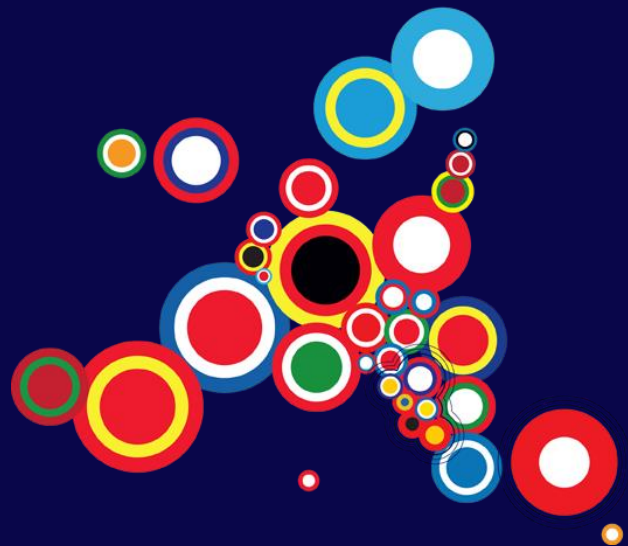




INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

MULTI-COUNTRY Regional Housing Programme (Sarajevo Process) Phase 2



Action summary

The action reflects a further step towards the delivery of the EU pledge to the Regional Housing Programme (RHP) made in 2012. It will support a new series of sub-projects in particular in Bosnia and Herzegovina and Serbia, through a contribution to the RHP Fund for housing grant subsidies, and through provisions for technical assistance and support to the operating costs of the present RHP implementing structures.

It will also support continued regional dialogue among RHP stakeholders.

Embedded in the context of the Sarajevo Process, the RHP aims to make a substantial contribution to the satisfactory resolution of the protracted problem of the remaining refugees and displaced persons in Bosnia and Herzegovina, Croatia, Montenegro and Serbia. As per its original scope, it aims at providing durable housing solutions for about 27,000 households (74,000 individuals).

The present contribution is expected to enable the provision of approximately 1470 housing units.

Action Identification	
Action Programme Title	IPA II Multi-country action programme 2017
Action Title	Regional Housing Programme (RHP) (Sarajevo Process) Phase 2
Action ID	IPA 2017/039-402.19/MC/Regional Housing Programme
Sector Information	
IPA II Sector	9. Regional and territorial cooperation
DAC Sector	73010 – Reconstruction relief and rehabilitation
Budget	
Total cost	EUR 583 661 000 (for the entire duration of the programme)
EU contribution	EUR 45 000 000 (bringing the total EU contribution to the RHP to EUR 194 516 378) Decision 2012 / 023-537: EUR 7 838 000 Decision 2012/024-133: EUR 74 700 000 Decision 2013/024-134: EUR 55 500 000 Decision 2014 / 031-603: EUR 11 478 378
Budget line	22.020401 – Multi-country programmes, regional integration and territorial cooperation
Management and Implementation	
Management mode	Indirect management for Activity 1-4+6; Direct management for Activity 5
<i>Direct management:</i> European Commission	Activity 5: DG NEAR – Unit D.5 Western Balkans Regional Cooperation and Programmes
<i>Indirect management:</i> Entrusted entity	Activity 1-4+6: Council of Europe Development Bank (CEB)
Implementation responsibilities	Council of Europe Development Bank (CEB)
Location	
Zone benefiting from the action	Bosnia and Herzegovina, Montenegro and Serbia
Specific implementation area(s)	N/A
Timeline	
Final date for contracting including the conclusion of delegation agreements	31 December 2018
Final date for operational implementation	31 December 2021

Policy objectives / Markers (DAC form)			
General policy objective	Not targeted	Significant objective	Main objective
Participation development/good governance	<input type="checkbox"/>	X	<input type="checkbox"/>
Aid to environment	X	<input type="checkbox"/>	<input type="checkbox"/>
Gender equality (including Women In Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
Trade Development	X	<input type="checkbox"/>	<input type="checkbox"/>
Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
RIO Convention markers	Not targeted	Significant objective	Main objective
Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
Climate change adaptation	X	<input type="checkbox"/>	<input type="checkbox"/>

1. RATIONALE

PROBLEM AND STAKEHOLDER ANALYSIS

As a consequence of the armed conflicts in the 1990s, over three million people were displaced both within and beyond the borders of Bosnia and Herzegovina, Croatia, Montenegro and Serbia. Since then, sustained efforts on the part of the four affected states, as well as support from the international community, have enabled the majority of those affected to return home or find other durable solutions. However, despite these efforts, almost half a million people remain displaced throughout the region, live in a state of high vulnerability and are prevented to properly integrate in their place of displacement or reintegrate in their countries of origin.

To solve this protracted displacement situation, Bosnia and Herzegovina, Croatia, Montenegro and Serbia launched, with the support of the international community, a regional initiative aimed at ensuring the voluntary return and reintegration or local integration of refugees and displaced persons from the 1991-1995 conflicts in these countries.

In 2011, the four countries signed the *Belgrade Declaration*, which, in line with the *Sarajevo Process*¹, laid down the scope of needs and reaffirmed the commitment to overcoming remaining obstacles for those still in need of durable solutions. At the same time, the ministers adopted a Framework Programme of a Joint Regional Programme on Durable Solutions for Refugees and Displaced Persons formally establishing the *Regional Housing Programme*.

The overall objective of the Regional Housing Programme is to comprehensively contribute towards completion of the protracted displacement situation in the four concerned countries by providing durable housing solutions for approximately 74.000 individual refugees and IDPs - i.e. some 27.000 households, with full respect for their rights. The Partner Countries acknowledged, in view of its respective national priorities and in line with national legislations, the mutual obligation to ensure either (i) voluntary return and reintegration, or (ii) local integration.

At the donors' conference held on 24 April 2012 in Sarajevo, grants worth EUR 268 million were pledged (out of needs estimated at EUR 584 million) in support of the Programme. The European Commission pledged to contribute EUR 234 million (representing 85% of the donors' funds)² from the Instrument for Pre-accession Assistance (IPA).

The international donations are paid into a designated RHP Fund, managed by the Council of Europe Development Bank (CEB). The Fund provides grants to four Country Housing Programmes (CHPs) for the implementation of sub-projects for provision of Housing units (apartments, village houses, rooms in a retirement home, or pre-fabricated houses), following a well-defined evaluation and approval procedure

¹ The *Sarajevo Process*, initiated in 2005, aims to find long-lasting solutions for refugees and displaced persons following the 1991-1995 conflicts on the territory of the former Yugoslavia, including internal displaced persons (IDPs) in Montenegro from 1999. The process involves four countries: Bosnia and Herzegovina, Croatia, Montenegro and Serbia (the "Partner Countries").

² Other donors are the United States (EUR 15.3 million), Germany (EUR 6 million), Norway (EUR 5.5 million), Italy, and Switzerland (EUR 5 million each), Denmark (EUR 1.3 million), Turkey (EUR 1 million) and Luxembourg (EUR 0.5million).

managed by the CEB, with support from the Office of the United Nations High Commissioner for Refugees (UNHCR) and the Organisation for Security and Co-operation in Europe (OSCE)³. The Fund also supports the costs of a RHP Secretariat, run by the CEB, and the cost of the CEB Fund Management, in line with the specific task descriptions spelled out in the general conditions of the RHP Fund⁴.

Each country has set up National Project Implementation Units (PIUs) to support the implementation of the action. Municipalities are engaged in implementation alongside these and contribute for example by providing land and infrastructure for new construction projects and maintenance of buildings where required. In the case of grant schemes in Serbia they do the project implementation and beneficiary selection themselves. A series of regional working groups accompanies the process, focussed among other things on cross-border verification of beneficiaries.

The European Commission has committed EUR 121.3 million as subsidy grants for investment (contribution to the RHP Fund). In addition, it has dedicated another 25.5 million to support the smooth implementation of the programme, via technical assistance, operating grants to the PIUs, and coverage of various administrative costs related to the programme. A further support of EUR 1.2 million was provided by the EU to the UNHCR to support beneficiary verification. At the outset, EUR 1.6 million were contracted to the CEB for preparatory work in relation to the RHP.

Achievements so far

Right after the RHP Donors Conference of April 2012, the partners (predominately CEB and European Commission) started setting up the RHP mechanism. During the preparatory period, the following steps were effectuated:

- country feasibility reports were drafted for all partner countries;
- decisions were taken on the respective implementing structures in each partner country;
- all 6 PIUs (in Bosnia and Herzegovina there are 3 of them) were verified for their adequacy to implement the Programme (PIU verification reports). The partner countries' capacities in key areas

³ To be eligible for a Grant, Partner Countries will have to ensure that investment projects benefit at least one of the six categories of beneficiaries identified within the Programme, namely:

Category I includes all 1991-1995 refugees, regardless of their status, who are residents of collective centres or other forms of collective accommodation, whether formal or informal.

Category II includes all 1991-1995 vulnerable refugees accommodated privately and all former occupancy right holders without a durable solution in their country of origin or reception country. For the purpose of the joint programme, the vulnerability criteria applied by UNHCR in regional countries are also to be used.

Category III includes all vulnerable returnees to Bosnia and Herzegovina and Croatia as well as all vulnerable returnees who have already returned to Croatia but do not have a durable solution either in the country of origin or in the reception country.

Category IV applies to displaced persons accommodated in collective centres or private accommodation in Croatia.

Category V includes vulnerable displaced persons outside collective centres in Bosnia and Herzegovina.

Category VI includes vulnerable displaced persons in Montenegro from 1999. This has specifically been agreed by the participating countries given that the joint programme in other countries deals only with 1991-1995 refugees.

⁴ General Conditions of the Regional Housing Programme Fund of 24 September 2012

such as legal set-up, procurement, control, financial management and accounting were screened and recommendations for addressing deficiencies formulated;

- manuals were produced by the Technical Assistance and the partner countries laying down the procedures and circuits relating to various issues of the programme: *Implementation, Monitoring and reporting, Procurement and Purchasing, Communication and visibility and Technical Project Documentation.*

After delays accumulated in particular at the preparatory phase of the programme when the implementing structures were being set up, deliverables are now coming on stream, and in January 2017 looked as follows:

- 4 Country Housing Projects have been identified and respective Framework Agreements signed between the CEB and the partner countries;
- 6 PIUs have been set up (out of which 3 in Bosnia and Herzegovina), are fully functional and have formalised their relations with the CEB;
- 22 sub-projects have been agreed by all donors and Grant Agreements for all except the three sub-projects approved in December 2016 have been signed between the CEB and the respective partner countries. Each Country Housing Project consists of several sub-projects, each in turn made up of several housing solutions and each targeting between 21 and 1 712 beneficiary households. The projects approved to date will allow the provision of 7900 housing units, to the benefit of over 20 000 persons;
- Out of the 7900 households concerned by the abovementioned sub-projects, some 3 900 (50%) have been selected. In Bosnia and Herzegovina, Croatia and Serbia between 50% and 60% of the beneficiaries pertaining to the approved housing sub-projects have been selected; in Montenegro, the beneficiaries are in most cases pre-selected but the final selection, as per the law, will take place 6 months before building completion.
- As part of the efforts to select beneficiaries, 24 300 individual administrative and field verifications have been conducted in all 4 Partner Countries (Croatia included). 157 public calls for possible beneficiaries were issued in 96 municipalities in three partner countries (not in Croatia). The approximate number of applications checked for RHP eligibility in Bosnia and Herzegovina, Montenegro and Serbia stands at 23 000.
- To date, about 555 successful procurement and purchasing procedures have been carried out resulting in the same number of contracts signed by the PIUs. These total EUR 44 million⁵.
- The delivery of the first housing solutions to beneficiaries took place in July 2014
- 232 housing solutions were delivered to the final beneficiaries in 2014-2015, and the total figure reached 1000 at end 2016. By the end of 2017 an additional 3300 housing solutions are expected to be delivered (of which 2000 in Serbia, 1000 in Bosnia and Herzegovina and the rest in Croatia and

⁵ Including contracts signed with individuals for purchase of flats and village houses.

Montenegro) and a further 3 600 in 2018 (2500 in Serbia, 800 in Bosnia and Herzegovina and the rest in Croatia and Montenegro).

- At the Assembly of Donors in December 2016, all but a contingency of EUR 1.4 million of the remaining funds currently committed to the RHP Fund were allocated to sub-projects. No further funds are available for new sub-projects.
- Work is also carried out under the programme to support partners in monitoring and addressing sustainability in all its dimensions.

Stakeholder analysis

The ultimate target group for the RHP are the refugees and displaced persons following the 1991-1995 conflicts on the territory of the former Yugoslavia, including internal displaced persons (IDPs) in Montenegro from 1999, who still are in need of durable housing solutions – initially estimated at 74.000 individual refugees and IDPs - i.e. some 27.000 households⁶ in the four countries.

A wide range of stakeholders are involved in programme implementation: The four involved partner countries and their institutions, the fund manager CEB, the key international agencies (UNHCR and OSCE) involved in monitoring the beneficiary selection, and the participating donors.

In each country, several institutions are involved:

- In Bosnia and Herzegovina: the Ministry of Human Rights and Refugees (Lead Institution): the State Commission for Refugees and IDPs, and the line ministries in charge of refugees and IDPs in both Entities.
- In Croatia: the Central State Office for Reconstruction and Housing Care (Lead Institution).
- In Montenegro: the Ministry for Labour and Social Welfare (Lead Institution).
- In Serbia: the Commissariat for Refugees and Migration (Lead Institution).

PIUs are set up in all the countries, and local municipalities play an important role in the implementation. There is an important need to support the PIUs in their daily work, both by covering part of their operating costs and by providing technical assistance, in order to manage the preparation and implementation of sub-projects, including such issues as procurement.

At the outset of the programme, there was an understanding that the RHP would focus on provision of the physical housing units, whilst the countries would take charge of the local integration, rights, and livelihood elements. UNHCR and OSCE were in charge of monitoring beneficiary selection and sustainability (in the sense of the provision of rights). Over time, beneficiary selection proved to be a major endeavour, and therefore the technical assistance of the RHP has provided assistance to these issues too.

OUTLINE OF IPA II ASSISTANCE

The overall objective of the present IPA II Assistance is to contribute to the satisfactory resolution of the protracted problem of the remaining refugees and displaced persons in Bosnia and Herzegovina, Croatia, Montenegro and Serbia, by providing long-lasting, sustainable housing solutions with full respect for the rights of refugees and displaced persons.

The **specific objectives** are to enable the provision of a further batch of housing solutions for vulnerable refugees and displaced persons, primarily in Bosnia and Herzegovina and Serbia, and to enable a continued regional cooperation and confidence building.

Result 1: Approximately 1000 housing solutions provided in Serbia and 470 in Bosnia and Herzegovina.

Result 2: Increased capacity of partner countries RHP implementing structures to effectively manage and report on RHP funds (and public funds for large scale housing schemes more generally) according to European standards, including management of beneficiary selection and sustainability.

Result 3: Effective regional dialogue and participatory steering of the Regional Housing Programme is ensured.

Result 4: Effective management of the RHP Fund is ensured.

Result 5: Stakeholders have access to a reliable evaluation of the RHP performance and sustainability.

Result 6: RHP exit strategy is developed by the stakeholders.

Main activities include disbursement of investment grants to the partner countries; technical and operating support to partner countries for the effective implementation of housing projects; operating the RHP Secretariat; fund management; an independent evaluation of results, and development of an exit strategy.

RELEVANCE WITH THE IPA II MULTI-COUNTRY STRATEGY PAPER AND OTHER KEY REFERENCES

The Multi-country Indicative Strategy Paper (MCSP) 2014-2020⁷ (hereafter referred to as Strategy Paper) emphasises that the issue of refugees and internally displaced persons will be addressed by providing durable housing solutions through the Regional Housing Programme (RHP). Assistance will be provided in complementarity to the actions under the Indicative Strategy Papers⁸.

Regional investment support is one of the four axes along which assistance under the Strategy Paper will be delivered. This type of support will be directed towards projects having a clear regional dimension which contribute to the socio-economic development of more than one beneficiary. One of the main instruments for such support is the blending facilities Western Balkan Investment Framework (WBIF), Green for Growth Fund (GGF), as well as the RHP.

⁷ C(2014) 4293, 30.06.2014

⁸ C(2014) 9495-Bosnia and Herzegovina,15.12.2014; C(2014) 5771, 18.08.2014-Montenegro; and C(2014) 5872, 19.08.2014-Serbia;

Inextricably linked to the Sarajevo Process, the RHP directly promotes reconciliation and regional cooperation. Besides its social character that shifts to the forefront the most vulnerable groups of the society that have lived under disadvantageous circumstances for twenty years, the RHP is, through its implementation, assisting countries to build up their capacities in the management of similar housing programmes. This is the case because the RHP is an action that is implemented directly by the national authorities with the management and monitoring of the CEB, the UNHCR, the OSCE and the international donor community.

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

At the outset, the RHP was foreseen as a 5-year programme, expected to close at the end of 2017. Due to the complexities in setting up the programme, and the challenges in beneficiary selection and verification, implementation of the programme has been slower than expected, and only in 2016 did housing solutions start to really come on stream. 2017 and 2018 will see the results of the preparations carried out so far, in parallel to the preparation of new projects.

In the last part of 2015 the Assembly of Donors (AoD) decided to implement a mid-term review of the RHP in order to provide indications on the RHP's achievements and shortcomings, and the necessary information to the donors and recommendations to CEB and partner countries for improving the overall performance of the programme. At the same time the European Commission financed an assessment of the beneficiaries and the sustainability of the solutions proposed to review the initial needs estimates of the RHP focussing on the number and type of vulnerable beneficiaries and the measures to be taken for assuring sustainability of the proposed durable solutions. Both evaluations gave recommendations for the improvement of the RHP. A set of recommendations concerning all stakeholders were adopted by the AoD and the Steering Committee and is now gradually being implemented and updated regularly.

The main implementation challenges have included, and remain:

- The complexity and work load related to the beneficiary selection in all countries with the exception of Montenegro has been seriously underestimated, in particular the cross-border verifications. In particular, the beneficiary selections in Serbia (high degree of decentralisation) and Bosnia and Herzegovina (high number of potential returnees) represent serious obstacles to the smooth implementation of the RHP. Beneficiaries are still not completely selected by partner countries and endorsed by UNHCR and OSCE even for the majority of already approved sub-projects, and further attention will be required for this matter. The Technical Assistance is contributing to both administrative and field checks, which is helping applications to be processed.
- The lack of preparation and resources (financial and human) of the partner countries' administrations has been a major constraining factor. Delays were present in the preparation of projects, elaboration and correction of tender dossiers, and in the beneficiary selection procedures. The technical assistance financed by the European Commission and the European Commission co-financing of partner countries' operating costs are of vital importance in the implementation of the programme, including to comply with the control function of CEB and the CEB/international procurement procedures. The TA was positively evaluated by the mid-term evaluation referred to below.
- The geographic dispersion of the beneficiaries, the complexity of beneficiary selection, and the different types of housing solutions induce the programme to implement a very high number of tenders and contracts (over 500 contracts between partner countries and contractors have been signed

until now). A positive side effect of this could be that smaller contracts are considered to provide more opportunities for smaller and local operators and possibly more local employment.

- Sustainability was considered at the original design of the programme, but divided up as a responsibility of different partners – the RHP was focussed on the housing units per se, and the partner countries were in charge of the adequate integration of the beneficiaries in the local communities, and their livelihoods, with UNHCR and OSCE foreseen to ensure monitoring of sustainability (rights) results. Today the way to deal with the full range of sustainability issues - technical, socio-cultural and economic - is the subject of extensive reflection including on the related trade-offs. As part of the next phase of the programme, it is foreseen to allow for a closer monitoring of all sustainability issues by the RHP, and include a dimension of a matching activity under the umbrella of the RHP, without therefore taking over the assigned responsibilities of other stakeholders to the process.

2. INTERVENTION LOGIC

LOGICAL FRAMEWORK MATRIX

OVERALL OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	
<p>To contribute to the satisfactory resolution of the protracted problem of the remaining refugees and displaced persons in Bosnia and Herzegovina, Croatia, Montenegro and Serbia by providing long-lasting, sustainable housing solutions with full respect for the rights of refugees and displaced persons.</p>	<p>% of remaining refugees and displaced persons having attained and are occupying a durable housing solution; being effectively integrated and enjoying full access to rights and services.</p>	<ul style="list-style-type: none"> • Meetings <p>Regional Coordination For a: x2/ year; Technical Committee: x2 time/ year; Assembly of Donors: x2/ year; Steering Committee: x2/ year</p> <ul style="list-style-type: none"> • Reporting <p>RHP Annual Fund Reports; Monthly reports from CEB and UNHCR; housing sub-project specific report by CEB and UNHCR</p> <ul style="list-style-type: none"> • On the spot monitoring <p>ROM</p>	
SPECIFIC OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS
<p>To enable the provision of a further batch of housing solutions for vulnerable refugees and displaced persons, primarily in Bosnia and Herzegovina and Serbia, and to enable a continued regional cooperation and confidence building</p>	<p>N° of housing units provided to vulnerable refugees and displaced persons in Bosnia and Herzegovina and in Serbia, and possibly in Montenegro</p> <p>Staffing of RHP Fund secretariat, and meetings held in the RHP governing bodies.</p>	<p>CEB Fund and programme manager official reports to the technical committee, Assembly of Donors and the annual RHP Fund report</p> <p>On the spot verification</p>	<p>Donors and Partner countries stay committed to complete the Sarajevo Process</p>
RESULTS	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS
<p>Result 1: Approximately 1000 housing solutions provided in Serbia and 470 in Bosnia and Herzegovina</p> <p>Result 2: Increased capacity of partner countries RHP implementing structures to effectively manage and report on the RHP funds (and public funds for large scale housing schemes more generally) according to European standards, including managing beneficiary selection and sustainability</p> <p>Result 3: Effective regional dialogue and participatory steering of the Regional Housing Programme is ensured</p> <p>Result 4. Effective management of the RHP Fund ensured</p> <p>Result 5: Stakeholders have access to an independent evaluation of the RHP performance and sustainability</p> <p>Result 6. RHP Stakeholders have developed an RHP exit strategy</p>	<p>Number of housing units delivered to vulnerable refugees and displaced persons in Bosnia and Herzegovina and in Serbia</p> <p>Quality and quantity of project documents (design, calls for tender, technical specifications, contracts.</p> <p>Speed and quality of beneficiary selection adequate for effective implementation of the housing sub-projects</p> <p>Quality of sustainability monitoring and actions</p> <p>PIUs are staffed in accordance with their workload</p> <p>All tasks of RHP Secretariat outlined in the General Conditions of the RHP Fund are executed effectively and efficiently</p> <p>All tasks of the RHP Fund Manager outlined in the General Conditions of the RHP Fund are executed effectively and efficiently</p> <p>Independent evaluation available containing useful recommendations</p> <p>RHP Exit strategy developed</p>	<p>CEB and UNHCR post monitoring procedures.</p> <p>On the spot verification</p> <p>Assemblies of Donors and Steering Committee meetings</p> <p>CEB Fund and programme manager official reports to the Technical Committee, Assembly of Donors and the annual RHP Fund report</p> <p>Independent evaluation final report</p>	<p>Donors and Partner countries stay committed to complete the Sarajevo Process.</p>

DESCRIPTION OF ACTIVITIES

Result 1: Approximately 1000 housing solutions provided in Serbia and 470 in Bosnia and Herzegovina.

Activity 1 is disbursement of investment grants to Bosnia and Herzegovina and Serbia through the RHP Fund in line with the pledge made at the Donors' conference in Sarajevo on 24 April 2012 following the established decision making process under the RHP. This is financial support and shall take the form of investment subsidy grants.

Result 2: Increased capacity of partner countries RHP implementing structures to effectively manage and report on RHP funds (and public funds for large scale housing schemes more generally) according to European standards, including management of beneficiary selection and sustainability.

Activity 2 is technical assistance and operating support for the effective implementation of the Country Housing Programmes primarily in Serbia and Bosnia and Herzegovina but also in Montenegro if required (for example if additional funding becomes available). This support can also be used to assist in beneficiary selection, and in promotion of sustainability for the overall programme. The activity also covers stakeholders' participation in regional meetings of the RHP Steering Committee and the Regional Coordination Forum, and certain **meeting costs**.

Result 3: Effective regional dialogue and participatory steering of the Regional Housing Programme is ensured

Activity 3 is the operation of the RHP Secretariat in line with the tasks described in the general conditions of the RHP Fund⁴;

Result 4: Effective management of the RHP Fund is ensured.

Activity 4 is administration and management of the RHP Fund, in line with the task described in the general conditions of the RHP Fund⁴.

Result 5: Stakeholders have access to an independent evaluation of the RHP performance and sustainability.

Activity 5 is an independent evaluation of the programme.

Result 6: RHP exit strategy developed by the stakeholders.

Activity 6 is development of an RHP exit strategy.

RISKS AND ASSUMPTIONS:

The main continued risk is that the implementation of the programme will be slow in reaching the intended beneficiaries. The range of issues creating this situation have been analysed above. Measures are taken across the board to redress them (within the limits of what is possible under the programme setup). This involves extending sufficient support to the RHP Implementing structures. It is considered that much of the ground work has now been done, and deliverables are now coming on stream.

CONDITIONS FOR IMPLEMENTATION

It is assumed that the international community stays committed to help the region finding appropriate solutions to the protracted problem of the remaining refugees and displaced persons by honouring their pledges to the fund to the programme overall.

Furthermore, it is assumed that all Partner Countries stay committed to completing the Sarajevo Process and provide sufficient resources to run a coherent mechanism to steer, supervise and control the implementation of their country housing programmes.

A further assumption for the fulfilment of the RHP's objective of durable housing solutions is that Partner Countries ensure the long-term sustainability of the housing solutions, through integration of the end-beneficiaries into the local communities. This aspect is partly but not fully tackled by the action and remains a fundamental factor that will eventually condition its success.

3. IMPLEMENTATION ARRANGEMENTS

ROLES AND RESPONSIBILITIES

The international donations are paid into a designated RHP Fund, managed by the CEB. The Fund provided grants to the four Country Housing Programmes (CHPs) for the implementation of sub-projects for provision of Housing units, following a well-defined evaluation and approval procedure managed by CEB, with support from the UNHCR and the OSCE. It also supports the costs of a RHP Secretariat, also based in and run by the CEB. Each country has set up National PIUs to support the implementation of the action.

The RHP was set up in line with an agreed division of labour between the four involved partner countries and their institutions, the fund manager CEB, the key international agencies (UNHCR and OSCE) involved in monitoring the beneficiary selection, and the participating donors. In each country, several institutions are involved:

- In Bosnia and Herzegovina: the Ministry of Human Rights and Refugees (Lead Institution): the State Commission for Refugees and IDPs, and the line ministries in charge of refugees and IDPs in both Entities.
- In Croatia: the Central State Office for Reconstruction and Housing Care (Lead Institution).
- In Montenegro: the Ministry for Labour and Social Welfare (Lead Institution).
- In Serbia: the Commissariat for Refugees and Migration (Lead Institution).

PIUs are set up in all the countries, and local municipalities play an important role in the implementation.

The RHP furthermore has the following structures: a *Steering Committee*, an *Assembly of Donors* and a *Technical Committee*. Furthermore, a *Regional Coordination Forum* is put in place. Each partner country has a *National Steering Committee* (NSC) consisting of key stakeholders of the country

The Steering Committee is composed of the donors, the Partner Countries, the RHP Secretariat, the UNHCR and the OSCE. It will provide strategic guidance and coordinate activities under the RHP, and review the effectiveness of the activities financed with fund resources. It will also supervise the Fund's operations and the progress of the RHP.

The Assembly of Donors (AoD) consists of the main donors, and one representative from CEB, having a non-voting status. It will approve grant requests, and monitor and oversee the financial status of the Fund. The Commission will permanently co-chair the Assembly, together with another donor representative on an annual rotary basis.

The Technical Committee is composed of the European Commission, each donor or group of donors who has made one or more contributions totalling EUR 5 million, and the RHP Secretariat. The Committee will prepare grant request assessment criteria, screen and assess grant requests, submit grant requests for approval to the AoD, and discuss implementation related issues based on information provided by the RHP Secretariat.

The Regional Coordination Forum is comprised of the Partner Countries, the RHP Secretariat, the Commission, the UNHCR and the OSCE. It provides a forum in which to:

- a) discuss Country Housing Project preparation and implementation as well as related technical assistance needs;
- b) coordinate sub-project pipeline to be submitted to the Technical Committee through the RHP Secretariat;
- c) exchange best practices and harmonise procedures related to the preparation and implementation of Country Housing Projects; and
- d) discuss other issues of common interest related to the preparation and implementation of Country Housing Projects.

The National Steering Committees (NSC) consist of key stakeholders of the country. They may be based on existing structures or set up as a new institution. The Lead Institution has the overall responsibility for reporting to the RHP Steering Committee and is the overall responsible for the implementation of the Country Housing Programme, for the establishment of the PIU and for selecting the beneficiaries in particular in close cooperation with the UNHCR and OSCE.

IMPLEMENTATION METHOD(S) AND TYPE(S) OF FINANCING

This action is a continuity of the efforts undertaken until now under the RHP, and will be implemented through a continuation of the institutional and legal set-up followed until now.

Activities 1, 3 and 4 - disbursement of investment grants; operation of the RHP Secretariat; and administration and management of the RHP Fund - will be implemented through indirect management with the CEB. To this end, it is foreseen to sign one Delegation agreement with the CEB, in Q4, 2017 making a contribution to the RHP Fund for a total amount of EUR 30 million. Within this contribution, a management fee, defined in the General Conditions of the Fund⁹, will be deducted to finance activities 3 and 4. Two thirds of the remaining amount will be earmarked for Serbia and one third for Bosnia and Herzegovina. The CEB will further commit and disburse these funds in the form of Grants to the RHP participant Partner Countries. Each Grant will correspond to and will be financing a specific and well defined

⁹ General Conditions of the Regional Housing Programme Fund of 24 September 2012.

Country Housing Subproject. The Grant Agreements will be signed between CEB and the Partner Country after the relevant decision by the RHP AoD.

Activity 2 and 6 - technical assistance and operating support for the effective implementation of the Country Housing Programmes primarily in Serbia and Bosnia and Herzegovina but also in Montenegro if required; and **development of an exit strategy** - will be implemented through indirect management with the CEB. To this end, it is foreseen to sign one delegation agreement with the CEB, in Q4, 2017 for a total amount of EUR 14.8 million. It should be noted that these activities will also support countries in implementing RHP sub-projects that may be identified under future, additional, contributions to the RHP Fund, including EUR 39.5 million which are intended to be programmed by the EU in 2018.

Activity 5 is an independent evaluation of the programme: Funds (EUR 0.2 million) under this activity will be used for the launch of a request for services under a Framework Contract. Activity 5 will be managed by the operational unit responsible for the RHP in the European Commission Headquarters.

4. PERFORMANCE MEASUREMENT

METHODOLOGY FOR MONITORING (AND EVALUATION)

The European Commission may carry out a mid-term, a final or an ex-post evaluation for this action or its components via independent consultants, through a joint mission or via an implementing partner. In case a mid-term or final evaluation is not foreseen, the European Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner. The evaluations will be carried out as prescribed by the DG NEAR Guidelines on linking planning/programming, monitoring and evaluation. In addition, the action might be subject to external monitoring in line with the European Commission rules and procedures.

The action will be monitored primarily through participation in the monitoring and decision making bodies of the RHP, namely the Regional Coordination Forum, the Technical Committee, the Assembly of Donors and the Steering Committee. As explained above, these fora monitor the implementation of the action, discuss challenges and problems and examine the proposals for new projects and their financing.

Through its different compositions and roles, these fora ensure the proper evaluation and monitoring of the action at different levels.

The Fund and Programme manager, CEB is providing four types of reporting: a) an annual RHP Fund Report describing the entire activity of the Fund and the financed actions; b) (bi)monthly reports to the international stakeholders, c) progress reports per sub-project; d) specific reports for the purpose of the Commission's contribution agreements. Moreover, UNHCR and OSCE are producing project specific reports – both at project preparation and during implementation- as well as bi-monthly reports to the Technical Committee on the advancement of activities in their field of expertise.

The role of the European Union Delegations (EUDs) is also important in the monitoring of the programme. While the RHP is programmed centrally in Brussels, the EUDs are responsible for following up developments in consultation with the Headquarters.

Results Oriented Monitoring should also be frequently utilised to make sure that the action is implemented efficiently.

An evaluation of the performance of the programme is envisaged to be financed under this action.

INDICATOR MEASUREMENT

Indicator	Baseline 2017	Target 2020	Final Target 2020	Source of information
Number of housing solutions provided to vulnerable refugees and displaced persons in Serbia and in Bosnia and Herzegovina through use of the resources provided through this action	0	1000 (Serbia) 470 (Bosnia and Herzegovina)	1000 (Serbia) 470 (Bosnia and Herzegovina)	CEB Fund and programme manager official reports to the Technical Committee, Assembly of Donors and the annual RHP Fund report On the spot verification

5. CROSS-CUTTING ISSUES

GENDER MAINSTREAMING

The needs of the displaced change with their age, gender, education, duration of displacement and living conditions and many other complex aspects of protracted refugee situations. Although it is expected that the resolution of housing needs will have a catalytic effect and enhance the social integration process of the displaced populations, accompanying efforts are also promoted, and in this context, gender considerations will be taken into account, in order to channel the most appropriate support in every individual situation.

EQUAL OPPORTUNITIES

The action is focused on improving the living conditions of vulnerable groups. Considerations of equal opportunities and non-discrimination principles will be respected. 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.

When it comes to involvement during construction, equal opportunities will be provided to industry players from all partner countries under international competition rules, where applicable.

MINORITIES AND VULNERABLE GROUPS

The action is focused on improving the living conditions of vulnerable groups.

The needs of the displaced change with their age, gender, education, duration of displacement and living conditions and many other complex aspects of protracted refugee situations. The resolution of housing needs is expected to have a catalytic effect and enhance the social integration process of the displaced populations. However, as discussed under sustainability, further complementary actions may be needed to ensure the full integration of the beneficiaries into their communities.

ENGAGEMENT WITH CIVIL SOCIETY (AND IF RELEVANT OTHER NON-STATE STAKEHOLDERS)

Various civil society organisations are engaged in supporting the livelihoods, local integration and rights of the beneficiaries of the programme. Attempts are furthermore being made to enhance participation of civil society in supporting the sustainability of the action – a specific contract is foreseen to be signed with a civil society network to this effect during 2017.

ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)

The RHP implementation involving construction strives to apply the highest technical building standards to maximize energy efficiency and environmental protection. Where possible, energy efficiency in the buildings is enhanced, in line with relevant EU Directives. In some of the partner countries the issue is covered through the applicable legislation and regulatory framework but this has to be further supplemented in the forthcoming period with the addition of secondary legislation, regulations etc. The RHP is a positive contribution to a practice of constructing energy efficient buildings and houses considering the big number of dwellings that will be constructed.

Climate action relevant budget allocation: EUR 300 000
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6. SUSTAINABILITY

RHP is not only a housing project but a step in the (re)integration of refugees and displaced persons in the society, requiring efforts at securing sustainability of the RHP solutions. The ultimate goal of RHP is to have financially independent and self-sufficient families, being socially and culturally integrated in well managed communities with proper technical standards. RHP does not end with a construction of houses but with a flow of long-term benefits provided through sustainable solutions.

Whether such long term benefits materialise depends on several factors - technical, socio-cultural, and economic - technical in the sense of housing being linked up to adequate infrastructure- water and electricity supply, transportation and/or nearness to social services; socio-cultural referring to the ability of beneficiaries to practice their full rights as member of a community; and economic referring to the ability of beneficiaries of sustaining their livelihoods.

At the outset of the RHP, the design of the programme was such as to focus on the provision of the hard housing solutions, whilst countries would take charge of the accompanying social integration measures.

Whilst this division of labour reflects an important commitment on the part of the partner countries, it is nevertheless becoming clear that the RHP as such needs to reflect further on its role in this area. Many complementary programmes are in place, and the RHP should not necessarily incorporate wider activities than is currently foreseen. However, the RHP should have a full overview of the broader sustainability situation, and possibly increase its support to matching housing beneficiaries with other types of support provided by other players. The detailed approach will need to be further discussed by the programme partners, in the light of full information

Therefore, the EU support to the RHP in the next phase will include provisions for a broader support to the monitoring of sustainability, based on which informed decisions can be taken for possible accompanying measures.

As previously sustainability will be underpinned by:

- a) A strong sense of ownership of Partner Countries;
- b) An integrated approach that Partner Countries, supported by the key international stakeholders, have adopted in preparing their projects; and
- c) Substantial support for capacity building in Partner Countries throughout the duration of the programme.

7. COMMUNICATION AND VISIBILITY

Communication and visibility will be given high importance during the implementation of the action, building on the already very substantial activities carried out under the previous phase of the RHP. The implementation of the communication activities shall be funded from the amounts allocated to the action.

All necessary measures will be taken to publicise the fact that the Action has received funding from the EU in line with the Communication and Visibility Manual for EU External Actions. Additional Visibility Guidelines developed by the European Commission (DG NEAR) will have to be followed.

Visibility and communication actions shall demonstrate how the intervention contributes to the agreed programme objectives and the accession process, as well as the benefits of the action for the general public. Actions shall be aimed at strengthening general public awareness and support of interventions financed and

the objectives pursued. The actions shall aim at highlighting to the relevant target audiences the added value and impact of the EU's interventions and will promote transparency and accountability on the use of funds.

The action as such lends itself well to visibility and much effort has already gone into promoting the visibility of the action.

It is the responsibility of the beneficiary to keep the European Commission fully informed of the planning and implementation of the specific visibility and communication activities.