sustainability measures (livelihood measures and creation of employment opportunities). Over the period 1996 to 2006, the total number of properties that have been reconstructed with the EU funds (ECHO and DG ER) is approximately 30,000, ca. 4,500 jobs have been created, approx. 1,128 technical infrastructure projects have been successfully completed and 500 health/education facilities refurbished.

Additional assistance has been provided by supporting de-mining activities, Annex 6 and 7 “Dayton” institutions (e.g. Commission for Real Property Claims, Benefits Commission), civil society and protection issues.

The EC also provided support to the return and re-integration of Refugees and Displaced Persons (DPs) in Bosnia and Herzegovina by repair of social and technical infrastructure notably through the SFOR/EUFOR Micro Projects Programme (EUFOR MPP). The EUFOR MPP was designed to target primarily the sustainability of the return process in any areas within Bosnia and Herzegovina.

The main indicator of the achievement to assess the impact of the housing component of the return programmes is the occupancy rate. According to the EC Return Evaluation Facility, over a sample of approximately 16,200 units, circa 82% of reconstructed dwellings were occupied by their pre-war owners on project completion. This encouraging figure is likely to increase as a result of the implementation of the property legislation (PLIP).

On the basis of the priority locations for return of refugees and displaced persons identified by the State Commission for Refugees and DPs in support of the return process in Bosnia and Herzegovina, under the CARDS 2003/2004 Integrated Return Programme (IRP), the European Commission is funding projects that will support reconstruction activities (housing and technical infrastructure), income generation (job creation and livelihood) measures and technical assistance and capacity building which will facilitate proactive involvement of the

target local municipal authorities and civil society sector actors in 45 Municipalities. The implementation of all these contracts is in its final phase.

The SUTRA framework represents a logical step forward in the gradual shift from post-emergency recovery under international supervision towards development-oriented, locally owned programming. From its beginning to date, SUTRA went through changes adapting to new circumstances and incorporating lessons learned in its first, pilot phase. Still, enhancing relevant capacities especially at the central and municipal level remains in focus of this governance support program, as it will be a solid foundation for the further development of communities and local economies in BiH.

In addition to this, SIDA signed a contract worth ca. 360,000 Euro with the MHRR which aim is to provide technical assistance to the municipalities and MHRR regional network in the area where return projects funded through the Return Fund are taking place.

In the civil society sector, USAID is financing the following programmes worth 9.6 million US\$: Policy analysis and Dialogue Organisations (until 2005), Domestic Fundraising and Philanthropy (until 2005), Civil Society Strengthening (until 2005), NGO Legal Reform (until 2005), and Sustainable Development of Non-profit Sector in BiH (until 2007).

In 2005, EC launched the similar Call for Proposals as proposed under this project in which BiH non-state actors play key role in raising awareness on returnee rights and in identification of main areas of their discrimination, educate returnees on their rights, conduct monitoring of government institutions in terms of respect of returnees’ rights, provide free legal aid and advocacy campaigns to (and for) returnees, especially those coming from different constituent people returning in the area administrated by other constituent majority.

3.8 Lessons learned

The issue of refugee return has moved into a new phase from rebuilding homes towards institutional and economic sustainability. CARDS 2005 programme foresee 0.5 million EURO for Follow up of Recommendations of Functional Review of the Return Sector. The result of project required is to further develop the recommendations of the Functional Review in the Return Sector and help BiH institutions define and implement a Road Map for their implementation. In particular, the Functional Review recommends the transformation of the MHRR into a Ministry with responsibility for social affairs. The intention would be that the Ministry moves away from supporting returnees only and adopts firstly, a more holistic approach to the return process and secondly, move towards establishing a policy-making infrastructure for support to vulnerable groups as a whole. However, there does not appear to be a political consensus in favour of such a change, although nearly all involved at professional level agree that this would be necessary.

4. Indicative Budget (amounts in €)

Activities	TOTAL COST	SOURCES OF FUNDING										
		EU CONTRIBUTION					NATIONAL PUBLIC CONTRIBUTION					PRIVATE
		Total	% *	IB	INV	Total	% *	Central	Regional	IFIs	Total	% *

Grant contracts with Selected Applicant	556.000	500.000	90%		x						56.000	10%
TOTAL	556.000	500.000	90%								56.000	10%

* expressed in % of the Total Cost

5. Indicative Implementation Schedule (periods broken down per quarter)

Contracts	Start of Tendering	Signature of contract	Project Completion
Reconstruction of at least 40 dwellings and related connections in support to the sustainable return.	Q1/ 2009	Q3/ 2009	Q3/ 2010

The project should in principle be ready for tendering in the 1st Quarter of 2009 following the signature of the FA. One contract will be awarded following Call for Proposals procedure.

6. Cross cutting issues (where applicable)

Returnees are, almost by definition a vulnerable group and the project is designed to assist them. In addition, a high number of returnees are widows. The rights-based approach is central to this project, which should also have a positive effect on the environment in micro locations (improved sewerage systems etc).. The relevant stakeholders will participate actively in the process via established co-ordination mechanisms.

ANNEXES

1 - Log frame in Standard Format

2 - Amounts contracted and Disbursed per Quarter over the full duration of Programme

3 - Reference to laws, regulations and strategic documents:

- Reference list of relevant laws and regulations
- Reference to AP /NPAA / EP / SAA
- Reference to MIPD:
Community assistance will support Bosnia and Herzegovina to fulfil its obligations towards returnees, minorities and vulnerable groups, including children.
- Reference to National Development Plan
- Reference to national / sectoral investment plans

4 - Details per EU funded contract (*) where applicable:

The Call for Proposals will be announced for the Non Profit making organisations

Ownership of assets (current and after project completion)

No assets to be purchased.

LOGFRAME PLANNING MATRIX FOR Project Fiche	Programme name and number: Support to Return to Kotor Varos Municipality	
	Contracting period expires N+2	Disbursement period expires N+5
	Total budget : 556,000 EURO	IPA budget: 500,000 EURO

Overall objective	Objectively verifiable indicators	Sources of Verification	
The overall objective of the Return Programme is to support the implementation of Annex VII (GFAP).	SAP achievements.	SAP Reports.	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
To physically rehouse returnees in the Municipality of Kotor Varos and assist in the sustainability of this return, while helping BiH authorities acquire the capacities to effectively fulfil their role in the return and re-integration of refugees and DPs (at the municipal level), thus creating an environment more conducive to sustainable return.			Social and political environment supportive of sustainable return of refugees and displaced persons.
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<ul style="list-style-type: none"> • At least 40 dwellings and related technical infrastructure connections repaired; • Increased re-integration of returnees; • EC has information about: a) each project progress, b) selected beneficiary, c) project efficiency & effectiveness. • State Commission for Refugees and DPs /Ministry for Human Rights and Refugees able to set priorities and co-ordinate activities; 	<ul style="list-style-type: none"> • Dwellings finished by the end of 2009 to facilitate the return process; • The State Commission for Refugees and DPs/Ministry for Human Rights and Refugees issues a strategy together with priority locations; <p>Condition of the Technical Infrastructure in the targeted Municipalities improved.</p>	<p>Reports from the State Ministry for Human Rights and Refugees</p>	<ul style="list-style-type: none"> ▪ Availability of local contractors and of beneficiaries committed to self-help repair ▪ State and Entity ministries for Return willing to set priorities and locations <p>Municipality willing to receive support and implement the projects</p>

Activities	Means	Costs	Assumptions
Support to return to Kotor Varso Municipality	Grant contract	500,000 EURO	Pre-conditions Readiness and maturity of local authorities to decides and implement the projects

ANNEX II: Amounts (in €) contracted and disbursed by quarter for the project

Contracted	1st Quarter 2008	2 nd Quarter 2008	3 rd Quarter 2008	4 th Quarter 2008	1 st Quarter 2009	2 nd Quarter 2009	3rd Quarter 2009	4 th Quarter 2009	1 st Quarter 2010	2 nd Quarter 2010	3rd Quarter 2010
Contract 1.1					0.5 million						
Total cumulated					0.5 million						
Disbursed	1st Quarter 2008	2 nd Quarter 2008	3 rd Quarter 2008	4 th Quarter 2008	1 st Quarter 2009	2 nd Quarter 2009	3rd Quarter 2009	4 th Quarter 2009	1 st Quarter 2009	2 nd Quarter 2009	3rd Quarter 2009
Contract 1.1							0.4 million				0.1 million
Total Cumulated							0.4 million				0.5 million