

Project Fiche: No. 17

Regional Housing Programme (Sarajevo Process) Stage 1

1. Basic information

- 1.1 CRIS Number:** 2011/023-537
- 1.2 Title:** Regional Housing Programme (Sarajevo Process) Stage 1
- 1.3 ELARG Statistical code:** 01.63 – Aid to refugees and internally displaced persons (IDPs) or disadvantaged groups
- 1.4 Location:** Bosnia and Herzegovina, Croatia, Montenegro, Serbia

Implementing arrangements:

- 1.5 Contracting Authority (EU):** European Union represented by the European Commission on behalf of the Beneficiaries.
- 1.6 Implementing Authority:** Council of Europe Development Bank (CEB) / United Nations High Commissioner for Refugees (UNHCR)
- 1.7 Beneficiary:** Bosnia and Herzegovina, Croatia, Montenegro, Serbia

Financing:

- 1.8 Overall cost (VAT excluded)¹:** EUR 7 838 000
- 1.9 EU contribution:** EUR 7 838 000
- 1.10 Final date for contracting:** 31 December 2012
- 1.11 Final date for execution of contracts:** 30 November 2017
- 1.12 Final date for disbursements:** 30 November 2018

¹ The total cost of the project should be net of VAT and/or other taxes. Should this not be the case, the amount of VAT and the reasons why it should be considered eligible should be clearly indicated.

2. Overall Objective and Project Purpose

2.1 Overall Objective

To secure durable solutions for the most vulnerable refugees and internally displaced persons with the view to bring the protracted 1991-1995 displacement to an end in a dignified, sustainable and lasting manner.

2.2 Project purpose

The purpose of the project is to create the conditions for successfully launching and implementing the Regional Housing Programme which will aim to provide housing solutions in Bosnia and Herzegovina, Republic of Croatia, Montenegro and Republic of Serbia as part of a comprehensive programme prepared in the context of the Sarajevo process.

2.3 Link with AP/NPAA / EP/ SAA²

The refugee return issue has been set as a short term priority in the Accession Partnership with Croatia, as well as in the European Partnerships with Bosnia and Herzegovina, Serbia, Montenegro and Kosovo³.

The European Partnerships specifically mention the Sarajevo Declaration, with a request to contribute to ensuring its implementation. The European Partnership with Serbia makes a specific reference to ensure right to a real choice between sustainable return and integration.

The Accession Partnership with Croatia requires the completion of the repossession of houses without any further delay as well as the improvement of the climate for returnees' reintegration through regional development programmes in affected areas.

The Sarajevo process: This project is an integral part of the Sarajevo process, initiated in 2005, which aims at finding durable solutions for refugees and displaced persons of the 1991- 1995 conflicts on the territory of former Yugoslavia, including internally displaced persons in Montenegro from 1999. It involves four countries: Bosnia and Herzegovina, Croatia, Montenegro and Serbia. With the UNHCR in the lead, the EU, the Organisation for Security and Co-operation in Europe (OSCE) and the US, have been closely involved into supporting the countries addressing the identified outstanding issues. The process was in a stalemate until March 2010, when, a Ministerial meeting was held in Belgrade, bringing together the four countries as well as the UNHCR, the EU and the OSCE. The countries committed themselves to work towards solutions to a number of outstanding issues, including data exchange and statistics, pensions and con-validation rights, housing and property issues. The principle of an international donor conference to support a comprehensive political agreement between the four countries was also agreed. A number of working groups, each of them dealing with one outstanding issue, have been subsequently established. Intensive diplomatic and technical efforts have been deployed to drive the four countries towards finalising a ministerial declaration bringing to a close the regional aspects of the Sarajevo process. A number of meetings have taken place since March 2010, both at bilateral and multilateral level.

² AP = Accession Partnership; NPAA = National Programme for the Adoption of the Acquis (for Candidate Countries), National Action Plan (for Potential Candidates); EP= European Partnership; SAA = Stabilisation and Association Agreement.

³ under UNSCR 1244/1999.

2.4 Link with MIPD

The Multi-beneficiary MIPD identifies as one of the priorities for IPA support over the period 2011 – 2013 to help completing the process of reconciliation in the Western Balkans and to contribute to ensuring non-discrimination and respect for human rights. This project falls under the chapter 3.1 of the Multi-beneficiary MIPD, Justice and Home Affairs, including fundamental rights and vulnerable groups and touches upon chapter 3.7, Social Development.

3. Description of main project

3.1 Background and justification

In the 1990s, armed conflict displaced over 3 million people, both within and beyond the countries of South-East Europe. The efforts of the affected States, as well as the support from the International Community, have been critical in allowing the majority of those displaced to either return home or find other durable solutions over the past fifteen years. However, large numbers of people remain displaced in Bosnia and Herzegovina, Croatia, Montenegro and Serbia.

To bring closure to this situation, the Governments of the four countries (hereinafter referred to as Partner Countries) have developed, with the help of the International Community, a regional Working Plan outlining the actions to be taken to remove the obstacles and achieve durable solution to this issue. The Governments have also agreed upon a joint **Regional Housing Programme (RHP)** to address the housing needs of vulnerable populations.

The goal of the RHP is to contribute towards a satisfactory resolution of the protracted displacement situation in the Partner Countries. This will be done by providing durable and sustainable housing solutions, with full respect for the rights of refugees and internally displaced persons still in need and of the mutual obligation of the signatories to closely cooperate and synchronise their activities. The durable housing solutions will take place either through voluntary return and reintegration or local integration.

The RHP will consist of four Country Housing Projects (CHPs), one in each country, and will assist about 27,000 households or 74,000 individuals. The total budget of this housing programme is estimated at EUR 580 million with a planned duration of 5 years.

This programme is expected to be financed mainly through donations and there are already indications by donors that they will pledge grants. On the other hand, each Partner Country is expected to complement the grants with loans and/or other own resources. A multi-donor Trust Mechanism will provide grants to the RHP and the CHPs. The CEB will also provide long-term loans to the Partner Countries to ensure availability of sufficient funding for implementing the CHPs. The CEB was selected to be the Manager of the multi-donor Trust Mechanism. A Secretariat will be operating in the CEB to manage the Trust Mechanism.

A Donor Conference, aiming at attracting a maximum amount of funds to support the financing of the programme is planned and currently being prepared to take place in the first half of 2012. The Commission and the US have indicated that they intend to pledge substantial funds. The implementation will be done through National Project Implementation Units (PIUs) in the four Partner Countries. A Regional Coordination Unit (RCU) will assess, monitor and evaluate project implementation. The overall social monitoring of the programme will be assured by the UNHCR.

The proposed project under **this** Project Fiche covers the first stage of the RHP and aims at making initial funds available in order to:

- a) Assist in preparatory work to establish the Trust Mechanism, prepare the Donor Conference and cover running costs of the Secretariat and the RCU;
- b) Assist in preparing feasibility reports on the CHPs, which are required as part of the application process for loans and grants and other preparatory work;
- c) Help establish the National PIUs and contribute to the running costs for the inception period;
- d) Fund housing schemes through the Trust Mechanism in Bosnia and Herzegovina;
- e) Fund the overall social monitoring of the programme by the UNHCR.

After the successful completion of the first phase and following the Donor Conference first half of next year, the intention is to support the RHP with a larger IPA project covering the years 2012-2013.

Since EUR 5 million for this project are originating from Bosnia and Herzegovina's annual IPA budget 2011, an amount of that order will be earmarked for actions in Bosnia and Herzegovina, including the construction of housing schemes for at least 60 families as a pilot project.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact

The expected impact of the RHP is significant. Successful implementation of the project will result in:

- o Improved living conditions for about 74,000 refugees and internally displaced persons;
- o Increased capacity of the beneficiaries to manage public funds according to European standards e.g. for large scale housing schemes;
- o Enhanced regional cooperation and confidence building on the basis of a comprehensive political agreement between the four Partner Countries.

3.3 Results and measurable indicators

Results

1. A roadmap defining the actors, the actions and the timeline for implementing the RHP is drawn up;
2. Feasibility reports for all four CHPs are prepared;
3. Master plans are designed in four Partner Countries;
4. Project preparatory and start-up actions implemented;
5. The criteria for allocating the houses built in the subsequent phase are defined and a list of persons considered to have priority is established;
6. Stakeholder consultations organised, application processes for grant and loan allocations agreed by all stakeholders;
7. Partner Countries' Project Implementation Units (PIUs) are established and functional;
8. The Trust Mechanism Secretariat is established and functional;
9. The RCU is established and functional.

10. At least 60 housing/ apartments units built.

Measurable Indicators

1. Staffing at PIUs, RCU and Trust Mechanism Secretariat;
2. Number of preparatory and start-up actions implemented;
3. Quality of project documents and quality and quantity of stakeholder consultations;
4. Quality and quantity of tender documents, terms of reference and technical specifications;
5. Number of housing schemes constructed and ready for construction;
6. Assessment of past work and lessons learned.

3.4 Activities:

1. Complete Master Plans per Partner Country;
2. Carry out project preparatory and start-up actions;
3. Carry out country specific feasibility studies;
4. Establish lists of persons meeting the criteria for the allocation of the houses;
5. Define the procedures for allocating the houses according to priorities and define the entitlements of the persons;
6. Provide short-term technical assistance including training, study-visits, management, organizational and other expert advice - to support the PIUs in developing/upgrading necessary technical know-how and management skills in project preparation and implementation;
7. Preparation and participation in related meetings, workshops, study visits;
8. Provide support to the start-up phase of the Secretariat at the CEB;
9. Provide support to the RCU;
10. Provide funding for pilot projects through the CEB Trust Mechanism to build pilot housing/apartment units in Bosnia and Herzegovina;
11. Provide support for social monitoring of the Programme.

Activities 1 to 10 will be implemented by means of a Contribution Agreement with the CEB under joint management. Activity 11 will be implemented by means of a Contribution Agreement with the UNHCR under joint management.

3.5 Conditionality and sequencing:

- The political will and commitments expressed in respective Ministerial declarations are maintained, close cooperation and synchronized actions continue being taken to honour and fulfil the commitments and pledges made;

- Continued interest by international organizations and donors to complement and support the Partner Countries' Governments in ending the displacement;
- Sufficient capacity to implement CHP by the four Partner Countries;
- Contributions in kind (e.g. building plots, connections to water and energy supply, public transport) are made available in due time by the four Partner Countries;
- Commitment by the four Partner Countries to provide the necessary construction permits and other authorisations in due time;
- Smooth and timely inflow of pledged funds;
- Social and political environment and perspectives supportive of sustainable return;
- No deterioration in stability and security in the region.

3.6 Linked activities

In the past years the EU has funded under CARDS and IPA a number of refugees support programmes, usually implemented through NGOs.

The EU is currently funding from IPA Multi-beneficiary assistance the project "Regional Programme for refugee return and provision of durable solutions for refugees and IDPs in the Western Balkans" implemented by the UNHCR. The project cost is about EUR 3 million and is running until November 2012.

A number of donors have been actively involved in various forms of assistance in dealing with the issues related to refugees and IDPs. The European Commission (Humanitarian Aid and Civil protection Directorate General) and the UNHCR have been at the forefront and have provided crucial humanitarian assistance over the past 10 years. NGOs such as the Swiss Agency for Development and Cooperation (SDC) and the Danish Refugee Council (DRC) have been working on providing more durable solutions while the U.S. Agency for International Development - State Department's Bureau of Population, Refugees and Migration (USAID/BPRM) has been working on IDP related issues to Kosovo.

With regard to 'de-institutionalisation' of social care there have been projects and programs such as "Raising Standards and Self-Reliance" and "Social Innovations Fund" project, funded by the Department for International Development (DfID) in the United Kingdom and Norway. These are still on-going.

In 2009 the UNHCR with INTERSOS (Italian NGO) and the Commissariat for Refugees of the Republic of Serbia have worked to provide the necessary assistance to the refugees from the closed community centres and finding solutions for the residents of the remaining community centres.

3.7 Lessons learned

National programmes have both under the CARDS and IPA programmes included similar projects which have supported already a large number of refugees and returnees. These projects provide lessons that would need to be analysed during the inception phase to draw best practices and anticipate problems during the implementation.

The Western Balkans Investment Framework (WBIF) provides a good basis for the design of the Trust Mechanism. Lessons can be drawn from the implementation of the WBIF and its review carried out in 2010.

4. Indicative Budget (amounts in EUR)

			SOURCES OF FUNDING									
			TOTAL EXP.RE	EU CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION GRANT BENEFICIARY	
ACTIVITIES	IB	INV	EUR (a)=(b)+(c)+(d)	EUR (b)	%(1)	Total EUR (c)=(x)+(y)+(z)	% (1)	Central EUR (x)	Regional/ Local EUR (y)	IFIs EUR (z)	EUR (d)	% (1)
Contribution Agreement with CEB			6 638 000	6 638 000	100							
Activities 1 to 9	x		1 638 000	1 638 000	100	/	/	/	/	/	/	/
Activity 10		x	5 000 000	5 000 000	100							
Contribution Agreement with UNHCR			1 200 000	1 200 000	100							
Activity 11	x		1 200 000	1 200 000	100							
TOTAL IB			2 838 000	2 838 000	100	/	/	/	/	/	/	/
TOTAL INV			5 000 000	5 000 000	100	/	/	/	/	/	/	/
TOTAL PROJECT			7 838 000	7 838 000	100							

Amounts net of VAT

(1) Expressed in % of the **Total** Expenditure (column (a))

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

Contracts	Request for services and/or restricted tenders	Signature of contracts	Project Completion (Stage 1)
Contribution Agreement to CEB	N/A	Q3 2012	Q4 2018
Contribution Agreement to UNHCR	N/A	Q4 2012	Q3 2013

6. Cross cutting issues

6.1 Equal Opportunity

Equal opportunities and non-discrimination principles will be respected as regarding gender as well as minorities at the programming and implementation stage. Based on the fundamental principles of promoting equality and combating discrimination, participation in the project will be guaranteed on the basis of equal access regardless of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

6.2 Minorities

On all activities, minorities will have equal opportunities to compete for contracts and to work on any related activities.

ANNEXES

- I- Logical framework matrix in standard format
- II- Amounts (in EUR) contracted and disbursed per quarter over the full duration of project
- III- Details per EU funded contract

ANNEX I: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche	Programme name and number: Multi-beneficiary Programme 2011	CRIS No.: 2011/023-537
Regional Housing Programme (Sarajevo Process) Stage 1	Contracting period expires: 31 December 2012	Disbursement period expires: 30 November 2018
	Total budget: EUR 7 838 000	IPA budget EUR 7 838 000

Overall objective	Objectively verifiable indicators	Sources of Verification	
To secure durable solutions for the most vulnerable refugees and internally displaced persons with the view to bring the protracted 1991-1995 displacement to an end in a dignified, sustainable and lasting manner			
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
To provide housing solutions in Bosnia and Herzegovina, Montenegro, Republic of Croatia and Republic of Serbia as part of a comprehensive programme.			The political will and commitments expressed in respective Ministerial declarations are maintained, close cooperation and synchronized actions continue being taken to honor and fulfill the commitments and pledges made; Continued effective flow of communication/information in

			<p>the region; Continued interest by international organizations and donors to complement and support the Partner Countries' Governments in ending the displacement; Smooth and timely inflow of pledged funds in line with indicative allocations over the implementation period.</p>
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Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<ul style="list-style-type: none"> ○ A roadmap defining the actors, the actions and the timeline for implementing the RHP is drawn up; ○ Feasibility reports for all four CHPs are prepared; ○ Master plans are designed in four Partner Countries; ○ Project preparatory and start-up actions implemented; ○ The criteria for allocating the houses built in the subsequent phase are defined and a list of persons considered to have priority is 	<ul style="list-style-type: none"> ○ Staffing at PIUs and Secretariat and Regional Coordination Unit; ○ Number of preparatory and start-up actions implemented; ○ Quality of project documents and quality and quantity of stakeholder consultations; ○ Quality and quantity of tender 	<p>Monitoring and reporting by various national and international actors (UNHCR, European Commission, OSCE, governmental reports, NGOs).</p> <p>Other international human rights institutions' reports on conditions for return and actual progress in that area.</p>	<p>Social and political environment and perspectives supportive of sustainable return; No deterioration in stability and security in the region; Beneficiaries committed to returns as well as local integration for refugees on their soil;</p>

<p>established;</p> <ul style="list-style-type: none"> ○ Stakeholder consultations organised, application processes for grant and loan allocations agreed by all stakeholders; ○ Partner Countries' Project Implementation Units (PIUs) are established and functional; ○ The Trust Mechanism Secretariat is established and functional; ○ The RCU is established and functional. ○ At least 60 housing/ apartments units built. 	<p>documents, terms of reference and technical specifications;</p> <ul style="list-style-type: none"> ○ Number of housing schemes ready for construction; ○ Assessment of past work and lessons learned. 		
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Activities	Means	Costs	Assumptions
<ul style="list-style-type: none"> ○ Complete Master Plans per Partner Country; ○ Carry out project preparatory and start-up actions; ○ Carry out country specific feasibility studies; 	<p>Joint management with CEB and UNCHR, two contribution agreements.</p> <p>Implementation by CEB and UNHCR and under the terms and conditions of the purpose Trust</p>	<p>EUR 7 838 000</p>	

<ul style="list-style-type: none"> ○ Establish lists of persons meeting the criteria for the allocation of the houses; ○ Define the procedures for allocating the houses according to priorities and define the entitlements of the persons; ○ Provide short-term technical assistance including training, study-visits, management, organizational and other expert advice - to support the PIUs in developing/upgrading necessary technical know-how and management skills in project preparation and implementation; ○ Preparation and participation in related meetings, workshops, study visits; ○ Provide support to the start-up phase of the Secretariat at the CEB; ○ Provide support to the RCU; ○ Provide funding for pilot projects through the CEB Trust Mechanism to build pilot housing/apartment units in Bosnia and Herzegovina; ○ Provide support for social monitoring of the Programme. 	<p>Mechanism that will be established by CEB</p>		
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ANNEX II: Amounts (in EUR) contracted and disbursed per quarter over the full duration of the project

Contracted	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	2013-18
Contribution Agreement to CEB				6 638 000		
Contribution Agreement to UNHCR					1 200 000	
Cumulated				6 638 000	7 838 000	

Disbursed	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	2013-18
Contribution Agreement to CEB					2 655 000	3 983 000
Contribution Agreement to UNHCR					480 000	720 000
Cumulated					3 135 000	7 838 000

ANNEX III: Details per EU funded contract

The project will be implemented through:

a) One Contribution Agreement with the CEB under joint management for activities 1 to 10 will be signed in Q1 2012 for an amount of EUR 6 638 000. CEB was selected as the Manager of the Trust Mechanism.

and

b) One Contribution Agreement with the UNHCR under joint management for activity 11 will be signed in Q1 2012 for an amount of EUR 1 200 000.

Based on Article 53d of the Financial Regulation and the corresponding provisions of the Implementing Rules.