



MANUAL

Manual for Non-Profit Social Housing

DECEMBER 2014



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1. INTRODUCTION

Social housing is considered an institution through which a community directly helps provide affordable housing to citizens in need. By virtue of the fact that it is implemented with the support from the State or its body, social housing should be considered part of the overall social policy, with special emphasis on regional and local specificities and development plans of administrative units.

Donors and international NGO support program that have been implemented in BiH for several years now, with active participation and financial support from the competent local institutions that promoted and introduced social housing through the implementation of various projects within these programmes. Considering the priority of solving housing issues, the projects were mostly focused on specific vulnerable categories such as war victims, displaced persons, returnees, and residents of collective accommodation. The projects were tailored to the potentials and specific situations in the communities.

1.1. Purpose of the Manual

Significance of the future programmes partly containing introduction of the principles of non-profit social housing goes beyond the purposes and basis of past projects. The fact remains that systematic provision of adequate housing to certain categories, appropriate for the present times and standards, remains a priority issue for the competent institutions, and that social housing should follow community development plans. Concurrently, it is necessary to implement the vital activities in a planned manner to achieve sustainability of the institute of social housing, which will be introduced through the future or already implemented programmes without having strengthened all necessary segments as a condition for sustainability.

Essential postulates of sustainable social housing systems, found in best practices of other countries, are:

- a) Defined apartment ownership and the way of usage,
- b) Organising the management of using and maintaining the social housing stock,
- c) Defining categories and criteria for the allocation of available housing units.

The projects above have partly given different answers and options for the above postulates. Their analysis along with the existing regulations governing different variations of their relation



can lead to the implementation of the institution (social housing) as a sustainable model for housing provision for many specific beneficiary groups which demand and want housing solutions within a system. Unfortunately, still there is no systematic approach in BiH although it is necessary because of its potential wide use throughout the country, especially in terms of protecting human rights and possible discrimination.

The above shortcoming is particularly visible if social housing is implemented, i.e. managed and/or planned, at a level above the municipality as the lowest level of local government, because social policy and social inclusion policy are planned and implemented at higher levels. The need for a more systematic approach than the previous ones also arises because of different territorial levels of legislation that accompanies non-profit social housing in all segments that require definition of this field in order for the apartments to serve their purpose and principles of use without any undermining of the community development and human rights.

With different social housing models in BiH, implemented through previous projects, and the best practices in some EU countries and elsewhere, different definitions of social housing have been developed. It is important to note the fact that the possibility of creating different models according to the specificities of non-profit social housing in different environments, the general goals and requirements that need to be accomplished to achieve long-term sustainability of this institution always remain the same. Concurrently, creative design of the models is desirable in order to achieve higher overall goals but with maximum compliance with the postulates and sufficient critique in overviewing all factors that could potentially jeopardise general goals and sustainability of the institution in the long run.

Social housing has become a recognisable model for future application in BiH for several reasons, but first all prerequisites must be satisfied to make this system generally accepted and (most importantly) sustainable, because it is fundamentally not inexpensive but it can concurrently be considered both social and developmental. The purpose of this manual appeared exactly in order to accomplish more complete results in developing this system from all aspects, and particularly in creating a sustainable non-profit housing system, acceptable for the community.



1.2. Intention of the manual

Analysis of different situations, experiences and examples from the implementation of the projects containing a social housing component resulted in need to develop a manual for practical institutionalisation of social housing in BiH. The manual covers all planning elements that need to be included in the implementation in order to introduce non-profit social housing in BiH on the grounds and experiences from best practices, while respecting specific requirements of local communities.

The manual can and should serve to all that handle and will handle the development of the institution of social housing in BiH in the near future. More specifically, in the preparation phase, the manual may be of use to the local authorities developing this system. It may also be helpful to public or other institutions and potential partners involved in housing construction. Concurrently, since the implementation of social housing as an institution is increasingly announced, this manual is recommended for use by all future implementers and institutions to identify best practices and avoid activities and procedures that have yielded negative results in practice likely increase in frequency of application of this institution in different specific conditions merits the use of this manual by all future implementers and institutions in order to recognise.

The manual may serve during the preparation of targeted programmes to expedite some activities, because many community activities, especially preparatory ones, can be done simultaneously with purposeful adjustment of earlier practices by incorporating specific requirements of the community of program implementation.

The initial concept was to create a manual based on assessing the needs and activities implemented during the earlier non-profit housing programmes, with a highly critical review. The plan was to highlight best practices or specific negative events in order to provide instructions for implementing activities using a methodology that understands negative effects on the development of this institution and provides a well thought approach based on specific activity.

In the development of this manual we identified a need to extend the analysis of certain aspects of implemented activities through an analytical approach of collaborators who have not participated in the implementation of social housing projects. Those collaborators came from various fields associated with social housing from the scientific and/or practical view. They could

help by providing quality recommendations for implementers in their timely preparation and adequate implementation of individual activities.

This particularly concerns social welfare aspect and bringing the social housing closer to wide population by eliminating negative connotations and equalisation of the concept “social” with vulnerable and thus of lower value in society.

KEY ELEMENTS

1. Social housing is an institution through which a community helps provide affordable housing to the citizens who are unable to find a housing solution independently.
2. Social housing must be based on the following postulates to be sustainable:
 - Defined apartment ownership and the way of usage,
 - Organizing the management of using and maintaining the social housing stock,
 - Defined rent, beneficiary categories, criteria and apartment allocation procedures.
3. The Manual is developed for all stakeholders in BiH that are currently or will be involved in the future development of social housing as an institution.
4. Best SH practices support specificities of local communities, their existing capacities, needs and, accordingly, different SH models.

2. NON-PROFIT SOCIAL HOUSING (NSH)

“Housing is a fundamental human need, that has for long not been met in the developed countries only according to the laws of market supply and demand. An apartment is the greatest physical and symbolic asset of every household. Meeting the housing needs is a very complex process which depends on the political, social and economic circumstances in the country.”¹ So we arrive at the concept of housing policy, which is necessary for any country or society and is implemented within the framework of modern social policy programmes.

Within the implementation of these programmes, non-profit social housing (hereinafter: NSH) holds an important place, noting that it resulted as a program from the commitment of the developed society and with full support of central authorities to all relevant institutions interested in its development. In such situation its sustainability is not questionable while the design of its models only increases its significance and implementation.

As a model with positive practical experiences, NSH in BiH is trying to solve the burning issue of housing for certain categories, but the institutions interested in solving this problem at different levels are not fully prepared for planned development of the strategic approach to NSH in order to create conditions to make it doable, sustainable and to serve its purpose in the long run.

2.1. Concept and purpose of sustainable social housing

If we can say that social housing has several different but similar definitions, sustainable social housing in practice always implies the fulfilment and definition of the three previously mentioned parameters that assign roles and responsibilities in the use of apartments, and as well maintenance and functionality of NSH. These are ownership, management and definition of the beneficiary. None of these parameters should be categorical or fixed in relation to all relevant circumstances, but they do need to be defined in order to place the responsibility properly in accordance with the relevant rights and responsibilities.

In addition to the above, the main characteristic of sustainable NSH is its affordability; it is not and it must not be free. Therefore housing must be regularly paid in the form of a rent, if not directly by the beneficiary then by a legally competent institution, provided that a beneficiary is entitled to such assistance. Otherwise, NSF without rent payment becomes unsustainable and it is only a matter of time and circumstances before the system eventually collapses.

The obligation to persist in creating conditions for the implementation of sustainable NSH

1 Bežovan G., Stambena politika (Housing Policy), 2005.

can be indicated and visualised if we imagine a system where the State with its bodies at all administrative levels (or anyone else for that matter) has provided financing for constructing a housing stock for multi-generation assistance to the vulnerable categories for which it cares as society in whole, and then, by neglecting its obligations to make this system sustainable, the housing stock starts losing its value or eventually changes its purpose and stops being a benefit for society. The least to be done in such a situation would be raise the responsibility issue regarding the decision on investment for this purpose (or the subsequent decision changing the treatment of the investment), if we understand the necessary requirements for the investment to be sustainable in the full sense of the word.

Solving the ownership issue generally makes the system more sustainable because it is implied that the owner will care to preserve the property value, collect and distribute the rent, and authorise and contract management activities regarding the housing stock according to the established rules and principles, which contributes to sustainability. An assumption is that the owner will directly affect beneficiary categorisation, which underlines the need for defining the ownership for sustainability purposes.

Management, by definition, means ensuring that the required actions are taken in order to use the housing units as foreseen and defined. These activities and tasks can be divided into administrative (relations with applicants for lease and apartment owners, and supervision of use), financial (controlling rent collection and payments for contracted maintenance works) and technical (organising maintenance, compliance with the rules of use, and conduct of preparatory activities to take over the property for good management).

In addition to the above postulates, other parameters that affect the NSH sustainability can be derived from the section on “affordable.” Affordability should not be related only to economic calculations having in mind the logic that the priority task of NSH is to make housing affordable. Various population migrations in recent years and technological advances have put housing and residence in any sense in the context of purposefulness and comfort, so housing in isolated, inaccessible, socially excluded or housing units (without any particular reasons) constructed and equipped below standards cannot be considered affordable.

Sustainability of NSH as an institution can (and should) also be ensured by an extended view of an aspect that concerns the categories of people in need of housing assistance. The institution responsible for defining beneficiary categories and housing rights should have such a vision to set the criteria for multiple potential beneficiary categories that will become important to the stakeholders who handle housing issues in the near future. Sustainability of the NSH system requires flexibility and a broad view of the accessibility of apartments to certain groups with concurrent rigidity in application of the rules of use and consistency in action against the beneficiaries who do not comply with already established rules of the system functioning.

2.2. Rent concept in NSH

The regulations governing the financial compensation for the use of apartments are not uniform, so the concept of “rent” has a variety of terms. The best term in the NSH context is “rent”, while the other terms imply compensations as a means for the owner to gain profit.

Accordingly, other terms should not be used for NSH at all, because the title of this institution non-profit housing.

Rent is the main characteristic of NSH, a central issue that pre-defines it. The way it is positioned/regulated will determine whether the housing will be non-profit/social or it will go outside this range it and become a category the goal of which is to gain profit through rent. Unless the rent is regulated well in the relevant regulations, NSH could lose its essential purpose and be used by apartment and building owners to become rich or, as the other extreme, to compromise the NSH sustainability if the rent collection and good management are neglected.

NSH is not just apartment provision to certain population categories and their housing solution but a legal and economic relation which has just appeared and lasts for a while. It will manifest its essence after a certain amount of time.

Housing, i.e., housing provision, has been a long-standing key issue in the State activities, and it is regulated in particular laws and bylaws. Examples of construction of large workers settlements in the western countries as a result of sudden industrialisation and influx of large population to the cities, which led to a steep increase in real estate market prices. The first laws and regulations in this area appeared in the Western European countries.

The socialist Yugoslavia paid a particular attention to this issue and regulated it in full, including the calculation and amount of rent, in specific laws and regulations. The highest rent amount and its distribution between investment maintenance and regular maintenance of apartments were prescribed. The rent was intended only to maintain the apartments at the same level. The sole objective of those regulations was to prevent speculative trading and provide adequate housing for broad population, including low income households.

This all clearly shows that the rent must serve two purposes – a social and an economic one, in which the economic function must guarantee full functionality and protect the investment at all costs accompanying such protection.

KEY ELEMENTS

1. The NSH is not and cannot be free - the rent is paid by the beneficiary or the legally competent institution in order to make this part of housing policy a sustainable and useful tool for the government to act positively in the provision of affordable and quality housing.
2. Non-profit rent is the main stability factor for the NSH, primarily in the psychological and then, naturally, in the functional sense.
3. The defined rent amount should ensure:
 - the planned level of functionality and protection of the investment,
 - affordability of quality housing to low income citizens or categories of special interest to the community.



2.3. Potential beneficiaries of sustainable NSH

We stated earlier that the earlier programmes setting the foundations for NSH were mostly implemented in order to implement Annex VII of the Dayton Agreement, which is why refugees and displaced persons were the most often target groups when the criteria for allocation of apartments for use under the established principles. In parallel with the implementation of these programmes, various studies and researches were conducted, including round table discussions about potential users of this housing type in BiH, taking account of influences and events in various fields that affect this one.

The Revised Strategy for the Implementation of Annex VII of the Dayton Peace Agreement (2010) provides the legal and above all the political framework for finding permanent solutions for the remaining displaced persons in BiH, the number of which is 41,013 families, or 125,072 individuals, according to the data from the strategy. An extensive research in this area was carried out by the RS Ministry of Refugees and Displaced Persons, and the results were delivered to the RS Government and the RS Assembly for adoption in 2012 in a document "Information on the Rights of Refugees, Displaced Persons and Returnees," stating that the issue of displaced persons, refugees and returnees remains highly topical despite attempts to solve it for years through the implementation of Annex VII programmes by the local authorities and international organisations. According to this information, the pre-war property is destroyed or devastated in 87% of the cases, which clearly indicates a serious need to address this population's housing needs in the current place of residence. The families confirmed this in a survey conducted on a sample of almost 4,000 families residents of alternative accommodation, when 71% of the respondents stated their wish to integrate in their current place of residence, which could be anticipated after 20 years of displacement.

The RS has a problem with refugees from Croatia, which remains unsolved after 20 years. These are 2,794 households that cannot recover their property in Croatia or have lost their tenancy rights. More than 70% of them stated their wish to integrate in the current place of residence, and many of them could be housed using this housing model.

With the above, it is necessary to satisfy the formality that the NSH beneficiaries are not unconditionally included in a given programme but are instead treated as candidates who, on a voluntary basis,

have accepted the available housing conditions as described in the previous chapter.

Vulnerable groups include persons whose material, social, psychological or other situation requires housing assistance from the community because of their unfavorable position compared to other population categories. This population can be divided into following groups:

- Refugees and displaced persons, including persons repatriated to BiH under readmission agreements,
- Roma population,
- Elderly persons,
- Youth, with focus on young married couples who cannot afford their first property,
- Households with extremely low income and users of social welfare payments or other forms of material assistance,
- Professionals of special interest for the development of the local community and its institutions.\Particularly vulnerable groups: homeless, migrants, civilian victims of war, persons with disabilities and special needs, single parents, children without parents, etc.

Interest of these categories in the local communities to solve the issue of affordable housing based on NSH principles in the near future, and a realistic assessment of the possibility of changing their category status are the parameters that need to be reviewed in order to define current needs for NSH in a local community. Such analysis can be used for developing a strategy that would use the available programmes for systematic introduction of sustainable NSH as an institution and gradual resolution of housing needs for each above category according to priority and available resources.

It should be noted that the above categories do not include households without any income because they are unable to pay the rent required by the NSH system or utilities. It is assumed that such households do not fulfill minimum conditions for apartment lease based on NSH because of their insolvency; but, if there are sufficient grounds, the State should help them. If not, then the State can address this problem through other social welfare programmes but through NSH.

2.3.1. General guidelines for selection and categorisation of NSH beneficiaries in BiH

Under the established procedures in the local communities, the households that cannot afford to buy or rent an apartment in the market will submit an application for use of an NSH apartment to the local authorities. The manner and procedure for allocation of apartments should be defined and adopted by the local community in accordance with its strategic objectives, and it is determined according to formal/legal, economic and social criteria.

The formal/legal criteria include:

- Citizenship, residence permit, otherwise regulated legal status for foreign citizens,
- Permanent residence or a certain period of residence in the local community where the application for social housing is submitted,

- No ownership of real estate of an adequate size,
- Current living conditions in comparison to the prescribed social housing standards,
- Current living conditions, in terms of area per household member lower than the prescribed social housing standards,
- Current living conditions do not satisfy the minimum conditions for healthy living.

Economic criteria include:

- Income threshold,
- Proof of ability to pay social rent or a relevant authority's decision on subsidisation of housing costs.

Social criteria include a whole range of criteria for beneficiary selection, the most important of which are:

- Persons in social need,
- Persons with disabilities,
- Households with members with special needs,
- Elderly households,
- Former soldiers,
- Families of soldiers killed in the war,
- Refugees and displaced persons,
- Returnees repatriated under readmission agreements,
- Young married couples,
- Women-victims of violence,
- Low income workers families,
- Highly educated persons,
- Chronically ill persons,
- Multi-member families,
- Persons with mental and physical disabilities,
- Immigrants and asylum seekers,
- Ethnic minorities.

Each of the listed criteria can be treated differently by the local community, depending on its specific situation, in the process of adopting regulations governing the manner, procedure and criteria of allocation of apartments. Certainly, the regulations can make an exemption from these guidelines in case of special purpose allocations through separate NSH project activities.

2.3.2. Particularly vulnerable categories and NSH models

All particularly vulnerable categories require a special, multidisciplinary approach. Some categories have particularly vulnerable households, which is an additional aggravating circumstance increasing the need for affordable housing solution.

For example, the category of refugee and displaced persons category has particularly vulnerable groups, such as persons with physical and mental disabilities, chronically ill persons, single parent families, children without parental care, indigent elderly persons, and others who objectively cannot attain their rights from Annex VII of the Dayton Peace Agreement, then a sustainable NSH model must find an appropriate sensitive way to provide a permanent housing solution for these groups. With the voluntary principle, this could include housing in special purpose institutions or expansion of capacities in the existing institutions. This would be a separate model of sustainable NSH, preceded by an evaluation of needs and options, depending on the subsidisation criteria for subsidising the basic costs of housing for these groups in such institutions.

This is why it is necessary to include various sectors to achieve full integration of these categories in the local community, resulting in the earlier mentioned multidisciplinary approach.

The elderly are also a separate social group that require a dedicated NSH model, especially because some areas in BiH, particularly rural, do not have adequate health-care and welfare services to compensate the absence of close family members as carers.

Therefore, any future initiatives on defining local strategies and selection of NSH models must consider the needs of this special social group and try to combine a form of NSH with day care, if the relevant professional staff and other capacities are available.

An excellent example for the above is a CRS project in Bakovići, Fojnica Municipality, in which number of refugees and displaced persons with special needs, previously accommodated in alternative accommodation facilities in different parts of BiH, was permanently accommodate in the newly built accommodation capacities in the Institution for Care of Persons With Mental Disabilities, with the institution's obligation to provide possibly needed palliative care and care in general.

This NSH type and model cannot be applied in all local communities so the housing of particularly vulnerable groups within the vulnerable categories should be addressed regionally, through an analysis of the local community capacities and resources in a wider region.

2.3.3. NSH beneficiary categories in the development of local communities

The existing local community experiences with NSH mostly revolved around project objectives, thus giving priorities in the categorisation of beneficiaries. The categories of potential NSH beneficiaries include those who cannot be generally considered a priority from the social aspect but rather represent the local community development needs –young married couples and professionals needed in the local community.

There are officially estimated 1,354,000 young people in BiH, 777,000 of which are aged 15–29.² Only 7% of youth is independent in terms of housing, 2% of which are lessees and 5% apartment or house owners.³ In absolute figures, this means that 15,000 young people in BiH around are currently lessees who pay market rent.

2 Mladi trebaju omladinsku politiku – Analiza položaja mladih i omladinskog sektora u BiH /Youth Needs Youth Policy - Analysis of the Youth Position and Youth Sector in BiH/, Sarajevo 2008.

3 Mladi trebaju omladinsku politiku – Analiza položaja mladih i omladinskog sektora u BiH /Youth Needs Youth Policy - Analysis of the Youth Position and Youth Sector in BiH/, Sarajevo 2008.



A positive, visionary example of NSH project-based development is Srebrenica Municipality where the beneficiary selection criteria have expanded since 2008 – from displaced persons and refugees as priorities to young married couples with children, for which this housing solution will provide a base for building a better tomorrow in their own homes.

The research data showed large housing needs of the youth, especially young married couples who mostly cannot afford to buy their first home. Housing, as well as employment, is one of the greatest challenges faced by the majority of young people in BiH at the start of the productive stage of their lives.

The existing credits are rarely affordable to the youth – some cannot secure the required collaterals (mortgage, co-debtors), while others do not have permanent employment or they work in the informal sector. Even those with steady job often cannot accept a high credit needed to buy an apartment because their salary cannot cover monthly installments or leaves them without enough money for a normal life. Almost half of the youth aged 15-24 is unemployed, i.e., youth unemployment rate is almost twice as the unemployment rate for the total population.⁴

From the aspect of banks, the youth are the most risky clients because most often they do not have a credit history or they earn low and unstable income and therefore they cannot offer mortgage or acceptable co-debtors as collaterals. This is why the youth do not enjoy any special benefits with lenders. An exception are few banks that meet the youth halfway by offering somewhat lower interest rates and favourable credit terms to the youth.

Such loans are available only to young married couples with university education and above-average income, which eventually results in the loan beneficiaries coming mostly from administration and public sector, while the youth employed in private sector can hardly satisfy all formal requirements.

The above indicators show that the majority of youth will need society assistance because of inability to solve their housing needs independently in the market, and so the most viable solution is to provide them with an opportunity to rent an apartment under favorable terms.

Having in mind the significance of retaining different professionals, especially where the

⁴ Aleksandar Draganić, Mišel Pavlica and Stevo Pucar, "Stanogradnja za mlade – Podrškom do krova" /Building Apartments for the Youth - Support for the Roof over the Head/

developments need a boost, it is necessary to motivate professionals to move to such local communities. To retain them there, it is necessary to secure both employment and favorable housing until they have become able to buy an apartment in the market.

Prioritisation of these categories indicates a local community needs to stop negative trends of the youth leaving for major towns or foreign countries, and to maximally engage local economy in the social policy development. These trends do not have to be generalised but a certain number of housing units can be reserved for developmental categories in the planning phase, which is also recommended from the aspect of ensuring socially mixed tenants in residential buildings and settlements built or adapted for this purpose.

KEY ELEMENTS

1. The rule of voluntary participation in the NSH and consistency in the implementation of established procedures is a precondition for creating healthy relations and quality implementation of housing policy objectives through NSH.
2. Different population categories use the NSH for the same reasons – the lack of affordable credits and other benefits means that the NSH is quality and affordable, depending on the specific status of the categories.
3. A requirement to accept the will to use the NSH is to establish the ability to pay the determined non-profit rent or to have secured full subsidization from a competent institution in accordance with the relevant laws.
4. The categories of candidates that are not based on social but development criteria are young married couples and needed professionals.

2.4. Competences in BiH (housing policy, economic and social protection and the need for harmonised implementation of activities in creating a sustainable NSH system

Different opportunities and views on social issues have created a situation where the categories using the apartments under the NSH principle differ, and so it is not possible or even necessary to try to copy-paste the existing solutions, even if they have offered excellent results in practice. So many factors influence these results that at this time it is not possible to predict the status of these factors in the future or their impact on the establishment of the institution of NSH in the BiH local communities.

What is important is to use the positive experiences from countries around the world and evaluate possible directions of development of this area together with the society development and the awareness of the need to solve these social issues.

In this regard, looking at the share of using NSH apartments by certain population groups in different countries also can fine-tune our perception and foster a visionary approach to creation of the rental housing stock and the potentials for it in several regions in BiH.

Migratory processes in BiH, needs for professionals or those interested in developing certain local economic activities may be some of the indicators that the needs for NSH in local communities should not be restricted just to socially vulnerable groups or categories which are currently a housing priority.

The legal framework governing the NSH issues includes international documents and human rights protection instruments in addition to the domestic legislation. Having signed a number of international human rights treaties, Bosnia and Herzegovina is obligated to provide social welfare services and protection to all persons in its territory, without discrimination on any grounds. Acceptance of this obligation does not mean that the State must build an apartment for every family but it must take appropriate steps, within the limitations determined by available resources, to ensure full attainment of rights guaranteed by the signed documents and particularly by adopting an appropriate legal framework.

Competences for housing policies in Bosnia and Herzegovina and all areas related to these policies (social protection and spatial planning) rest on the lower levels of government, which results in a broad national legal framework and multiple institutional mechanisms, i.e., authorities and procedures involved in the implementation of this framework.

Competences for spatial planning rest at the entity level, and in FBiH the social policy competences are divided between the entity and the cantons, while housing policies are under exclusive competence of the cantons. Thus the Federation Ministry of Spatial Planning is competent for adopting regulations governing spatial planning and housing construction, and the Federation Ministry of Social Policy and the relevant cantonal ministries develop and adopt social protection policies. Unfortunately, the social protection laws do not recognise social housing as one of the rights under the social protection umbrella. The Federation level does not have constitutional competences for housing policy other than in the matter of housing of displaced persons, which is under the auspices of the Federation Ministry of Displaced Persons and Refugees.

In the Federation BiH the cantons hold exclusive competences for housing policy, its programming, implementation and monitoring, as well as regulation of construction of residential buildings, which gives them the right to formally regulate social housing as well. Using this constitutional competence, the Bosnian-Podrinje Canton Gorazde adopted the Law on Non-Profit Social Housing in July 2013. This was the first law in BiH governing the conditions for development of NSH, manner of securing and utilising funds, manner of allocation and use of social housing units and other issues relevant to NSH. The same law was adopted in December 2013 in the Zenica-Doboj Canton and it would be realistic to expect such initiatives in other cantons. It can be said that FBiH is on a good path towards regulating social housing in a homogenous and systematic manner via cantonal laws.

Local communities in FBiH have their own competences under the Constitution and the relevant laws to govern the development and implementation of housing policy and adoption of residential developments and other construction programmes, and for adoption of property management and utilisation policies.

In the Republic of Srpska the legal framework is simpler due to its constitutional set-up and

consists of the Constitution of Republic of Srpska, the Law on Social Protection ⁵, the Law on Local Self-Governance ⁶, the Law on Spatial Planning and Construction⁷, the Law on Housing Fund⁸ and the Law on Building Maintenance⁹.

The RS Government creates housing policies and social protection policies. The Ministry of Health and Social Protection is competent for social protection policy, while the Ministry of Spatial Planning, Construction and Ecology is competent for construction of residential developments and their financing. One of the objectives of this ministry is to address the housing needs of socially vulnerable categories through social housing.

The Ministry of Refugees and Displaced Persons is competent for housing of displaced persons. Additionally, the Housing Fund was established in 2000 in order to collect and distribute funds for the citizens' housing needs, primarily through providing loans to the priority population groups determined by the law.

Local communities in the RS are competent for adopting municipal development programmes, urban development plans, issuing urban planning consent and building permits, ensuring conditions and determining the method of construction; in the residential and utility field for prescribing house rules for residential buildings, determining fees payable by apartment owners, determining fees payable for use and maintenance of apartments under its management, and in the social protection for monitoring citizens' social needs and determining entitlement to extended rights such as supported living, protected living and housing of low income families.

The fact that **Centres for social work** are the primary point of determining social protection rights speaks of the importance of their role in attainment of social rights, as one of the more important aspects of NSH. Namely, the centres are responsible for preparing case histories which are necessary for selection of social housing beneficiaries and keeping records on them and their status, which represents a valuable source of information for more realistic NSH project planning and selection of beneficiaries. Also, for any attempts to introduce subsidies at the local level, engagement of the centres should be fundamental for defining criteria and obtaining the relevant documentation, as well as for recording and controlling the use of the issued subventions.

The BiH Constitution does not give the State any jurisdiction in housing policy and this matter is primarily handled by the entities. Still, certain ministries of the **Council of Ministers of BiH** in accordance with provisions of the **Law on Ministries and Other Bodies of Administration of BiH**¹⁰ hold certain competencies that may, broadly speaking, be relevant in the domain of social housing. For example, the **BiH Ministry of Human Rights and Refugees** is in charge of monitoring implementation of international human rights treaties and the **Ministry of Justice** must ensure compliance of all BiH laws at all levels with the international treaties. The legal framework that grants the State certain competences in housing policy, in addition to commitments stemming from the international treaties, is found in the Law on Ministries and Other Bodies of Administration

5 Official Gazette of the RS, no. 37/12

6 Official Gazette of the RS, nos. 101/04; 42/05, 118/05

7 Official Gazette of the RS, no. 55/10

8 Official Gazette of the RS, no. 28/13

9 Official Gazette of the RS, no. 101/11

10 Official Gazette of BiH, nos. 5/03, 42/03, 26/04, 42/04, 45/06, 88/07, 35/09, 59/09 and 103/09

of BiH, the Law on Refugees and Displaced Persons in BiH¹¹ and the Revised Strategy for the Implementation of Annex VII of the Dayton Peace Agreement¹². This legal framework stipulates that the Ministry of Human Rights and Refugees of BiH holds the authority for defining, harmonising and implementing policies concerning human rights, the rights of refugees and displaced persons, monitoring of implementation of Annex VII, and for defining strategic direction in these areas. Using the above authority, the ministry initiated the creation of the Strategy for Access to Housing Rights in BiH, based on the recommendations provided to BiH by the Committee on Economic, Social and Cultural Rights¹³ concerning adoption of a housing strategy which would address housing needs of the population and allocate funds for social housing, particularly for persons with low income and the impoverished and marginalised groups.

Considering the above, the existing organisational structure and multiple levels of administration make it difficult to define a unified social policy at the level of BiH. Recommendations from the Analysis of Social Housing in BiH indicate that the Council of Ministers of BiH must adopt a framework document laying down the fundamental principles for social policy in BiH, affirming the global principles and standards in the domain of housing policy, while strategic and operational policy objectives and the NSH systems can be determined at the entity level.

From the institutional aspect, the solution for implementation of any NSH model can be found in establishment of entity agencies that would supervise and implement the established objectives. These agencies would be competent for defining and implementing social policies and for developing long-term housing programmes, including NSH.

The institutional framework, which must follow the legal and political frameworks, should therefore enable development of local housing agencies and non-profit housing cooperatives to manage the social housing stock.

For a sustainable NSH, the need to define ownership of housing units does not in any way exclude participation and application of different models and forms of association, both in the general and in the structural (material) sense. Multiple owners of housing units participating in the NSH system in the local communities, even in different models of participation, are not an obstacle to the creation of a sustainable NSH, provided that the objectives and principles of using the housing units are the same and independent from other segments.

Regardless that the development of this housing form is essentially in the competency of the State, competent bodies at different levels, securing affordable housing for the target groups and inclusion of other structures such as the public and/or private sector and entrepreneurship can only contribute to better results in development of NSH models. How?

The very act of defining and securing the listed essential NSH elements based on realistic assumptions contributes to achieving all other positive effects that NSH can and should achieve in the local communities, provided that the NSH principles (such as non-profit rent and/or other benefits) are consistently upheld. Positive examples can be found in the Decision on Social Housing in Gorazde Municipality or the one currently under consideration in Srebrenica

11 Official Gazette of BiH, nos. 23/99, 21/03 and 33/03

12 Adopted by the BiH Parliamentary Assembly in June 2010

13 E/C.12/BiH/CO/1, Concluding Remarks of the Committee on Economic, Social and Cultural Rights, Article 46.

Municipality, which should place apartments constructed by several different funds under a single system and be used in the future on the basis of the adopted NSH principles.

These positive examples prompted the creation of draft decisions that will be applied, analysed and adopted in the local communities. They define the umbrella NSH principles as acceptable to the implementers of relevant projects and at the same time allow for free creation of subsequent procedures for allocation and special criteria tailored to the specific local requirements and housing needs discussed in Section 2.2.

KEY ELEMENTS

1. Non-existence of legislation at higher levels should not represent an obstacle for local self-governance units to apply positive experiences in this area.
2. BiH is a signatory to a number of international documents that guarantee human rights to its citizens, but the complexity of the system hampers the implementation of social and housing policies and, in consequence, adoption of a single NSH practice and principles.
3. The Bosnian-Podrinje Canton and the Zenica-Doboj Canton have their own laws on social housing. Are they the only ones that strive to initiate positive action for systematic management of the rental housing stock, or is there another reason?
4. The society must look after the categories that make the community more prosperous, pleasant and attractive for living.

2.5. Financing models for the creation of an NSH fund

For a functional housing financing system, the State must demonstrate stable economic conditions and the legal and fiscal environment should allow for efficient allocation of capital.

Social housing is a part of the housing policy in all European countries. It represents a component part and an implementing instrument for many public policies by providing affordable housing to certain population categories.

Within a foreseeable future we need to overcome social differences, reduce the poverty risk and improve citizens' social welfare, and provide for more even living standards through adequate housing policy solutions. This can be achieved only through accessible and affordable housing provided from the existing housing stock and by establishing and strengthening the NSH system, providing it with full legal protection. This form of housing must be based on non-profit or low-profit housing programmes which would lead to development of the institutional infrastructure and incentives for apartment construction.

Limited funds for social housing construction and subsidisation of NSH costs in BiH require an optimal model for overcoming this challenge.

Experiences from economically developed countries mentioned by the UN Economic Commission for Europe (UNECE) in a study of housing financing systems in transition economies indicate that the majority of developed economies have multiple financing systems and models, which are used in

parallel and complement one another but none of these models can be said to be the best.

This type of construction needs to be stimulated by subsidising construction costs, especially in the public and non-profit sectors, so we can look at four possible sources of financing for construction of social housing in BiH:

1. Budget finding (at the local, entity or State level, where EU countries allocate varying amounts for construction of social housing – from 0.2% to 3% of GDP),
2. Loan funds,
3. EU programmes, other financing programmes, donor financing, etc.
4. Private financing and public-private partnerships.

The use of these funds must be legislated but their purpose, other than for direct implementation of NSH-oriented programmes, could also be:

1. Approval of long-term and short-term loans to:
 - a. Legal entities and institutions that view NSH as an option for housing of their employees;
 - b. Non-profit housing organisations or agencies for provision of apartments for NSH.
2. Providing incentives for:
 - a. Savings dedicated for housing by persons in the NSH system,
 - b. Different forms of provision of housing and construction of the NSH buildings for persons with disabilities by NGOs;
 - c. Public-private partnerships in NSH.

NSH should be treated as a basic component of public spending. Financial limitations, primarily from inadequate distribution of public income, servicing of IMF loans and an inefficient and expensive administrative apparatus have reduced the budgets available to the local authorities in BiH. With all other financing sources (donations, loans) being limited, focusing on “other sources, in accordance with the law,” namely public-private partnerships, could open up significant possibilities for overcoming the difficulties faced by NSH.

2.5.1. Public-private partnerships as a financing source

The global economy is inevitably reflected at all levels of administration and economy, as well as in the life of every individual, which emphasises the importance of using this post-recession and budgetary awareness, which makes effective and profitable public-private partnerships a way to overcome these challenges.

Public-private partnerships in BiH and the region are in their infancy. Practical examples regarding social housing hardly exist at all. However, the effectiveness and profitability of such partnerships can be seen from the successful projects in the EU and other world countries.

The broad definition of a public-private partnership (PPP) is that it is a joint venture funded and managed through a partnership between the State and one or more private sector businesses.

The Law on Public-Private Partnership prescribes the subject, principles, forms, conditions and responsibilities within PPP, the procedure for proposing, approving and implementing projects, the body responsible for implementation of PPP, institutional structure, legal protection, provisions in the event of violation, transitional and closing provisions. Contracts based on this law specify the partnership and the commitments down to the relevant detail. However, in order to fully clarify this new form of partnership, additional provision is mentioned below.

PPP implies a contractual arrangement between the public sector and a private party where the private party provides a public service or a project and accepts a significant portion of financial, technical and operational risks of the project. In some forms of PPP, the cost of using the service is borne solely by service users rather than taxpayers. In others, such as in the NSH context, if the capital investment required for service provision was made by the private sector, the costs of service provision are borne, fully or in part, by the State.

The contribution of public administration in a PPP can be provided in-kind (particularly by transfer of existing assets). In projects aimed at producing public goods, such as development of infrastructure, the State may provide a one-time subsidy to attract private investors. In other situations, the State may subsidise the project through tax deductions or by forgoing its regular annual fees for a certain period of time.

PPP can also be described as cooperation between public and private sectors in planning, producing, providing services, financing, operating or collecting payment for public services. This definition explains that the public sector is both the supplier and the producer, i.e., the public sector is the partner that contractually defines the type and scope of works and services to be transferred to the private sector. The private sector is the partner that seeks such forms of cooperation that will result in profits and undertakes to execute its contractual obligations in an appropriate manner.

The stated advantage of PPP is that public bodies, by entering into partnerships with private companies, obtain new financing sources.

The PPP Guidelines of the European Union state the following advantages:

- Acceleration of infrastructure provision – transferring responsibility for design and construction to the private sector, in combination with payment for services upon completion, which allows the private sector to complete major investment projects with short construction times;
- Reduction of lifetime costs of projects – PPP projects give the private sector a strong incentive to reduce costs throughout the project life cycle, which is difficult with traditional financing;
- Better risk allocation – in every PPP the allocation of risk should be made to the party best able to manage it at least cost;
- Better incentives to perform – the allocation of project risk to the private sector should provide incentives for the private sector contractor to improve its management and performance on any given project;
- Improved quality of service – existing experience suggests that the quality of service achieved under a PPP is often better than that achieved by traditional procurement;
- Generation of additional revenues – the private sector may be able to generate additional

revenues from third parties through the use of spare capacity of the project;

- Enhanced public management – by transferring responsibility for providing public services the public sector will act as a regulator and will focus upon service planning and performance monitoring.

There are two main drivers for PPP. Firstly, PPP allows the public sector to utilise the private sector expertise and efficiency for provision of content and services traditionally provided by the public sector. Secondly, PPP is structured in a way to allow the public sector to undertake investments without the need for borrowing. Instead, the borrowing is taken over by the private sector contractors and from the perspective of the public sector PPP represents an off-balance-sheet financing for new or reconstructed public assets.

Many analyses indicate that the definition of PPP greatly varies locally. Many public and private functionaries call any relationship a PPP, but it is in fact a contractual agreement, franchise or discharging of some past public service by contracting a private or a non-profit entity. The broader term for such contracts is “joint service provision,” where an authority provides services to citizens in cooperation with private companies or non-profit organisations.

Still, the key motivation for public authorities to consider PPP for NSH is the possibility of finding new financing sources for public infrastructure and residential developments.

All government levels play an important role in creating such partnerships through their regulatory role, other regulations and financial assets. The private sector often emphasises the difficulties and the importance of eliminating regulatory burdens relating to favorable housing projects. Overcoming these regulatory issues, reduction or elimination of burdens and expediting issuance of permits may represent an advantage for private investors, thereby reducing housing costs and facilitating economic growth. In this sense, municipalities are in an excellent position due to their role in the regulatory environment and ongoing contact with private entrepreneurs, albeit only at the local level.

The complex and poorly coordinated relations between different government levels may be another hurdle causing resentment and cynicism in potential private partners.

Individual problems can be solved by regulations but at this point it is important to stress the need to raise awareness about PPP in NSH, not just in the general public but also in public and private functionaries. Unprofessional approach to processes and an indifference to the population that needs to use NSH can cause major damage to the promotion of PPP and engagement of private partners.

The role of PPP can be relatively limited but the different forms of PPP are useful for overcoming infrastructural gaps and improving overall efficacy of public spending through:

- Implementation of projects which could not be implemented otherwise due to a shortage of public capital;
- Encouraging preparation of well-structured projects which include specifications of outputs and rough estimates of initial investment costs by both parties, as well as the total cost;
- Raising awareness about risk management in the public sector, in order to create a risk-aware culture and contribute to improvements in public administration; and
- Contribute to the development of the private sector together with the public sector, through creating business opportunities for private businesses.



Recommendations that may help to solve the entire housing crisis and simultaneously preserve flexibility of the local policy are as follows:

1. Negotiate an agreement between all government levels to create new, permanent programmes to support construction of social housing through PPP;
2. Create a more consistent partnership with the private sector;
3. Encourage the administration to evaluate and improve NSH provisions adopted at the local level and use them as a tool for developing more effective PPP programmes;
4. Advocate the creation of a tripartite partnership management agency (entity or cantonal housing agency) which would act as the sole point of contact for private and non-profit sectors and integrate all governmental decisions on social housing programmes;
5. Work with regional and municipal regulatory bodies on efficient administrative action, simplification of permit issuance and introduction of compensation for development of affordable housing in order to minimise the risks and provide incentives for the businesses;
6. Build municipal capacities through active seeking and maintaining solid partnerships with industry leaders;
7. Work with other institutions interested in NSH and create initiatives for research and creation of an investment climate that will incentivise the provision and management of NSH through PPP;
8. Raise public awareness about affordable housing issues in order to mobilise local support for NSH projects based on PPP throughout the country;
9. Encourage all government levels to strengthen public policies which promote benevolence as an important contribution to the creation and operation of the new NSH;
10. Work with governments at all levels to familiarise them with different financial support mechanisms which will secure an inflow of funds for affordable housing;
11. Encourage municipalities and governments to donate available land to the private and non-profit sectors for NSH projects;

12. Organise intersectoral conferences and forums in order to develop a network for exchange of opportunities, ideas, skills and experiences related to NSH and partnerships.

KEY ELEMENTS

1. NSH is a part of the housing policy and a policy implementation instrument which should provide adequate housing to certain population categories that need help from the society, and even provide favourable financing under special terms.
2. NSH can be financed from subsidies, loans and budgets but the highest degree is attained by initiating it from the private sector or PPP.
3. The most important conditions of NSH sustainability are:
 - Developing an efficient and sustainable management model,
 - Establishing a realistic and viable subsidisation model,
 - Developing different models for financing construction using best practices (without creating category ghettos, with defined and applied NSH principles and without putting limitations on creative modelling if social movements are positive).

3. PREPARATORY ACTIVITIES IN THE LOCAL COMMUNITY - MUNICIPALITIES

This manual is based on the assumption that it will be primarily used for implementation of programmes using the NSH as one of the models for solving housing issues in a given area, and not for systemic development of the NSH as an institution in general.

Local authorities should be fully aware of the fact that a significant portion of the population is not financially capable of adequately solving their housing needs without assistance from the state. For this reason, investments in building apartments or creation of a public housing rental stock which will provide affordable housing and protect the minimum standard of the human rights to housing, i.e. protect life and health, should not be viewed as expenditure but rather as an investment with long-lasting positive effects. This is confirmed by a number of factors, the most important being:

- Repeated use of the housing stock by several categories of beneficiaries in a state of current need, with regular monitoring of justifiability of use that will ensure that this type of housing can have limited duration for many categories and thus increase the rate of re-use of the apartments;
- Improvement of housing standards, urbanisation of life and culture of living and improved satisfaction with the overall quality of apartments and life in the local community;
- Increase in economic activity, workforce mobility and social cohesion.

The primary factor in each of these positive impacts is the attitude of the local community towards NSH. If the local communities or their dedicated departments create teams responsible for spearheading the establishment of this institution at the very outset, these teams will need additional training and capacity building in order to carry out the assigned tasks properly.

Unfortunately, too few housing units are available in the local communities to justify creation of dedicated services just for this purpose, however if the relevant tasks and responsibilities are well distributed within the local administration and coupled with policy implementation measures and subsidies from higher levels, NSH can provide an incentive for more apartment owners to become involved in NSH, provided that the local community is willing to provide proper and transparent management.

Experiences from programmes implemented to date in BiH do not offer any insights in this regard but the positive experiences show that the local authorities do not necessarily have to be the

owners of NSH apartments. It is possible, on various basis and by contractual arrangements with other apartment owners or institutions, to manage housing units in a proper and transparent manner, which will grant even more significance and importance to the NSH as an institution, because the housing needs of many civil, scientific, business and other institutions remain unsolved and this institution can become one of the potential solutions, provided that the implementation mechanisms are well developed and operationalised.

3.1. Preparatory steps for implementation of NSH projects

Regardless of the definition of this institution as “the state providing acceptable housing in a certain manner”, the most important link in the implementation of tailor-made NSH programmes, besides financing, is the local community. Other than in the construction stage, the first instance where the programme may become jeopardised would be a fundamental lack of its acceptance by the local community, and this problem can hardly be solved at a later stage.

This is why it is necessary to conduct thorough analyses and prepare the local community ahead of time, explain the programme and its implementation, clarify the resulting obligations and ensure acceptance of the programme objectives in the micro communities where the programme will take place.

3.1.1. NSH presentations and education of local authority representatives

All of the above, together with the limited experience and capacities for managing social housing stock in BiH gives us grounds for hope and a foundation for establishment of a sustainable system, however it is clear that establishment of a sustainable NSH means much more than ‘building new housing units’.

Presentations should not scare, discourage or cause the local community representatives to reject the NSH as an institution; however it is important to demonstrate at the very outset the comprehensive set of issues surrounding NSH and approach its potential institutionalisation in the local community, with all of its specific requirements, in a serious and analytical manner.

This approach foresees formation of a team which will cooperate with the project implementers through presentations and working groups and carry out the preparatory activities in the best possible way, and thereby ensure that maximum potentials of each local community are utilised in order to reach joint decisions and views on potential programme activities and course of development that will need to be created for the implementation of the NSH programme.

It is very important in the early stage to establish NSH according to the principle that access to housing depends on allocation rules, and that housing is provided to households that do not have access to housing under market terms or households with members who are transparently classified in one of the categories subject to special policies (housing policy, inter alia).

3.1.2. Housing research and evaluation of general housing needs with a view of potential acceptance of NSH

Local authorities are struggling to address the basic existential needs of their citizens and this is

the reason why most of our communities have not developed and adopted strategic documents to address the existing housing situation and conditions in local communities, or the goals, requirements and action plans needed to reach these goals. This is why NSH is not already a part of the adopted housing policy.

Considering the complexity of the problem and the serious approach required by such documents, as well as an analysis of data derived from sampling, some field research must be done by the local partners and the NGOs.

Depending on the specific circumstances present in the local community, targeted social and economic surveys conducted on a sample of community residents in a mixed set of environments and institutions (employment bureaus, primary and secondary schools, public institutions, public utility companies, employees of the municipality/local community and residents of collective accommodation facilities) can contribute to a comprehensive insight into the actual situation in this area. Considering that research can also be used to support future development of the social housing strategy or a general housing strategy, local administration representatives responsible for dealing with housing policy for socially vulnerable groups and representatives from the local social welfare centre should be included in the research.

Analysis of the sample and the results, together with possible additional surveys and round table discussions in the relevant areas, communities or institutions, should create conditions for determining short-term and long-term needs and objectives for NSH. Thus the implementation of programmes for any of the priority categories can be used for planned expansion of the number of apartments financed from other sources or from joint funds from partnerships, in order to solve the housing needs of other important categories according to the established goals and objectives. In addition to a larger housing stock, this would result in a wider variation in the socio-economic status of NSH beneficiaries, a potentially wider spectrum and the maximal mix of beneficiaries using social housing facilities, in the socio-economic as well as in the broader sense.

Generally speaking, housing policy, and therefore the strategy of NSH development, should be formulated, implemented and periodically revised through strategic and programming documents. The scope and type of strategy revisions is not limited in any way and can broadly follow the changing standards in the local community and the prioritisation of categories that require housing assistance.

3.1.3. Analysis of documents regulating or affecting housing issues and identification of resources

Analysis of documents regulating or affecting housing issues encompasses local and possibly regional studies, plans, research papers, etc. relevant to this area and the given local community.

This primarily implies zoning or spatial plans or projects (for micro locations), with particular emphasis on those that are considered by the local community to be in line with the adopted and accepted course of development of the NSH as an institution.

It is important to note that locations planned for construction/reconstruction of NSH housing units need to comply with the general requirements, as NSH should not result in unwanted architectural/urban developments. From the urban planning perspective, NSH apartments

should not be located on the margins of urbanised areas or far removed from the essential social infrastructure and public services (schools, infirmaries, post offices and similar) and architecturally, in terms of design quality and installed equipment, should not diverge from the quality typical for average market-based residential developments – to be elaborated further in the text.

KEY ELEMENTS

1. The housing policy must take into account the fact that a large part of the population does not have the means to adequately solve their housing needs without assistance from the government.
2. Social housing is an investment with long-lasting positive effects (local communities establish systemic models for addressing the needs of several categories of users in the state of current need, promoting housing standards and culture of living in the local community, increased economic activity, workforce mobility and social cohesion).
3. Education of local authorities and their commitment to systematic and analytical approach to development of NSH are the only prerequisites for institutionalisation of social housing at the local level.
4. Introduction of NSH requires a complete socio-economic analysis of the local community and an analysis of legal regulations governing housing matters, including zoning and spatial plans, etc.
5. The local community must take ownership of NSH and build its own capacities for implementation of policies and goals or cooperate with other parties to make the NSH sustainable as an institution.

3.2. Fulfilling infrastructural requirements in relation to building coefficients

In the development stage, social housing should be placed on solid foundations in every way, including urban/spatial planning. Prior to commencement of any construction projects it is very important to determine the availability of all infrastructural connections, assess safety of the site in terms of landslides, flooding and other natural disasters, and verify that all terrain contour aspects have been observed for the planned buildings in terms of regulation, construction lines, and pedestrian and vehicular traffic flows, including access to roads and provisions for stationary traffic.

Standard procedures prior to preparation of spatial planning documents imply compliance with regulations, which dictate construction density of the site, placement of new buildings, their purpose, number of storeys, distances between buildings, traffic flows (pedestrian walkways, roads for vehicles, and stationary traffic). On the other hand, the competent administration must provide expert surveys of potential dangers such as poor load-bearing capacity of the soil, potential activation of new landslides after construction and ground water levels and risks, so that planners can properly prepare the required documentation.

For planning, landscaping and construction of multi-family residential settlements or buildings, the following principles should be observed:

- Principle of compulsory regulation of settlements,
- Principle of rationality and cost-efficiency,
- Principle of prevention of uncontrolled expansion of settlements,
- Principle of preservation of settlement identity,
- Principle of protection of urban order in settlements,
- Principle of compliance of settlement regulation with spatial plans,
- Principle of participation and principle of priority of local self-governance in the regulation of settlements.

Residential areas are areas that have been designated in the planning documents as serving primarily for permanent and temporary residential purposes.

Every form of housing implies treatment and can be differentiated according to several criteria:

- Position on the land plot,
- Building footprint,
- Number of storeys,
- Method of connecting and linking buildings,
- Link between public and private space.

Quality of predominantly residential spaces is increased through addition of other spaces which provide desirable heterogeneity and the conditions for integration of residents into the life of the community. Presence of different purpose spaces can be stated in percentage terms: 0-25-50-75-100%. The dominant purpose in a given zone must account for at least 50%. This is the dividing line between homogenous and mixed zones. If a certain purpose accounts for approximately 75%, then this is a homogenous zone, i.e., zone predominantly dedicated to a single purpose.

3.2.1. Proportion of residential and other purposes in a space

Residential spaces can include facilities and buildings that do not disrupt the primary purpose and are used by residents for their everyday needs:

- Shops, cafes and restaurants, tourist accommodation, business premises on the ground floor and mezzanine of residential buildings,
- Administration premises, cultural facilities, schools, health and social protection, sports and recreation and religious facilities,
- Infrastructural facilities and networks,
- Parking areas and garages for users (residents and workers) and visitors,
- Petrol stations for motor vehicles.

Construction of settlements or parts of settlements is done on an ongoing basis, based on the relevant spatial plans for specific areas subject to such plans. Reconstruction of parts of settlements must be planned and form a part of the ongoing process of construction of the settlement.

3.2.2. Basic concepts and parameters for residential construction

Through consolidation of factors that affect the location of housing, together with application of adequate spatial standards in an attempt to achieve maximum unity in diversity of otherwise naturally dispersed parts of the system, we arrive to a detailed concept which includes the scope and description of the following elements: size, shape and density of housing units, orientation and standards by settlement/block, zoning of housing by settlement/block, zoning of housing and ranking of spatial potentials for addition of new apartments. An important social aspect in this context is to make NSH units a part of residential settlements, considering that a mixed structure has proven to be of key importance for sustainability of such construction in the long term.

The housing function is one of the complex urban functions, characterised by the following indicators:

- It takes up to 70% of the total territory of the city/town,
- Housing is one of the main problems for the community,
- An apartment is the basic unit, which must have the following two qualities:
 - » Architectural – apartment standard (size, equipment, function)
 - » Spatial – harmony with the surrounding environment (proximity of recreational and green areas, availability of daily services – shops, children’s playgrounds, kindergartens, schools, bus stations, privacy and security of residence; environmental comfort)
- Complexity of the problem: technical, sociological, economic, spatial, architectural.

In the light of the increasingly important issue of energy efficiency of buildings, which is directly related to long-term sustainability of built environments throughout the period of utilisation and maintenance, urban planners must carefully consider all features of treated areas (building orientation, air currents, exposure to natural light, presence of thermal waters, etc.) in order to use the natural advantages and contribute to non-invasive introduction of the newly designed building into the existing environment. The choice of terrain is therefore essential in the planning stage, according to the following guidelines:

- Gently sloping terrain with a southern orientation,
- Proximity of water courses and bodies,
- Location near green and recreational areas,
- Good traffic connections,
- Close to the centre of town,
- Favourable location in relation to the industrial zone,
- Healthy conditions for peaceful family life and social contacts,
- Healthy environmental conditions.

In the planning stage it is necessary to define the housing unit, with a view of the following:

- Size 1,500-2,000 residents,
- Parts of the residential community (3 to 4 housing units),
- The basic idea is social integration (more frequent contact between residents - two types of neighbours: spatial and social),
- Free spaces for children to play (primary spaces),
- Kindergarten,
- Daily shopping facilities (2 to 3 min.),
- Dimensions of shaped space (small dimensions).

Other important conditions that contribute to the quality of housing are provided through design solutions and ensure environmental comfort – sanitary-hygienic conditions, as follows:

- Optimal residential density of 250 to 350 residents/ha (max. 550 resident/ha),
- Favourable orientation and distances between buildings – maximum and favourable insolation,
- Ventilation of all free spaces,
- Protection from noise, dust, gases,
- Sufficient and properly selected greenery,
- Satisfactory level of residential privacy and safety,
- Sufficient number of parking places.

Distances and movement radiuses play an important role in achieving satisfaction and attracting interest of future residents, and maximum effects are achieved by creating integrated residential settlements and honouring distances (shown below) that ensure both spatial and social inclusion:

Residential part	Desirable distances
1. Social centre	400–600 (800) m
2. Elementary school	400–800 m
3. Health-care facility	400–800 m
4. Sports terrains and facilities	400–800 m
5. Small shops	100–150 m
6. Children’s playground and kindergarten (min. 2)	150–200 (400) m
7. Public transport station	up to 200 m

The above distances are not requirements but should be adhered to as much as possible.

3.2.3. Safety requirements

Planning of new settlements requires compliance with the basic safety requirements, with regard to:

1. Detection of minefields, demining and marking of remaining mined areas, resulting in the following:
 - Estimate of total suspicious area (risk area for detailed survey):
 - » Suspicious area category I (settlements and areas adjacent to settlements)
 - » Suspicious area category II (grass fields)
 - » Suspicious area category III (forests)
2. Detection of potential landslides, most frequently occurring in:
 - Eluvial-deluvial top layers on sloping terrains,
 - Slopes exposed by unplanned cutting of trees.

In terms of terrain stability, the risk of landslides can be categorised into three basic categories:

1. Stable terrain – such terrain is the most favourable for building and allows construction of residential buildings, roads, etc. without any restrictions,
2. Conditionally stable terrain – terrain where building is possible, provided that the terrain is first stabilised, which certainly requires additional investment,
3. Unstable terrain – terrain where building is not possible.

If the terrain is not categorised at the time of preparation of spatial planning documents, this must be done prior to reaching the decision on any form of construction, and should be the responsibility of the relevant departments in the local self-governance unit.

Positive examples from practice have shown that, if adequate sites for construction of NSH buildings cannot be found, preparatory works such as flood protection or relocation of existing electrical network installations can be used to create adequate conditions for construction at a relatively low cost.

KEY ELEMENTS

1. Infrastructural requirements for NSH buildings in terms of adequacy, comfort and reliability must be fulfilled during construction and utilisation of future NSH buildings.
2. Soil stability, potential landslides, proximity of minefields, ground waters, etc. may compromise the safety of residents or long-term function of constructed housing units.
3. NSH buildings must be constructed in accordance with environmental and spatial planning guidelines, taking account of the distances to public sector services and facilities in order to make NSH suitable and economical for the beneficiaries.

3.3. Positive examples and building trends for NSH housing complexes

3.3.1. NSH in other countries

Construction of NSH buildings, although present for a long time in many countries, still lacks a clear and unambiguous formal definition. Different definitions of what is known as social/non-

profit construction are derived from different relevant relationships, such as: (1) Ownership – led by non-profit organisations and local authorities (e.g., Holland and Sweden); (2) Builders – contractors (e.g. Austria and France); (3) Rent below market levels (e.g., England and Ireland); (4) Subsidies (e.g., France and Germany). Still, in all countries the focus is on the purpose of such construction. In certain countries NSH is formally accessible to all households, however in most it is aimed at and legally regulated for those who cannot independently solve their housing needs (e.g., Holland and England).

Although different definitions make it difficult to compare the participation of social housing in the total housing stock in a given country, it is clear that the variations are large – from a substantial 35% in Holland to a low of 4% in Hungary.

NSH apartment building trends in Europe have been in significant decline over the last two decades due to a number of factors, however termination of state subvention programmes plays an important role in this trend (Germany, Hungary and the majority of transition countries).

Regardless of the trends, European countries are under strong political pressures and they continue to find new models for securing NSH housing. Current policies are focused on integration of this type of housing into mixed communities, which directly contributes to a higher sustainability of such settlements.

As for types of apartments, the tendency is to provide optimal comfort through building environmentally sustainable buildings or zero carbon emission buildings.

NSH requirements are addressed either by interventions in housing complexes (reconstruction and adaptation) or by new construction. It can be expected that non-profit construction will experience an upward trend in BiH and surrounding countries once the issues important for sustainability of NSS as an institution are resolved. These issues include subsidies for the most vulnerable categories (to reduce the justifiable risk of non-payment of rent) and introduction of creative programmes to incentivise PPP. At the same time, it is necessary to create a legal framework to protect the NSH institute and (non)payment of utility fees, not by trying to maintain social peace on account of sustainability of these institutions but rather by creating a legislative atmosphere that will allow the State to create a basis for provision of improved services to the society but only if the obligations are fulfilled, violations not tolerated and the whole system has full legal protection.

NSH financing and apartment ownership are arranged in different ways and depend on many factors, and especially state subsidies. The general trend is a reduction in social/state participation and increase in public-private partnerships. The private sector is increasingly entering NSH programmes and the engagement of building societies in provision and regeneration of social housing is becoming more and more prominent.

Considering the level of the private sector development, this trend would be possible here only through engaging in PPP, where the State would only be interested in securing additional rental housing stock and the private sector would pursue profits, which solely depend on the type of business but development of the required business activities could be an additional advantage for the local community.

3.3.2. Examples of implemented NSH solutions

1. Hungary: Revitalisation of the Józsefváros quarter in Budapest (2008)

Size: 3.220m²

Investment: 480 €/m²

Since the early 1980s the working quarter of Józsefváros in Budapest was known as a symbol of degradation, urban decay and segregation. However, in the early 21st century an urban transformation initiative tried to change the reputation of this settlement. Construction of a social housing building on Prater Street was one of the steps in revitalising this part of town. The building was intended to serve the local low income population that lost their homes in the process of transformation, and the project itself was the outcome of a public contest done in 2005.

Two volumes connected with five pedestrian bridges, with a lot of natural sunlight, deep balconies, large glass surfaces and a structure which allows for flexibility in organisation of apartments creates a whole that represents a dignified example of housing for the low income population. Housing units are not for sale and are rented at controlled rent, acceptable to the socially vulnerable citizens.



The whole undertaking was carried out as part of a housing project in 2000, with an introduction of a grant scheme for local authorities in support of five housing areas:

1. Rental sector,
2. Renewable energy and energy savings,
3. Rehabilitation programmes,
4. Land development, and
5. Refurbishment of residential buildings owned by the Church

The most important element was support to the public rental sector. Local authorities were given grants to cover up to 75% of construction costs for different types of housing: social housing, housing for young families, housing for elderly and retired persons. Several hundred local

authorities participated in this programme in the period 2000-2004, investing approximately 60 billion forint in 13,000 housing units.

The programme also supported construction of rental housing units with cost-based rent prices. This implied a higher rent than the social rent at the time, however still lower than market levels. The prescribed minimum annual rent was set at 2% of construction cost (40–60% of market rates). Although this price did not guarantee long-term recuperation of costs, in the first few years the actual costs of operation and maintenance of these housing units were less than the income from rent.

Prior to the commencement of the programme there was a concern that only a handful of local authorities will have sufficient funds for the required 25% contribution, however the interest proved to be very high. Applications far exceeded the available funds and only some 45% of the requested financing was provided – this happened in spite of the fact that NSH may be tricky when dealing with local authorities and may become a source of political controversy.

Still, the local authorities considered housing an essential element of their social policies and saw the 25/75% ratio as an attractive proposition, much more favourable than other investment programmes which usually offered a ratio of 40/60%.

The programme also had some weaknesses. Average costs were very high, although cost was one of the main criteria for selection. Programme administration was quite weak (administrative overheads amounted to around 0.5%) and there was no real system for programme monitoring and implementation. The choice of schemes was almost arbitrary. The set rent price was too high for the poor but still too low to recuperate the cost of the investment in the long run.

In the end, the programme could not stop the long-term reduction in the size of the public sector – throughout its duration local authorities privatised 25,000 housing units and created (constructed, purchased, refurbished) only 9,826 (not counting the housing units intended for the elderly).

The new Hungarian government which came to power in 2002 reduced the size of the social rental programme in 2004, claiming that the cost of housing units was too high.

The government proposed a “rent reimbursement” programme in the form of a PPP. According to this proposition, local authorities would sign long-term contracts with private investors for construction of social housing units for rental. Central and local authorities would jointly secure subsidies for the builders to bridge the gap between the affordable rent and the market rent. The proposed approach did not come to fruition because the builders demanded guaranteed rent levels twice as high as the current market rates.

The new “rent reimbursement” programme was presented in 2005, with the objective to allow use of the private rental sector for social purposes. Local authorities could apply to the central authority for “rent reimbursement” for low income families with children housed in private accommodations. The central authority would pay a maximum of 30% of the total rent price, or 25–30 euros per month, and the local authorities would contribute approximately the same amount. The programme was unsuccessful and only a handful of local authorities accepted this proposal. One of the reasons was that apartment owners had to be registered with tax authorities, which was not the case for a majority of them. Also, the income ceiling was very low – with 180 € per person per month it covered only the most vulnerable.

The government initiated another credit programme for local authorities in 2006, providing access to subsidised loans issued by the Hungarian Development Bank for investments in the public rental sector. It is still too early to evaluate the interest of the local authorities.

2. Serbia: Sremska Mitrovica – social housing for refugees and internally displaced persons (2010)

Size: 1.630m²

Investment: 532.000 €

In 2010 the International Organization for Migration constructed a social housing building for refugees and internally displaced persons in Sremska Mitrovica. The objective of the project was to make a contribution to improvement of living conditions and solving housing needs for these population categories. After the building was constructed the responsibility for its use and management was handed over to the city Centre for Social Work.

The building is located on the border between residential and agricultural zones. Its elongated shape, small number of storeys and orientation towards the plains provides maximum insolation and a pleasing view for the majority of housing units. The design includes social spaces for residents in the form of a common day room on the ground floor and an open semi-atrium creating the volume of the building.

Social housing still represents a special challenge for architects, both because it involves creation based on a humane idea and the challenge of creating a quality design with usually limited funds. In this context, the authors aimed for space that will comply with strictly defined spatial capacities, floor area and organisation of apartments but still offer its residents more than mere existential space and tried to provide a quality spatial experience.



The protected social housing building in Sremska Mitrovica is intended for the socially most vulnerable members of society, refugees and internally displaced persons. The urban disposition was determined by the existing context and the planned nearby construction of a home for the elderly. The authors used the location, which is typical of “marginalised housing” with its position on the border between residential and agricultural zones, to try and turn this characteristic into a spatial quality and create integrity based on interplay between the building and the vast plains of Srem.

Size, orientation and morphology of the land plot allowed for an elongated shape with few storeys, which results in a favourable orientation and accessibility for most apartments. The concept combines two wings with a total of 34 apartments. The apartments are structurally designed for two to five persons.

Creating a variation of public space through the flow of: residents' day room - covered atrium – mini piazza – plains, implemented the assumption that marginalised housing must seek its socialisation role in its own structure, in its own architecture. "This architecture implies a feeling of collective privacy, of being exceptional within a common minimum."¹⁴

3. Slovenia: Izola – apartments for young families (2006)

Size: 5.452 m²

Investment: 600 €/m²

The social housing building for young families in Izola is a result of a public architectural contest initiated by the Housing Fund of the Republic of Slovenia in 2003.



Project outputs consisted of 30 apartments of varying size and structure, from studio apartments to 3 one bedroom apartments

The land plot is urban and consists of two 60 x 28 m blocks. The blocks are located on a hill overlooking the Bay of Izola on the one side and the surrounding hills on the other. Since the complex is located in a Mediterranean climate zone and in an exposed position, provision of shaded areas was very important.

The apartments are small, with room sizes that can be considered minimal according to Slovenian standards. The design creates a visually enlarged space by introducing textile shading elements that, in addition to creating shade, affect the perspective and connect the exterior and the interior.

There are no load-bearing or structural elements inside apartments, which allows for flexibility and subsequent alterations of the floor plan.

The design includes a veranda for each apartment, thereby providing an intimate open space which is partially connected to the interior, shaded and naturally ventilated.

Environmentally sound and sustainable design is a feature that adds extra quality to these apartments. The modular balconies are designed to be an effective system for shading and ventilation of apartments. Textile elements affixed to the front of the balcony block direct sunlight and accumulate an air "buffer

14 Kosta Mijić, <http://www.superprostor.com/socialno-stanovanje-u-zasticenim-uslovima-kolektivna-privatnost>

zone.” In the summer the heat accumulates in the space behind the textile shading element and is naturally ventilated through (10 cm) perforations on the dividing walls on the sides of the balcony. In the winter, warm air remains in this space and provides additional heating for the apartment.

4. **France:** Nantes – self-sustainable social housing (2011)

Size: 2.880 m²



The social housing complex in Nantes consists of 39 common housing units divided into 11 volumes, each of which has its own community garden as an extension of the interior. Twenty one housing units are planned for rental and the remaining ones are for sale. Apartments are of varying sizes and organised in one or two levels. Each housing unit has access to a “glasshouse”, a multipurpose space that can be used for play, work, etc., and which provides sufficient sunlight, natural ventilation and a pleasing view. Every unit comes with its own piece of land in front of the building, intended for growing fruit and vegetables. The designers emphasise that it represents an innovative response to self-sustainability of social housing, offered through new shapes and materials.

KEY ELEMENTS

1. NSH has different definitions in different parts of the world and there are several models with different modes of ownership, responsibility for construction, setting of rent and categories of subsidies. In Holland, NSH represents as much as 35% of the total housing stock.
2. BiH needs to systematically address the sustainability of NSH and manner of maintaining social peace, but not at the expense of undermining the concept and principles of NSH by rent exemptions and provision of free housing to the vulnerable categories.
3. Different applications of the NSH institute were mentioned: Józsefváros in Budapest demonstrates the importance of support from the public sector; in Sremska Mitrovica the NSH building is managed by the Centre for Social Work; in Izola a building was constructed to house young families; and in Nantes the structure emphasises auxiliary space - multipurpose glasshouses and a piece of land for micro agriculture.

4. STRATEGIC PLANNING AND COMMITMENT TO IMPLEMENTATION OF NSH PROJECTS

4.1. Defining relevant human resources in local communities and potential system-building partners

Authorities in local communities are often overburdened with regular everyday duties and do not have spare capacities to address investors' requirements such as development or completion of documentation in accordance with the wishes and objectives of the investor/implementer. Engagement and involvement of professional, competent persons in this area is desirable if they can be motivated to participate, however the involvement of leading individuals in the local administration is crucial, regardless of their other commitments.

Expert consulting services are an inevitable practice in implementation of this type of projects but familiarity with local conditions and general procedures favour companies and individual consultants that are directly or indirectly involved in planning and execution of spatial and housing policies, at the local or regional level.

4.2. Activities in local communities aimed at providing justification for planning NSH programmes and projects

As already mentioned, planned development of the NSH institute is hampered by many institutional barriers in the local communities. This primarily involves the financial situation and the absence of adequate legislation in this and related areas at higher levels. To this list we can add the capacities and needs of institutions responsible for implementing adopted policies and the absence of modern standards that would accompany NSH and help create a model of cost-effective utilisation of apartments for acceptable housing.

At the local level the main problems are undefined strategies and a relatively small public housing stock. This can be seen in the local communities that privatised even the housing stock which, under existing laws and regulations, did not have to be privatised from pre-war users who held tenancy rights. Still, upon return of these housing units to the local community, in the absence of a more socially conscious strategy these apartments were privatised by new users under existing regulations, instead of being used as the initial stock that would be expanded in order to create a more substantial rental housing stock and thereby achieving some higher social goals.

The reason for this course of action may lay in some other limitations of the local communities with regard to implementation of NSH programmes, such as: lack of leadership capacities, lack of capacities for strategic development of NSH using tailored models for creation of a dedicated housing stock, high percentage of illegal construction, and the long and complicated local procedures caused by political blocking of administrative procedures needed to construct and create this housing stock.

4.2.1. NSH promotion advocacy

Experiences from implementation of projects in different environments in BiH shows that the majority of local communities face the same problems with housing, and particularly with housing for socially vulnerable categories listed in Section 2.2. as potential beneficiaries of NSH programmes. In most environments there is a notable shortage of apartments in relation to the number of households, both quantitatively and qualitatively. The better part of privately owned housing stock accommodates more than one household, which directly compromises housing standards.

For NSH to be accepted by the community, in addition to working groups with representatives of institutions and NGOs, it is necessary to carry out an information campaign for the general public (citizens) to help them understand the purpose, significance and possibilities of living in rented NSH apartments. This practice historically does not exist in our country and housing is mostly rented from private owners. Researches show that this is still the dominant form of housing for a large number of people who are unable to find a permanent solution to their housing needs. The locations¹⁵ where NSH exists are an excellent indicator that housing needs can be addressed in a different and more accessible way. Taking into account the different categories in the need for housing that were the focus of recent efforts which that should have set the foundations for NSH in BiH, today we can present several different models of NSH.

Although today BiH possesses a modest social housing stock, NSH is still unknown and a widely held prejudice is that construction of social housing involves only apartments for the so-called “social cases.”

The initial discussions about NSH in local communities were met with apparent disapproval. Presentation of different NSH models allowed the representatives of local administrations to gain better insight and learn more about the various options available for addressing citizens’ housing issues. Two studies on development of NSH in BiH were prepared, mainly for implementation purposes but also as a tool for informing the public about NSH. Recommendations were based on experiences from neighbouring countries as well as implementation of CRS’s NSH projects aimed at addressing the housing needs of displaced persons, socially vulnerable families and professionals needed for development of local communities.

It is known that BiH has not adopted any laws or decisions to develop any form of housing solution for its citizens, although housing is part of the international obligations and documents ratified by BiH.

The goal of the document titled “Recommendations for Development of NSH in BiH” is to be used as a guideline for State, entity and cantonal institutions in regulating this area.

In the course of implementation of NSH projects, due to a widespread lack of understanding of the concept and the target categories that can benefit from NSH, CRS dedicated a large portion of its activities to removing prejudice, promoting and raising awareness in institutional representatives

15 Srebrenica, Foča, Goražde, Jablanica, Drvar, Mostar, Prijedor, Fojnica, Zenica

and in citizens about the importance of such buildings in local communities and their impact on social integration and living standards. Special emphasis was placed on presentations that preceded the adoption of cantonal laws (Bosnian-Podrinje Canton and Zenica-Doboj Canton) in 2013 and NSH strategies. These presentations were centred around the current housing situation and citizens' needs and the potential solutions for these housing needs through NSH, and they were instrumental in helping cantonal representatives and municipal council members to better understand the concept of sustainable NSH and the actual needs of citizens that require State assistance in solving their housing needs.

In an attempt to put the housing issues of BiH citizens on the agenda of the public and the decision-makers, CRS, NGO Friends of Srebrenica and the Centre for Investigative Journalism recorded a programme about NSH, citizens' housing needs and solutions that can be achieved through regulation of this area. BiH public is not familiar with the principles and benefits of NSH and we hope that this programme will entice BiH journalists to carry out more in-depth research on this topic.

The local communities that adopted the required decisions and developed strategic documents in the course of implementation of CRS projects also published promotional pamphlets containing a brief overview of NSH and the needs of each local community.

In some local communities NSH presentations resulted in initiatives such as:

1. In Prijedor, presentations of housing solutions for BiH citizens and positive examples of NSH to the representatives from various institutions and the local authorities resulted in cooperation where the local community participated in construction of certain number of housing units for the residents of Prijedor. After witnessing the positive effects of social integration of the housed families, in 2012 the Town of Prijedor, which currently has 5 housing units constructed through CRS projects, initiated the development of the NSH Strategy for the Town of Prijedor and subsequent implementation of the Action Plan for Year I.
2. Sokolac Municipality, which attended the NSH presentation introduced by CRS projects, initiated an analysis of available potentials for adaptation and reconstruction of buildings in order to create a housing stock that could be used for NSH purposes.

These initiatives demonstrate that the local communities need an NSH housing stock, but also that they need assistance in implementing such projects.

Considering the extremely difficult socio-economic situation in BiH, characterised by low purchasing power, high unemployment rate and a large number of families without adequate accommodation on the one hand, and the high prices of residential real estate properties on the other hand, NSH should become one of the leading models for ensuring access to housing for different population categories in a state of need.

Local communities still hold the prejudice that NSH is just housing for the socially vulnerable and consistent efforts must be made to remove this prejudice, because introduction of NSH is vitally important for the citizens of BiH, many of which still need housing and are not able to solve this problem without help from the government institutions.

4.2.2. Creation of local strategies for regulation of NSH

In the absence of legislative regulation of NSH at the State level, in response to the current situation, existing housing models on NSH principles and the received recommendations, the process of creation of strategic documents was initiated in order to allow local communities to address housing needs of their citizens according to their resources and strategic commitment. The following section describes CRS's experiences with creation of municipal NSH strategies. The first step in creation of documents was to establish a working group which would manage and implement all the required activities. Members of the working group should come from the local administration, Centre for Social Work and local NGOs and possess knowledge and skills that will allow them to realistically assess the local socio-economic situation and become actively involved in the process of creation of a strategic document which will define the local development course for NSH policy.

The next step is training of working group members, in order to help them to assess the situation in the local community and to improve their knowledge in areas relevant for creation of an NSH strategy. Creation of new policies, housing policy included, demands a multi-sectoral approach and the training plans should involve topics from different areas in order to give the working group the ability to examine the housing policy from different angles.

Some of the important topics that should be included in the training are:

- Public advocacy and creation of public policies,
- Creation of strategy and action plans,
- SWOT analysis,
- Presentation skills,
- Media promotion of NSH.

One method that was proven as very useful in practice is learning about the process of creation of strategic NSH documents from practical experiences of other countries, by organising study visits to one of the countries in the region which has already legislated the domain of NSH. In the course of project implementation, CRS organised a study visit to Serbia for members of the working group and representatives of the relevant entity and cantonal ministries competent for social policy, displaced persons and spatial planning. Of all the countries of the region, Serbia has made the largest advances in developing social housing. These study visits were hosted by city housing agencies in Kragujevac and Pancevo. Participants attended educational lectures on the following topics:

- Housing Policy and social housing,
- Social housing in Serbia (history and legal/institutional framework),
- Establishment of this activity and organisational structure of city housing agencies.

This process helped working group members to understand the importance of the process and also allowed them to lead the way towards making this process strategically and legislatively regulated in the foreseeable future.



4.2.3. Document production process

Commitment to making a strategic development plan for NSH is an important planning segment and represents an ongoing and systematic process of collation of information which will give us a clear picture of where we stand at present and where we wish to be in the future. A systematic and effective process with a well thought-out methodology, dedication of working group members and a willingness to make decisions that will result in improvements to the quality of life in local communities are a part of the measures and the final goal of a strategic document. Working groups worked on researching the current situation, analysing available options and resources, defining goals and preparation of an action plan. They prepared survey questionnaires¹⁶ about citizens' housing situation and carried out surveys in institutions, Centres for Social Work, employment bureaus, primary and secondary schools and municipalities/city administrations.

The strategy development process is carried out in several closely connected phases. The first phase involves researching the housing situation and housing needs of the population, the second phase involves collation of required data from the socio-economic situation analysis, the third phase is characterised by preparation of a SWOT analysis, the fourth by defining an NSH vision, the fifth defines strategic direction and action plans and the sixth deals with monitoring and evaluation, which completes the phased process of strategy development. The entire process rests on the principles of interactive multidisciplinary work.

The flow and methodology of the planning process is as follows:

1. Organisation of process participants,
2. Socio-economic analysis, PEST and SWOT analyses,
3. Creation of the strategy,
4. Preparation of a plan for strategy monitoring and the indicators for evaluation and future updates,
5. Preparation (of participants, structures, organisations and individuals) for strategy implementation.

This task involves the following sub-tasks: organisation of participants, situation analysis and creation of a strategic document together with the plan of implementation and the financial plan, and creation of instruments and indicators for strategy implementation, monitoring, evaluation

¹⁶ Samples of the questionnaires used can be found on the CD accompanying this manual.

and updating. Strategy implementation is an obligation of the community.

Local NSH strategies are created:

1. Step by step

The strategy development process consists of a set of phases and steps. Results of each step are used as inputs in the next step.

2. Strict coordination of all phases

The strategy development methodology encompasses methods and means of coordination aimed at avoiding overlapping of activities. In each phase, outputs are analysed prior to being used in the following phase.

3. Approval of output data from each phase

Output data produced in each phase must be approved prior to commencing the following phase; this is done in meetings or through presentations.

4. Methods and means

Management of the strategy development process relies on methods and means that ensure involvement, consensus, transparency, effectiveness and quality of the strategic plan, and these include: workshops, analyses, presentations, questionnaires/surveys, work in groups, decision/goals tree, logical frameworks and other.

4.2.4. Content of local NSH strategies

Strategic decisions are based on information, therefore strategic planning starts with collecting information about the economy and factors that influence economic activity, information about social needs and spatial and zoning plans relevant for the development of a housing stock.

Information about the current situation forms the baseline for strategic planning. This is why it is so important to specify the data required for the socio-economic analysis.

Situation analysis is more than a review of statistical indicators because it includes assessment of structural, political, economic and social circumstances. In this regard, the quantitative aspects are closely connected to the qualitative aspects. Strategic analysis must not be limited to presentation of empirical aspects, it needs to answer specific questions that determine the basic characteristics that would merit inclusion of a certain area into the planning records.

4.2.5. General review of the object of situation analysis

This implies a general description of the situation in areas relevant to housing.

1) Geography:

Area description (geographic character and topographic profile); spatial character; climatic



characteristics; traffic characteristics; natural resources.

2) Population and demographics:

General demographic trends and characteristics (population size, birth and mortality rates, expected lifespan); age and gender distribution of the population; ethnic composition; migration trends.

3) Human resources and labour market:

Age structure of the working population (current and future trends); workforce (current unemployment rate, unemployment trends, structure of the unemployed population); income structure (average income per person and income by sector).

4) Mobility and infrastructure:

Traffic (roads, railways, airports, public transport, taxi services); utility services; energy distribution network; telecommunications; industrial infrastructure.

5) Business and economy:

Macroeconomic indicators; structure of business activities.

6) Social aspects and education:

- a. Social aspects (healthcare, welfare services, housing, culture, sports, youth, clubs and associations, social minorities and groups at risk, security concerns,
- b. Local recreational facilities, public green areas and parks, education (all levels, institutional framework, competences of the local administration).

7) Analysis of population housing needs:

Indicators of the current housing situation and needs of the population.

Outputs from this phase provide an insight in each of these analytical areas and provide grounds for conclusions, i.e., the potentials and limitations relevant for overall growth.

Answers to these and similar questions for the listed and other areas of strategic analysis are determined using exact data and indicators.

SWOT analysis (strengths, weaknesses, opportunities and threats) and PEST analysis (political, economic, social and technological factors) are important tools for situation analysis.

Key underlying data for SWOT analysis comes from:

1. The socio-economic analysis (which determines advantages and disadvantages),
2. SWOT analyses by sector (identify strengths, weaknesses, opportunities and threats characteristic of the given local community)
3. Assessment of key stakeholders.

The strategic actions derived from SWOT analysis are:

1. Build on strengths,
2. Eliminate (neutralise) weaknesses,
3. Use opportunities,
4. Reduce threats.

4.2.6. Creation of the strategic document

This phase requires a considerable amount of time, good coordination and flexibility from all participants. Discussions in this phase often require additional information or reassessment of previous conclusions.

This phase defines the vision of NSH development which would be the ideal – end goal, i.e., the desired future state of the local community in terms of housing stock development.

The next phase involves definition of strategic goals, derived from the analyses and the vision of development, and represent the first level of refinement of the vision.

These strategic goals serve as the basis for defining specific, realistic and measurable priority objectives, taking into account the available resources and timeframe.

After the priority objectives are set, the following step is to define measures and projects that will lead to realisation of specific/priority objectives in the medium term. Measures and projects represent instruments for utilisation of resources aimed at attainment of specific goals. They are the bridge between strategic and operational parts of the strategy. The measures/projects will have designated potential implementers, amounts and sources of financing, timeframes and essential activities and outputs.

The final step is to define the strategy implementation plan with a financial plan.

Duration of the planning process

The deadline for completion of the strategy should be specified at the outset.

Expectations from the team leader and the team

In the process of strategy development the selected team leader and the team are expected to use the methodology and the principles that will result in:

1. Continuous communication with interested groups throughout strategy development,
2. Field work,
3. Transfer of methods, mechanisms and instruments to local interested groups,

4. Familiarity with the local conditions and the trends in Southeast Europe,
5. Organisation of work and operation of working groups,
6. Education and training of local interested groups,
7. Creation and development of the final document, and
8. Preparations for defending the final document before the cantonal assembly or the municipal/city council.

The strategy prepared in accordance with the agreed rules (which vary between different local authorities) is presented to the representatives of local authorities, assembly members, representatives from the relevant departments and the relevant departments in cantonal ministries prior to forwarding to the local assembly for final adoption. The municipal mayor, town mayor or minister of the relevant ministry will be the party proposing the strategic document to the assembly.

By clearly stating their intention, the local authorities which committed themselves to be the first to initiate development of strategic NSH documents have clearly defined their goals and actions through long-term goals, programmes and activities and have identified their own potentials, thus increasing the chance of utilisation of funds available for this purpose. The resulting strategic documents represent a coherent, unifying and interactive base for further NSH activities by the local community.¹⁷

KEY ELEMENTS

1. The limitations for development of NSH are: absence of legislation, unfavourable financial situation, extremely small volume of public housing stock compatible with NSH without the need for major investment, which is why the preparations for introduction of NSH should be approached carefully and analytically, taking into account the specifics of each local community.
2. Advocating NSH in public, raising awareness in the competent institutions through presentations and development recommendations from the appropriate documents, together with media programmes for raising public and institutional awareness of the need for strategic introduction of NSH in order to minimise the negative impact of low living standards on the population.
3. Education of members of the working group responsible for NSH strategy development should be comprehensive and cover multiple aspects affecting the sustainability of NSH, with a clear vision, objectives and strategic/action plans.
4. Analysis of socio-economic situation (research, surveys, etc.) in the local community is a prerequisite for development of a local NSH strategy.
5. The strategy should define vision and strategic and priority goals, and be followed by an action plan and a financial plan.

4.3. Subsidies as a local NSH strategy supported from higher levels

BiH does not have a State level law to regulate NSH policy in a unified manner. The area of social

¹⁷ Prijedor, Mostar, Srebrenica, Bosnian-Podrinje Canton Goražde, Banja Luka



protection in FBiH is legislated through the Law on Principles of Social Protection, Protection of Civilian Victims of War and Protection of Families With Children (Official Gazette of FBiH, nos. 36/99, 54/04 and 39/06).

Provisions of this Law cover certain categories (children without parental care, children whose growth and development is impaired by family circumstances, persons with disabilities, persons with physical and mental developmental delays, persons without means and ability to work, elderly persons without family care, persons with socially unacceptable behaviour and families in the state of social need that have been provided with an appropriate form of social protection) but it does not recognise or define housing as one of the essential human rights of all citizens, including those in a state of social need.

Unlike the Federation BiH, RS legislation regulates this area in Article 11 of the Law on Social Protection (Official Gazette of the RS, no. 37/12), which grants local communities the right to adopt decisions expanding the essential rights stipulated by the Law, including, inter alia, the right to housing in accordance with the needs of their populations, and introduces the terms “supported housing” and “protected housing”. The Republic and the City/Municipality (as the local self-governance unit) are responsible for provision of social services, each with strictly defined competences and area of responsibility..

4.3.1. Conceptual framework for potential subsidisation of particularly vulnerable categories

It is necessary to question the operationalisation of a just and sustainable NSH under the present conditions in BiH. The available data indicates a worrying increase in poverty and a growing number of citizens that live below the relative poverty line.

According to the BiH Agency for Statistics data published in 2013, the results of the Household Consumption Survey for BiH carried out in 2011 indicate that 25% of the total BiH population lives below the relative poverty line. The relative poverty line for BiH was drawn at 416.40 KM per household member.

This data covers the entire population and is a few years old, however the number of households and citizens living below the absolute poverty line is far greater in the particularly vulnerable

categories. Unfavourable economic trends and slow economic growth in BiH over the previous years have contributed to this negative trend, together with an inadequate allocation of funds and a lack of adequate social protection and implementation of social policy for the vulnerable population categories. According to some research studies and serious evaluations performed for certain groups, e.g., refugees and displaced persons, the percentage is even higher for these groups. The prolonged economic crisis and insufficient allocations for addressing the issues faced by particularly vulnerable population categories has led to a situation where the percentage of vulnerable persons and households in these categories living below the poverty line exceeds 50%.

NSH assumes that the primary beneficiaries come from the social categories which cannot afford to pay the market price of rent for accommodation, however it assumes that they would be able to pay rent for NSH.

Still, in light of the above mentioned analyses and the fact that a substantial portion of priority vulnerable groups which are the intended beneficiaries of future NSH have no income at all or objectively have incomes which are insufficient to cover the cost of housing, the sustainability of the NSH principle and institution must be sought through the introduction of subsidies and the related assessment of needs. It is necessary to stress the main postulates and principles guiding the allocation of subsidies, which should not differ from those stipulated in the legislation on social protection rights and family law. These principles can be summarised as a set of obligations, to be undertaken by all:

1. To take care of one's own needs and the needs of those one is legally or otherwise materially responsible for supporting.
2. To use one's work, income and property to contribute to the prevention, elimination or mitigation of one's own social vulnerability and social vulnerability of the members of one's family, especially children and other family members who are unable to care for themselves.

From the above we can conclude that the determination of criteria for allocation of subsidies at any level must take into account certain facts that would make potential beneficiaries ineligible due to their assets or family affairs, i.e., the economic and social status of their immediate family members. The following text presents a review of the criteria and conditions for subsidisation.

CRITERIA FOR LOAN SUBSIDISATION

In the initial NSH introduction stage the criteria should be evaluated for the below listed beneficiaries who have been allocated NSH apartments and are listed as:

1. Persons/families without real estate property (that do not own property in BiH or abroad) whose income per family member does not exceed 40% of the average salary according to entity statistics;
2. Elderly persons/families whose income is at least 50% lower than the minimum retirement pension who do not have care providers or have care providers that cannot afford to care for them;
3. Chronically ill persons whose income per household member is at least 50% lower than the



minimum retirement pension;

4. Young married couples with children attending school.

SUBSIDISATION RATES

1. Refugees and displaced persons:
 1. If using collective accommodation, do not own real estate and if income per household member does not exceed 20% of the average monthly salary for the entity, the rent is subsidised at the rate of 100%, subject to any changes in the relevant circumstances.
 2. If using collective accommodation, do not own real estate and if income per household member does not exceed 40% of the average monthly salary for the entity, the rent is subsidised at the rate of 50%, subject to any changes in the relevant circumstances.
 3. If using collective accommodation but do own real estate and if income per household member does not exceed 20% of the average monthly salary for the entity, the rent is subsidised at the rate of 100%, subject to evaluation of option to remove disposal rights for the owned property.
2. Elderly persons with extremely low income:

Elderly persons with income at least 50% lower than the minimum retirement pension who do not have care providers or have care providers that cannot afford to care for them, the rent is subsidised at the rate of 50–80%, subject to any change in the relevant circumstances.
3. Persons/households with extremely low income or permanent welfare

If income per household member does not exceed 20% of the average monthly salary for the canton, the rent is subsidised at the rate of 100%, subject to any changes in the relevant circumstances.
4. Young married couples unable to solve their housing needs under market terms:
 - a) If income per household member does not exceed 20% of the average monthly salary for the canton, the rent is subsidised at the rate of 100%, subject to any changes in the relevant circumstances.

- b) If income per household member equal 20-50% of the average monthly salary for the entity, the rent is subsidised at the rate of 30%.

The above criteria and the proposed subsidisation rates have been established on the basis of research results and speak of extremely difficult financial situation of the refugees and displaced persons, namely that 79% of heads of households do not have permanent employment which is in great part a consequence of the poor educational and qualification structure of the refugee population. The situation seems even worse if we include the fact that almost one third of survey participants are in the late years of their lives and that a large number of families are single parent families, have members with disabilities, etc. Research has shown that every second displaced family has a member with special needs and that most families survive on pensions or some form of welfare assistance.

SUBSIDY PAYERS

Considering that subsidies apply to the social categories, a logical solution seems to be that subsidy payments should be administered by the administrative bodies competent for providing social services to the vulnerable population categories, on the entity, regional and local levels, which would be regulated by adoption of appropriate laws and regulations.

Unfavourable age and qualification structure makes integration and employment of returnees much more difficult. According to our research, as many as 57% of heads of households in this population have no formal qualifications, 24% have a secondary school diploma, 7% a vocational school diploma and only 2% have university level education. Furthermore, the research indicates that almost 80% of returnees in addition to a difficult financial situation suffers from health problems, which is understandable considering the lack of employment and the age of returnees. However, returnees build strong micro-social networks in their place of return and these neighbourhood and family ties contribute to better integration. Money sent from abroad to the returnee population should also be taken into account because it accounts for a significant portion of income in GDP terms (it is estimated at approximately 13%).

Certain recommendations or acts could provide the initial proposition and establish a methodology for subsidisation of rent costs, subject to verified eligibility and at the rate of 100%, 50%, 30% or 0%.

As institutional and legal jurisdictions over social housing have still not been established, allocation of funds from other government levels remains an option and these government levels could plan for dedicated funds in their annual and medium-term strategic plans.

In the absence of legislation, i.e., a law on NSH that would need to be adopted at the State/entity level, it is necessary to amend the Federal Law on Principles of Social Protection, Protection of Civilian Victims of War and Protection of Families With Children. These amendments should regulate the right to housing for socially vulnerable categories through ensuring the funds for subsidisation.

Other NSH beneficiary categories require involvement of several instances/different government levels (depending on the group they belong to and whether the care of this group is already handled by a certain authority) or, alternatively, the local community can take responsibility for

caring for certain categories (labour shortages, young married couples, vulnerable groups) and establish the relevant criteria.

KEY ELEMENTS

1. Subsidisation of rent should be analysed at the local level due to a large number of potential categories of socially vulnerable persons, thus creating incentives for higher government levels to introduce rent subsidies for the selected priority users of NSH.
2. Property ownership, household income level, size of the housing unit and rent price represent some of the factors that should be taken into account in the selection of criteria and carefully assessed in the process of determining eligibility for rent subsidisation.
3. Considering that NSH is a part of social policy, government levels responsible for social policy should adopt regulations governing the allocation of financing for subsidies or support creation of local funds in cooperation with the institutions responsible for providing subsidies.
4. Subsidisation by local communities should be promoted regardless of their regional associations and, accordingly, advocate amendments and adjustments of the existing entity regulations concerning social protection. It would be desirable to allow creation of funds that could be used to provide rent subsidies for socially vulnerable categories outside of any projects.

5. PREPARATIONS FOR IMPLEMENTATION OF NSH PROJECTS

It is important at the very beginning to be familiar with strategic plans and objectives with regard to the establishment of future ownership of real estate properties within NSH programmes and definition of limited future rights of use and disposal of real estate properties, and to form a local team that will be responsible for reviewing statutory and ownership rights for land plots, building permits, preparation of pre-contractual and contractual acts which will regulate the phase status of properties and lead towards achievement of strategic goals. These instructions and strategies should be adopted by parties that finance the establishment of the NSH housing stock, as well as any other stakeholders otherwise engaged in co-financing or development of the NSH Strategy and goals.

Legal consultants and their cooperation with public notaries is a compulsory part of preparatory and closing activities and their main task is to foresee and eliminate any irregularities that may jeopardise the investment and utilisation of properties, as well as the reputation of the investor/ implementer.

The key requirements for continuation of activities and ongoing resolution of problems and situations that arise in the course of implementation is a proper assessment of this segment, together with approval by the legislative body in charge of managing local community assets of the decision to make such assets available for the purpose of implementation of clearly specified programme goals and under specified conditions.

5.1. Management and maintenance of NSH apartments

Familiarity with the local situation and practices with regard to systematic maintenance of the housing stock and application of regulations governing maintenance of common areas in multi-family residential buildings is a highly important aspect of NSH, and human resources dedicated to this issue should be involved in the implementation team from the very start and participate in determining the capacity building requirements.

It is important to differentiate between “management of rental housing stock” and “residential building management,” the latter being a requirement that was legally introduced by regulations governing maintenance of common areas in residential buildings in some administrative units.

The differences between the regulations and the capacities present in administrative bodies responsible for housing affairs require a deeper analysis in order to define a viable model for the local community and allow for a sustainable method of management in the future, one based on realistic assumptions.

From the outset it is important to work on all management segments, i.e., administration of potential beneficiaries and apartments, contracting, and later financial management and maintenance. The system should be structured until it is created, and it must be adjusted to the available capacities with the use of a custom-made software application to support these activities and allow for exchange of information with other institutions.

5.2. Potential partnerships

In order to put the community resources and space available for construction of social housing units to best use and thereby achieve the best possible results and reduce the possibility of any form of ghettoisation, the relevant services in Municipalities should consider the options and capacities of locations parts of which (in addition to sites dedicated to NSH programmes) could be offered to the private sector or other interested public institutions. Once the financing for construction of NSH apartments is secured and operational, preparing this type of programme and making an offer to potential partners can result in valuable incentives. Proposals from potential partners can be based on:

1. Different forms of PPP, as mentioned earlier;
2. Construction of apartments or portion of NSH apartments under more favourable terms in exchange for building rights or partial ownership of a building, location or part of a building (legal and physical persons which own the land);
3. Contractual co-financing of a certain portion of construction according to the investor's schedule of works, in exchange for benefits and final ownership by the partner (potential investors for parts of social infrastructure that will be constructed together with the residential units).

Programmes that could provide an incentive to potential partners to take part in the implementation of NSH depend on the characteristics of the site and interest of the local community, and therefore cannot be formulaic.

If the given sites are not included in the relevant plans, the first step is to research the partners' interest in any form of joint investment and then develop and adopt the plans according to the best partnership proposal.

When joint financing with partners can result in better utilisation of the available sites, over and above the planned development, another option for consideration is to amend and update the plans, however this course of action is not recommended as it requires a considerable amount of time.

5.3. Formation of an NSH project implementation working group in the local community

The local NSH project implementation working group consists of representatives of the Implementer, local community administrative bodies, relevant ministries, Centre for Social Work and NGOs selected by the implementer in accordance with previous experiences.

Representatives of the institutions participate in accordance with the competences and in activities within their area of responsibility. Representatives of the local community should come from departments responsible for spatial planning and housing, social policy and finance, and are

appointed by the municipal mayor. Representatives of the relevant entity or cantonal ministries are important members of the working group as they are instrumental in harmonising official acts adopted at different levels and in the overall development of the NSH system, as well as relations with particularly vulnerable households participating in the programme which are otherwise under the auspices of the ministry.

Representative of the Centre for Social Work is necessary because these centres in practice remain the only constant at the local level and act as a neutral intermediary in controlling the contractual arrangements between the management (lessor) and the tenants (lessee). Work with representatives of the centre from the very beginning of NSH introduction is instrumental in ensuring that the future tenants accept the obligation to honour the contractual terms and conditions of use of the housing units, according to NSH principles.

Operating regulations of the working group stipulate the manner of decision-making, reporting and execution of approved activities.

The primary task of the working group is preparation and implementation of all local implementation activities for NSH programmes and the secondary task is to, in the course of construction/reconstruction of housing units, prepare or amend local strategic documents and acts governing NSH on the grounds of completed evaluations and conclusions and in order to ensure sustainability and proper operation of the system.

The working group reviews and prepares materials and coordinates the need to obtain all documents required for establishment and construction of the NSH system.

At this point we arrive at a separation of local community activities according to different stages of preparation:

1. Local communities which have completed certain preparatory activities will have secured provisional sites or housing stock for NSH, provisionally defined future ownership relations and manner of operation and management of the NSH housing stock with institutions and co-investors within NSH programmes and the required official decisions, and are free to proceed to creation of models and appropriate documentation.
2. Local communities which have certain potentials for development of an NSH system and have established the need for housing of certain categories according to NSH principles, but have not fulfilled all the requirements for implementation and need to focus their working groups on building capacity in the local community and the manner in which this issue is treated in the local policies.
3. Local communities which have implemented and adopted the required acts and instructions for their implementation, which is a foundation for establishment of an NSH system in the local community, and can look at construction and other methods of procurement of rental housing stock in order to address social housing needs using NSH principles.

At the same time, local communities where the working groups have not successfully completed preparatory activities need to analyse the reasons why it was not possible to fulfill the technical requirements or reach political consensus required for establishment of a sustainable NSH system in the community. The working group should proceed with deeper research, analysis, initiation of development of spatial planning and zoning plans and projects and other forms of advocacy that

should result in adoption of strategic documents which will be followed by documents defining the course of development of this matter in accordance with the established needs and resources. Besides the working group, implementation of NSH projects also relies on informal bodies in the local community which may use the experiences gained through project implementation for continued development of the NSH as an institution in the local community.

KEY ELEMENTS

1. Human resources in the local community and potential partners need to be defined in order to successfully establish an NSH system and form a working group that will be responsible for managing the overall NSH process and all its segments, and occasionally involve representatives from NGOs or competent institutions.
2. Implementation of programmes aimed at creation of housing stock should not be initiated without prior definition of ownership, goals and manner of utilisation, allocation procedures and roles in management and maintenance of NSH buildings.
3. Entry into partnership arrangements depends on the situation and the needs of the local community, needs and capacities of government institutions at different levels and either direct investment interest of partners for development of NSH in specific local communities or interest driven by a need to address the housing needs of their employees.

5.4. Preparatory activities - identification of resources available for creation of an NSH housing stock

5.4.1. Foundations for creation of housing stock

The fact that targeted projects (that may include introduction of NSH principles as one of their objectives) have a limited period for implementation and, more importantly, limited funds means that it would be unrealistic to assume that projects can achieve all positive effects foreseen by the overall goals and analyses of NSH. Attainment of these results requires multi-faceted commitment and effort. For this reason, implementation of strategic preparatory activities and coordination with competent bodies and the local community in general may contribute to attainment of long-term positive effects. It is very important to strive towards establishment of a sustainable system which will serve the current social needs as well as the needs of future generations that look to this society for support in case of need.

The following text provides guidelines for needs analysis and development of plans that will ensure that preparatory activities take place in parallel and provide conditions for organisation of a systematic and well-organised NSH model that will be accepted by the local community and show the target population that the society cares and strives to provide them with better living conditions.

One of the general goals in planning and development of NSH is to achieve a mixed social structure of residents, which is normally achieved in commercial developments by market-driven factors. For reasons mentioned above there is no need to re-emphasise the importance of social cohesion between families with different social statuses, and application of NSH principles must therefore avoid creation of special groupings and isolation of particular social categories in order to prevent any form of ghettoisation.

From the urban planning perspective, if the strategic goal is to create a new rental housing stock, there are several ways to address the particular social housing requirements in a positive, systematic manner. Each of these models should be individually considered in each community in order to fully analyse all aspects and the level of utilisation of potentials achieved by each model.

The local rental housing stock would serve the needs of the community and can therefore be created in existing urban sites, and it can be established:

- By construction of new residential or residential/business buildings,
- By adaptation of existing buildings which do not serve a useful purpose at present,
- By adaptation of existing, poorly equipped apartments or spaces,
- By expansion of existing buildings in order to add new housing units..

5.4.2. Review of ownership documentation

Experiences have shown that outdated and incoherent data from the cadastre and land records can block the process of registration of real estate property and limited usage rights.

These records were irregularly updated in the period before the war and long-term land holdings, even if they were expropriated but not registered in the land registry, cannot be regulated without consent of the prior owners or their heirs. Such poorly managed property rights can mislead implementers and partners even without any ill intention on the part of the local authorities and there have been situations where the authorities issued all the building permits (as some local communities do not have data from the land records) and, after the building was constructed and the full documentation submitted to the public notary for final processing, it was discovered that unexpected partial owners or heirs exist due to improper ideal distribution of property at the time of expropriation and land registration.

Positive practical experiences can be seen from an example of construction of new buildings in Srebrenica Municipality, where physical persons, even if they had legal grounds for requesting a cessation of subsequent expropriation (due to absence of evidence) did not resort to unfair actions, regardless of potential financial gains allowed by the currently unfavourable policies.

Furthermore, this lack of order in (co)ownership issues can become a long-term stumbling block for the housing policy in the local community if the community has two opposing political blocks which cannot overcome the fear of “being cheated” if they attempt to reach a compromise, even if it would ultimately benefit the entire community. Past experiences demonstrate the importance of a thorough review of all available documentation from all available sources in order to determine real ownership and ownership history of the property, and, if possible, the implementer should consult experienced legal advisors at every step of the way (if possible it is best to repeatedly use the same advisors in order to benefit from the accumulation of knowledge related to NSH and expedited analyses). Many practical issues can be understood and resolved prior to reaching any decisions and assuming the inherent risk and, in case of any issues that cannot be resolved immediately, their resolution can be sought and implemented in parallel with other activities, provided that the end goal of all partners, without any concealed interest, is to use the given property for NSH purposes.

5.4.3. Researching local partnership options for construction of buildings

Legislation governing PPP is absent in many communities but this does not prevent them from entering transparent partnerships in order to attain mutually desired results.

The most recent example, of low value but still significant because it was the only available alternative for utilisation of allocated financing, was the construction of residential buildings in Srebrenica Municipality. The intended construction site became unavailable after a lengthy procedure for preparations and obtaining the required permits, because the purpose of the land plot was changed meanwhile.

The local community could not offer any alternative solutions that were compliant with the applicable criteria and could not afford to purchase land, however it could consider purchase with delayed payment.

A compromise and a partnership solution was reached between the Municipality and a physical person who owned acceptable land, who was promised compensation in the form of an apartment in the newly built building (with specified apartment size, location and position) and the Municipality agreed to compensate the investor for the cost of this apartment by paying a specified percentage of the total cost of construction during the construction phase.

This is only one of the possible examples of partnership solutions that can turn apparently impossible situations around, and such opportunities can usually be found if partnership models are created without prejudice and with a desire to satisfy the needs all parties.

Positive examples from practice show that strong leadership in the private sector, leadership that exhibits vision and credibility, is an important requirement in the success of all projects, as well as NSH projects implemented through PPP. In PPP, the private sector encounters an unfamiliar and previously unexplored market and is probably not interested in assuming potentially higher risk, but many entrepreneurs would benefit from learning from the strong leaders.

Although the scope of studies and examples from this area is limited, the accepted view is that the largest benefits were attained by forming partnerships with stable organisations in the private sector, which then actuated other business interests and organisations to attempt to solve similar issues in their communities.

5.4.4. Assessment of the state of infrastructure and reconstruction needs

One of the steps required for identification of potentials for creation of the NSH housing stock is an assessment of infrastructure present at the proposed sites and the distribution of tasks between the partners, with the appropriate schedules. Different situations and their specificities mean that we cannot estimate the percentage share of the costs in the total cost/price of apartment construction. In certain places there was a need to relocate the existing power lines (examples in Fojnica and Srebrenica), in another there was a need to construct a protective wall and regulate a section of the river in order to prevent flooding (Srebrenica), then there was an unplanned requirement to build a waste water treatment plant (Drvar), refurbish a water reservoir and introduce additional water into the water supply system, provide higher output power at the local transformer station, construct a new transformer station, etc. and these are just some of the projects that had to be carried out as part of construction of the existing NSH housing stock.

Most errain contours and potential issues can be determined ahead of time by contacting the relevant utilities (water supply, sewage, power supply, telecommunications and roads) and by detailed and

professional reconnaissance of the terrain, with analysis of potential needs which may exceed the available capacities or which may jeopardise the site or its intended purpose in any manner (all above listed utility companies and possibly the competent professional agencies or institutes).

There are no set rules regarding the schedule of construction works and infrastructural works other than those defined by the relevant procedures stipulated by the utility companies (the power company will have a strictly defined procedure for provision of new connections to the power supply network).

Implementers' experiences have shown that resolution of contour infrastructure required for connecting the building to public networks and the quality of such connections are best implemented ahead or at the beginning of construction works, as any unresolved issues may significantly hamper construction at a later stage. If such issues emerge sooner rather than later and are justified, it is possible to prevent investment and avoid potential blockages at a later stage.

Many of such subsequently identified supporting projects have been fully justified but, had they been identified ahead of time, they could have been planned and executed in a systematic manner. Some of these projects could have been accomplished much easier in the absence of pressing project implementation schedules or, if essential infrastructural works could be anticipated, better planning would have contributed to better use of the assets already allocated to the construction/reconstruction of residential buildings.

The rules for these assessments cannot be defined here but we must stress the need for a thorough analysis of changes that the proposed building will have on the infrastructure, together with any infrastructural issues that may jeopardise the function of the constructed building in the future, with a view of the specific situation on the site and the capacities that the local community has for dealing with such issues.

5.4.5. Adoption of contours and structure for architectural design of NSH buildings

Current trends and a desirable standard of construction/adaptation of residential buildings should pay special attention to the following elements:

1. **Building structure** – load-bearing structures: reinforced concrete or masonry blocks with reinforced concrete beams and pillars and reinforced concrete slabs between the storeys (buildings constructed with natural materials such as masonry blocks offer better and healthier living conditions so if the supporting structure is made from reinforced concrete the recommendation is to build exterior walls with masonry blocks).
2. **Facade** – Facades are usually built as compact facades with thermal insulation made from XPS (expanded polystyrene) covered with a top coat of mainly silicate plaster, that have been well proven in construction and use. This is one of the cheapest options available on the market and satisfies the requirements for quality housing, with a note that the top coat tends to change colour with time and requires periodical maintenance. For advanced NSH models and investors, subject to financial constraints, the recommended facade should be cladded with stone panels, resin-based panels such as Trespa, facade brick, quality tin panels or similar (such cladding is highly resistant to atmospheric influences but are usually more expensive than the more common Demit-type facades).
3. **Exterior openings** – Preferably use quality, durable exterior joinery made of wood to prevent deformation, while keeping costs reasonable. In more advanced investments, the

best option is to use combined aluminum-wood frames (the exterior aluminum frame is extremely resistant to atmospheric influences and the interior wooden frames give residents the feeling of warmth). Preferably install exterior aluminum rolling blinds (which offer better thermal insulation, better protection against burglary and generally higher quality).

4. **Thermal insulation** – Preferably use thermal insulation with specifications exceeding the legally prescribed minimum specifications and use high quality Low-E glazing to promote energy savings.
5. **Waterproofing** – Preferably use highest quality waterproofing for terraces and flat roofs with properly designed drainage solutions, because these are the most common sources of problems.
6. **Soundproofing** – Preferably use adequate soundproofing to ensure privacy and peace for residents.
7. **Electrical installations** – Preferably install or at least provide for later installation of alarms, colour video intercom systems, telephone installations in as many rooms as possible, a sufficient number of sockets, common antenna systems for air, cable and satellite TV programmes, and provide for individual antenna systems to be installed without the need to use improvised cable ducts, etc.
8. **Heating and cooling** – Newly built apartments available on the market usually come with independent gas-powered heating with radiators and cooling using air conditioners. Independent gas heating with radiators is a favourable solution for buildings with advanced specifications. It is possible to offer higher quality gas heaters and radiators, and cooling may be provided via multi-split air conditioning units with concealed external units. The latest in heating and cooling technology is the use of geothermal and solar energy sources, which is of course desirable but depends on the initial investment capital.
9. **Elevators** – Depending on the number of storeys, the residents will need an elevator, which must be provided with an alternative source of power in case of unexpected power outages. Buildings without elevators must not be higher than 4 storeys.
10. **Consumption metering** – In order to control individual housing costs, the standard is to have separate metering for each apartment and these meters should be positioned outside of the apartments or allow for remote readouts.
11. **Apartment floor plan** – A functional floor plan with well lit and well distributed rooms sized to fit their intended purpose is becoming an increasingly important criterion which should be respected.

5.4.6. Financial plan for construction of buildings in accordance with the infrastructural assessment

The cost of apartments per m² consists of: basic construction cost (construction, design, supervision and water contribution fees + VAT), which should amount to maximum 800 KM/m² calculated using the net usable floor area, together with the cost of land and utility infrastructure and connections which may vary to a great extent between different locations and municipalities, or zones within a municipality, and may add up to 200 KM/m².

Therefore, the maximum production cost per m² for apartments in an NSH programme, provided that the site did not require any special preparation, should not exceed 1,000 KM/m².

KEY ELEMENTS

1. The future housing stock for NSH can be established through construction of new buildings, reconstruction of existing buildings which previously served a different purpose, adaptation and improvement of technical characteristics of inadequately equipped existing apartments/spaces, or through expansion and improvement of characteristics of apartments located in the vicinity of the newly constructed NSH units (e.g. thermal facades for entire buildings, adaptation of common spaces, and similar).
2. The local self-governance units should review the ownership of the intended construction site ahead of time and examine potential partnerships by offering to participate in joint investment schemes, which may require changes and alterations to the existing construction plans.
3. Preliminary assessment of the state and adequacy of existing infrastructure in cooperation with the relevant public companies is a must, together with determining contour plans compliant with the spatial plans.
4. Construction standards should be modern and conform to the accepted market practices in construction and exploitation of apartments. NSH housing units should not lag behind nearby market developments in terms of equipment and higher levels of investment in construction should be preferred, especially in terms of equipment and materials, in order to achieve maximum energy efficiency and make the use of apartments more favourable for the future NSH users.

5.5. Documents defining NSH at the local level

The documents that define NSH¹⁸ should be adopted using a visionary approach but must still be based on realistic assumptions and established needs. Their adoption should be guided by long-term planning of community needs and processes.

The adopted documents should leave room for potential future changes in the terms of use and certain procedures and activities, allowing for simple amendments and easy implementation.

It is very important to ensure that these documents conform with NSH principles by ensuring that:

- The financial structure is based on recuperation of cost;
- The institutional setup and mechanisms possess adequate infrastructure, capacities and flexibility to implement the defined measures and manage projects in accordance with the adopted strategy and plans, as well as the local housing policy;
- It is possible to gradually introduce a subsidisation system from higher government instances, while ensuring that such subsidies are transparent and socially sensitive and also subject to a reassessment of needs;
- The system is based on a basic distribution of competences between the different levels in terms of responsibilities for programme financing and implementation;

¹⁸ These documents are provided on the attached CD.

- This programme introduces additional NSH measures and incentives through developing the NSH institute and increasing the standard of living in the local communities.

5.5.1. Decision on the NSH Housing Stock and the Manner of Its Utilisation

This decision prescribes the following:

1. The institution of social housing (the concept of social housing);
2. Measures and criteria for gaining access to social housing (defines who and under what conditions is entitled to social housing);
3. Ranking procedure and the manner of allocation of apartments;
4. Terms and conditions of use;
5. Principles and procedures for utilisation and management of NSH apartments and revocation of lease, and any other issues of importance for implementation of the NSH institute.

Adoption of this decision by the local community usually implies subsequent preparation of instructions for implementation or a certain number of regulations governing the finer aspects of its activities and objectives.

5.5.2. Criteria for selection of beneficiaries by categories

The Decision on Beneficiary Selection Criteria prescribes the criteria, their valuation and required proof of compliance with special criteria applicable for ranking of social housing lessees.

This decision governs the following areas:

1. The maximum number of points and prioritisation criteria for families and individuals who receive an equal number of points;
2. Status of refugees and/or displaced persons;
3. Status and condition of the pre-war housing unit;
4. Accommodation status;
5. Persons from particularly vulnerable groups in a state of need,
6. Persons qualifying for membership in other groups in an unfavourable social situation;
7. Responsibilities for implementation and coming into effect;
8. Coming into effect and publishing.

5.5.3. Regulations governing the procedure an manner of allocation of apartments

These regulations govern the following areas:

1. Essential provisions (terms, object of rental and use, principle of constitutionality, principle of equality, administrative bodies and the NGO sector);
2. Rental and manner of allocation of apartments for rent (allocation of apartments, lease contract, allocation procedures, lessees, rent);
3. Lessees (general criteria and eligibility requirements);
4. Public call for selection of lessees (content and publication, general terms and conditions, Decision on Criteria, general and vocational ranking, submission and recording of

- applications, opening and processing of applications);
5. Criteria for selection of lessees – point scoring system and valuation of applications;
 6. The Committee for selection of lessees (procedure for formation of the committee, first and second instance Committee, general operating procedures of the Committee, selection procedure, minutes, voting, general and labour-related ranking, appeals and deadlines for appeals, decisions on appeals, final ranking);
 7. Implementation of the allocation procedure and/or offer of rental apartments;
 8. Interim and closing provisions (management and maintenance, rights and obligations after the completion of the programme, coming into effect and publishing, interpretation, amendments to the regulation).

5.5.4. Regulations governing utilisation, use and management of apartments

This regulation (or regulations) defines the following areas:

1. Rights and obligations arising from ownership and participation in the programme (terms, object of utilisation and use, accompanying documents);
2. Manner of use (usage rights, limited usage rights, notary registration – recording of limitations of the right of use, duration of prohibition of disposal and further encumbrance);
3. The right of use (obligations of housing unit lessors and lessees, change of status of the lessee, newly arisen circumstances that do not affect fulfilment of conditions, termination of lease contract, reallocation of available housing units, rent price and structure, method of payment of rent, utilisation of income from rent, control of usage of housing units, duration of lease contracts);
4. Management and maintenance of housing units and financial reporting obligations.

5.5.5. Rules of Procedure for beneficiary selection committees

The system for selection of lessees for apartments is based on two instances. The Regulation on Allocation of Rental Apartments forms the basis for establishment of the first instance and the second instance Committees, each with its own rules of procedure.

Rules of Procedure of the first instance Committee for ranking of potential lessees defines:

1. Essential provisions (internal organisation and workings of the first instance Committee, decision making, informing the relevant bodies of the Committee's work and other issues of importance for the work of the Committee);
2. Formation of the Committee (election of Chairman and Deputy Chairman);
3. Rights and duties of the Chairman, Deputy Chairman and Committee members;
4. Committee working procedures and sessions;
5. Decision making;
6. Keeping of minutes (procedure for keeping minutes, approval of minutes, filing of minutes and associated documents);
7. Amendments to the Rules of Procedure.

The Rules of Procedure of the second instance Committee for appeals concerning the ranking of lessees and approval of the final list of lessees defines the same things as the Rules of Procedure of the first instance Committee but also contains special provisions governing the method of resolution of appeals and approval of the final ranking.

5.5.6 Decision on the Income Census

This decision determines the maximum income threshold for candidates and their household members to remain eligible for rental of NSH apartments. Maximum income threshold is determined using the following calculation: the average net monthly salary for the RS/Federation is multiplied by a coefficient depending on the number of members in the household.

5.5.7. Decision on Rent Price and Structure

Earlier we stated that rent should serve both economic and social functions and that it should be harmonised at the local and regional levels in order to contribute to the attainment of strategic goals.

THE SOCIAL FUNCTION OF RENT

The price of rent is what gives character to NSH. If the rent is lower, NSH reaches its full potential and function. Namely, if the rent price is lower, a sufficiently large housing stock will offer housing for more families in apartments that provide them with adequate living conditions and at a more appropriate rent. This social function may eventually lead to raising of healthy new generations which will contribute to the economic growth of the local community and put an end to the existing negative trends.

In addition to this, citizens will perceive more social equality in the community which will certainly reduce any antagonisms. The importance of this function of rent can also be seen from the fact that in the previous periods the State intervened by prescribing the maximum contractually allowed rent price or by simply prescribing the rent price depending on the quality, favourable position and other benefits that the apartment offered.

Cases are known where the competent authorities adopted regulations in order to introduce subsidies for certain population groups with the goal of assisting the lower income population in obtaining better housing and thereby created social equality in the society. The end goal is to raise healthy new generations that will not feel handicapped or hold negative attitudes about being second rate citizens because of their material status.

THE ECONOMIC FUNCTION OF RENT

A lower rent in social apartments achieves the true economic function of social housing. It is an important regulator of proper distribution of national income and may achieve much better results than any measures introduced by the State.

Namely, if the authority responsible for implementation of this policy intervenes in this area with sufficient financial resources to lower the rent, while keeping the system sustainable, this will affect the price of rent in the open market. This will also prevent monopolisation of the market and the resulting flow of national wealth into the pockets of individual owners of a large number of properties who do not live from their work but instead profit from rent and the work of others. This is one of the main reasons for intervention in this area and prevention of monopolisation

by certain groups which would result in unwanted flows of the national income, which could otherwise be directed towards expanding production and increased productivity of businesses and the workforce, thereby benefiting the local communities.

SAMPLE RENT PRICE

Rent price is primarily based on the norms and acquired or accepted experiences with depreciation of installed materials and construction systems, as well as the experiential evaluation of the cost of use and depreciation. A particular fact about the programmes implemented to date is that neither the owners nor the building managers had experience with long-term maintenance and the solutions were based solely on theoretical assumptions. With this in mind, it is necessary to conduct periodic reassessments of the sustainability of current rent prices in order to absorb the consequences of problems which should not result in indicators worse than those in the implemented pilot projects and thereby jeopardise long-term sustainability of the NSH institution.

The structure of the rent price, determined by the local community, should consist of:

- Depreciation value – i.e., return on investment according to the estimated life of the building (also a reserve for maintaining a positive management balance);
- Value of investment maintenance – estimated life of the devices, equipment and installations in buildings;
- Value of cleaning, maintenance, servicing and occasional repairs of common installations and parts of the building;
- Building insurance against the usual types of risks;
- Cost of ongoing maintenance, housekeeper and/or major-domo,
- Cost of maintenance of the basic infrastructure for the building;
- Cost of administration and management;
- Cost of taxes, if the owner is not exempt from taxation..

The goals are practically stated by defining the structural elements which make up the rent price, starting from the following:

1. Depreciation should be calculated over a period of 80–100 years, as the tendency is to minimise rent price during the initial introduction of NSH. Considering that the construction of the building was subsidised, i.e., partially financed by donors or government funds, the option to exclude the donor-financed portion of costs from the base amount for depreciation should be reviewed. Since the local community will reap substantial benefits from pushing for construction of this type of housing, depreciation cost should be based only on the funds directly invested in the building by the local community. Creation of conditions for development of NSH, together with significant subsidies from the government would create conditions for raising the rent price deriving from the cost of depreciation, and the full cost of investment in construction/adaptation could then be used as the depreciation base.
2. Local communities setting the rent price are also advised at this stage to eliminate from the total cost of construction the costs elements resulting from local benefits (annuities, landscaping, etc.), with the justification that the reasons for this should be examined from the aspect of social policy

implementation and of securing potential subventions.

3. Management cost (per m² or stated as a lump sum) – 15% of regular maintenance or approximately 3 KM per month per apartment.
4. Maintenance cost (investment maintenance 65% installations – 150% equipment in the apartments for the depreciation period, and regular maintenance at the rate of 50% of investment maintenance for the depreciation period) based on the total cost of construction. The planned cost of investment maintenance should clearly discern between the structural elements which remain intact throughout the life of the investment and those that need to be replaced several times, and treat them accordingly for the purposes of setting rent price.
5. Cost of maintenance of common parts of the building and installations in accordance with the relevant legislation and other acts and decisions adopted at the local level.
6. Asset tax and VAT payable on total services, as required (municipal income from rental of apartments and in some cases business premises is not subject to VAT).
7. Cost of insurance against the usual risks – compulsory if the estimates indicate a relevant risk of damages, i.e. loss of value of the rented property without the ability to pay compensation for damages (at the discretion of the owner).
8. Allocation for the rent collection risk (experiential 10%, including factors related to the risk of “familiarisation of stakeholders” mentioned earlier)..

The currently set rent prices range from 0.8–1.2 KM/m², depending on the above mentioned terms for provision of housing stock and other coefficients.

Maintenance costs from Item 5 should be charged by the owner as part of the rent and, if so regulated, the cost of this service can be paid to the building manager from the collected rent.

Please note that the rent price does not include heating and other utilities and infrastructure, however regular payment of these bills by the beneficiaries must be monitored. If these are provided by the owner, they must be separately calculated, estimated and expressed as a monthly amount.

Setting of rent prices should take into account the need to maximise rent prices through increased depreciation and investment maintenance costs if there are any reasons to believe that the apartments will become subject to redemption/purchase after a certain number of years, if the housing units were built under so conceived programmes, so that a significant portion of the amount planned for investment maintenance would be written off at this time.

The option to adjust the rent price should be preserved, in accordance with the NSH principles stated in the NSH Strategy, categorised according to zoning coefficients and any temporary or permanent coefficients related to different benefits offered by the apartments or due to possible incompleteness of the apartment at the time of handover, necessary planned investments, protection of owners’ interests and similar.

THE POLICY FOR FUTURE RENT SETTING

Authorities responsible for managing NSH will be faced with two key tasks: to facilitate unimpeded development of the market economy, and to develop and implement the social policy. These two areas go hand in hand and if they are not set up properly the community might fall behind

socially or experience an economic collapse.

Faced with the problems and situation in the field, the authorities have started to adopt regulations governing NSH as one of the important factors of the overall national social policy. The examples include the Bosnian-Podrinje Canton Gorazde and the Zenica-Doboj Canton, which have adopted NSH laws in order to regulate this area. The entities have failed to do anything in this regard, although, in principle, regulation of this area falls within their area of responsibility. If we analyse these laws we can see that they represent the first step that falls short of fully regulating this area because the times are hard and the laws have avoided creation of additional financial burdens for the authorities which are already overburdened with the existing social costs.

The laws should create the necessary conditions for a systemic resolution of the situation in the field through implementation of new projects and strategies, which again depends on individual political relations and forces in the legislative bodies responsible for adopting these strategies. The absence of financing and planned budgetary allocations prevented the definition of specific principles and objectives in these laws, so they currently represent only a legal framework for future action by local communities. They also foresee initiation of research activities in order to objectively quantify the goals through strategies and plans.

The special provisions of these laws would become much easier to interpret in the light of the established principles so these activities should be expedited in order to define and establish the principles and timeframes. This should form the foundation for a status review and elaboration of social policies, which would result in amendments to the laws prescribing the amounts that all levels of government and the local communities must plan in their annual budgets every year for this purpose, primarily in the form of subsidies and then for the development of this institute. The State should take charge of monitoring the implementation of NSH in terms of application and respect for human rights in accordance with the signed conventions, while social policy development and implementation constitutionally remain under the auspices of the lower levels.

Legislation that will govern NSH at the appropriate levels should cover the following issues with some detail:

1. Legally required development of documentation defining the principles and specific objectives that the NSH policy should achieve within the defined timeframes;
2. Prescribe in more detail the sources of financing for NSH policy measures, in accordance with the needs and with a provision that a certain amount of funds from the budget must be reserved for this purpose every calendar year;
3. Regulate in more detail the maximum price of rent for NSH apartments, how it is to be set and used with different beneficiary categories, all under non-profit terms significantly more favourable than the market terms, and the difference should accrue to a subsidisation fund intended for the vulnerable groups;
4. Laws and regulations should introduce the basic criteria and the right to subsidies for the lowest income population groups.

Regardless of the low rent price which is a must for NSH, there will still remain a fair portion of the population that will be unable to pay the rent without compromising their other existential needs. However, continuous collection of rent must be secured in order for NSH to remain sustainable

and not collapse after a time. This is why the State must provide subsidies equal to the price of rent for persons with lowest incomes.

These measures will achieve the desired full social and economic function of rent as a central issue in the NSH policy. If this component is not managed in this manner, NSH will fail to achieve its goal and this area will only seemingly appear to function in order to create in the eyes of the international community an image of BiH as a modern state that respects human rights and freedoms established by the international treaties and the local legislation.

5.5.8. Public calls for applications

Javni poziv propisuje proceduru i uslove za podnošenja zahtjeva-prijava za dodjelu stambenih jedinica u najam. Javni poziv sadrži sljedeće oblasti:

1. Number and structure of housing units;
2. Duration of lease and rent price;
3. Eligibility criteria, basic ranking criteria, valuation method and proof of fulfilment of special criteria;
4. Submission of applications, valuation of criteria and method of ranking;
5. Closing date for submission of applications;
6. Information and contact persons.

KEY ELEMENTS

1. NSH requires a large number of documents in the planning and implementation stages, however it is important to leave room for changes in the terms of use, etc., in accordance with the developments in the housing strategy and the social policy.
2. The following is regulated through decisions and regulations: beneficiary selection criteria; terms of disposition, use and management of the apartments; rules of procedure for beneficiary selection committees; income census per household member (as the first eligibility requirement for NSH); rent price and structure, and the public call for applications achieves transparency of the procedure and guarantees equal rights for all eligible potential beneficiaries.
3. The rent has a social and an economic function.
4. Rent price is set based on a number of factors and must allow for adjustments in accordance with the developments in the housing policy and the social policy at higher levels intended to support construction of housing and subsidisation of NSH.
5. Legislation governing NSH currently exists in the Zenica-Doboj Canton and the Bosnian-Podrinje Canton and should encourage creation of other legislation in order to provide a long-term solution for sources of financing for NSH, prescribe a unified regionally-equalised rent price and method of price setting, and harmonised basic criteria and rights concerning the eligibility for NSH apartments and subsidisation of rent.

6. TECHNICAL AND LEGAL REQUIREMENTS FOR PROJECT IMPLEMENTATION, HOUSING STOCK ESTABLISHMENT OR ENLARGEMENT AND CONSTRUCTION

Implementation of NSH programmes is entrusted to administrative and professional services, non-profit organisations or public institutions with direct competences and experience in refurbishment, construction and management of rental housing stock. The above listed activities do not have to be carried out exclusively by local organisations, they can also be entrusted to county/regional organisations and there are no practical reasons why their founders should not be persons who can give these institutions a wider spectrum of operation, in accordance with their capacities and requirements.

The first document related to construction/reconstruction planning comes in the form of a project plan, a detailed project outline which will ensure timely implementation of activities and unhindered progress of the programme. This document should detail the following processes:

1. Initiation process, where an idea is shaped into an implementable project, and includes preparation of a feasibility study to justify the investment.
2. The planning process involves preparation of the terms of reference and collection of data relevant to the final objectives. This includes considerations regarding: project scope, features, complexity, degree of sophistication, character and risks. Expert assessments and measurements of the construction site, analysis of regulatory provisions and urban/spatial planning and zoning requirements. Quality and formulation of the terms of reference dictates the next steps of the planning process:
 - a) Definition of project scope – list of all sub-objectives;
 - b) Design, i.e., preparation of investment and technical documentation which defines the required activities and their order of implementation; estimated timeframes; cost estimates – i.e., financing requirements, and
 - c) Elaboration of the project plan.

The planning process also sets the control standards by specifying what will be controlled, how, when and based on what. Planning allows us to visualise all direct and indirect, existing and potential environmental influences that may impact the process of attainment of

objectives and the final goal, which is of course the handover of the building.

The planning process is the initial step in managing implementation but this step remains ongoing because the circumstances and factors that affect the plan are constantly changing. A highly characteristic environmental factor in construction works are the weather conditions, which may affect not just the timeframes but also the budget and the quality of works..

3. The planning process also sets the control standards by specifying what will be controlled, how, when and based on what. Planning allows us to visualise all direct and indirect, existing and potential environmental influences that may impact the process of attainment of objectives and the final goal, which is of course the handover of the building.
4. The planning process is the initial step in managing implementation but this step remains ongoing because the circumstances and factors that affect the plan are constantly changing. A highly characteristic environmental factor in construction works are the weather conditions, which may affect not just the timeframes but also the budget and the quality of works:
 - a) Anticipate potential deviations from the plan before they occur;
 - b) React to critical events as soon as they occur;
 - c) Propose corrective measures, which are then used as inputs in the planning process and re-planning.
5. Project closure administratively closes the project, which in construction of buildings means that the project team is released from all material and financial obligations and these are then transferred to the beneficiaries. The beneficiary takes over the responsibility for the apartment by accepting the lease.

Upon final conclusion of the project it would be good to evaluate the project's efficacy and efficiency, relevance of project goals, outputs and activities, effectiveness of the planning system, execution and control, and create lessons learned for use in similar future undertakings.

Successful implementation of construction projects requires good working relationships between the different participants: (i) Investor; (ii) Beneficiary; (iii) Designer; (iv) Contractor; (v) Supervision; and (vi) Project Manager/Leader. The answer lies in upholding the basic management principles, i.e., professional project management by the project manager. Project manager must be given, in addition to responsibility for efficient and effective project implementation, adequate authority and the right to make decisions and issue orders and have them executed.

Initiation of project activities and signing of protocols or memoranda of understanding proceeds according to the project plan (project document).

6.1. General – Legal framework for establishment of the NSH housing stock and procedures

The Law on Principles of Local Self-Governance in the Federation of Bosnia and Herzegovina (Official Gazette of FBiH, nos. 49/06 and 51/09) and the Law on Local Self-Governance of the RS (Official Gazette of the RS, nos. 101/04, 42/05, 118/05 and 98/13) define municipalities and cities/towns as local self-governance units and legal entities with the right to freely and independently dispose with their material and financial assets in accordance with the law.

The statute is the highest legal act of every local self-governance unit that, inter alia, regulates the rights, obligations and responsibilities, competences and management of the local self-governance unit.

Implementation of social housing projects involves several segments and phases with overlapping competences which have been legally and constitutionally exclusively assigned to local self-governance units.

The fact that local self-governance units are authorised to be the active implementers of such projects is not questionable. Article 8 of the Law on the Principles of Local Self-Governance in FBiH, puts the following under the competence of local communities:

- Adoption of programmes and plans for development of local self-governance and creation of conditions for economic growth and employment;
- Adoption of spatial, urban and implementation plans, including zoning;
- Development and implementation of the housing policy and adoption of residential and other construction programmes;
- Development and implementation of the policy for disposition, utilisation and management of construction land;
- Determination of the policy for management and disposition of assets of the local self-government unit.

The Law on Local Self-Governance of the RS regulates the competences of local self-governance units differently for municipalities and cities/towns, however Article 12, inter alia, states that the Municipality is independently competent for:

- Adoption of development, spatial, urban and implementation plans;
- Preparation and utilisation of construction land and business premises;
- Management and disposition of municipal assets;
- Cadastral, geodesic and property-legal affairs, in accordance with the law.

In Articles 13 and 14, the Law specifically states that the municipality is competent for urban planning and construction, i.e., housing and public utility affairs in general.

It is important to identify the legal framework that stipulates the competences of local self-governance units in implementation of the social housing policy, because this policy in BiH is principally implemented at the level of local self-governance.

Municipalities generally act as participants in social housing projects and it is important, within the overall municipal competencies, to delineate internal competencies and relationships between different departments which must make and implement decisions from their relevant areas of responsibility.

The laws on local self-governance treat the following as bodies of the local self-governance unit: in FBiH the municipal council and the mayor (Article 12) and in the RS the municipal assembly and the municipal mayor (Article 29). So in both cases the council/assembly is the decision- and

policy-making body of the Municipality, and the municipal mayor is an executive body with strictly defined authority.

The above is important in implementation of social policy and social housing projects because municipal decision-making and executive bodies play a role in certain phases of implementation of these projects, mainly through decisions reached within their area of authority.

6.1.1. Decision on participation in an NSH project – adopted by the municipal council/assembly

The initial Decision on Expression of Interest in construction of NSH buildings should be adopted by the municipal assembly, as the decision-making body of the municipality. This is necessary due to the fact that the assembly decides whether a certain property/land will be allocated for use in social housing projects for construction of social housing buildings, as well as the terms and duration of such allocation.

The assembly draws this authority from Article 13 of the Law on the Principles of Local Self-Governance of FBiH and the municipal Statute, which, inter alia, prescribe that the municipal council (=assembly):

- The initial Decision on Expression of Interest in construction of NSH buildings should be adopted by the municipal assembly, as the decision-making body of the municipality. This is necessary due to the fact that the assembly decides whether a certain property/land will be allocated for use in social housing projects for construction of social housing buildings, as well as the terms and duration of such allocation.
- The assembly draws this authority from Article 13 of the Law on the Principles of Local Self-Governance of FBiH and the municipal Statute, which, inter alia, prescribe that the municipal council (=assembly):

The municipal assembly, according to the authority granted to it by Article 30 of the Law on Local Self-Governance of the RS and the municipal Statute, has the authority to, inter alia:

- Adopt development, spatial and urban plans and programmes;
- Adopt programmes for organisation of construction land;
- Adopt implementation plans;
- Adopt decisions related to procurement, management and disposition of municipal assets.

Municipal statutes must be harmonised with the Constitution and the relevant local self-governance laws.

6.1.2. Memorandum of Understanding for implementation - signed by the municipal mayor

Pursuant to the above decision on participation in a social housing project, the municipal mayor is authorised to sign a memorandum of understanding defining the basic principles of the project with other project participants.

Exceptionally, the memorandum may be signed ahead of the said decision, however it is then considered only an initial step in acceptance of the project. In this case it is implicitly understood that adoption of this decision rests on the local community in the implementation phase discussed

in Section 4.1.3, with a remark that one decision does not preclude the other.

The municipal mayor, as an executive body of the municipality, in this segment has the authority to:

- Represent the local self-government unit;
- Implement local self-governance unit policies in accordance with the decisions adopted by the assembly, execute the budget of the local self-government unit and ensure that the decisions and other assembly acts are implemented.

6.1.3. Decision on Allocation of Construction Land for Construction of Social Housing – adopted by the municipal assembly

After signing of the cooperation protocol (memorandum of understanding) and on the basis of the established principles, identified needs and available resources for construction of this type of building, the municipal mayor proposes to the municipal assembly¹⁹ the specific site (land plot or other available property) to be for creation of NSH housing stock. Although the purpose and essence of the contract for financing and construction of social housing, to be signed at a later stage of the project, result in increased municipal assets, in this phase the property is only available for use and allocation and thereby is under the authority of the municipal assembly.

Certain other issues that rest under the auspices of the Municipality may need to be resolved as part of this decision, such as whether to use zoning or urban plans for the site, repurposing of the land plot, landscaping and similar.

6.1.4. Contract for Joint Financing and Construction of Social Housing - concluded by the municipal mayor

Pursuant to a decision of the municipal assembly, the municipal mayor is authorised to conclude the contract for joint financing and construction of social housing.

Considering that the object of this contract is a residential building constructed using complex financing arrangements, in order to protect the property resulting from special purpose investment there is a need to suspend the right of disposal of the constructed property for a certain period of time. This contract is recorded in the relevant land registry entry for the land plot allocated by the Municipality in the form of an annotation, which requires a notarial act created for this purpose.

According to the Law on Land Registry of the FBiH (Article 2, Item 4), an annotation reveals any circumstances or facts that may have specific effects on the ownership rights (power of disposal). Please note that this does not relate to the right of use (easement) but the rights to transfer ownership or otherwise encumber the property.

The notarial certificate accompanying the contract for joint financing and construction of social housing is required because registration in the land registry is possible only upon presentation of a legally binding document which, in this case, is a notarised copy of the contract containing a provision that dictates its obligatory annotation in the land registry.

¹⁹ In order to avoid repeated reference to “Municipal Council or Municipal Assembly”, hereinafter we will use only one of these terms.

6.1.5. Building documentation for the housing unit is issued by the municipal mayor

Pursuant to the relevant decision by the municipal assembly, the mayor is authorised to issue the urban planning consent, and subsequently the building permit and the utilisation permit.

6.1.6. Decision on Prohibition of Registration of Mortgages, Disposal or Any Encumbrances Upon the NSH Building or Property Owned by the Municipality is adopted by the municipal assembly – the notarial act is signed by the mayor, pursuant to the decision

The subject of this decision may be included in the decisions listed under 4.1.1 or 4.1.3, in which case this decision is not required.

In addition to the stated annotation, the contract will contain an obligation to register, after the building is constructed and registered in the land register pursuant to the utilisation permit issued by the competent municipal body, a prohibition of disposal, prohibition of mortgages and any other encumbrances that represent legally binding encumbrances entered in the C-List excerpt from the land registry, limiting the owner's (Municipality's) right of disposal for a period and in the manner stipulated in the contract. This registration also requires a notarial certificate²⁰ and needs to be preceded by a decision of the municipal assembly because this act also implies disposal or encumbrance of a local community asset, which rests under authority of the municipal assembly.

6.1.7. Memorandum of Understanding

As stated in Section 4.1, the first essential document in the implementation phase of the programme relating to the practical creation of the NSH housing stock is the memorandum of understanding (and implementation). The memorandum is signed by the local community, the investor and possibly the fund or agency selected to implement the programme. Implementation partners define the goals, baseline, obligations regarding the preparatory and other activities, and documents that will need to be agreed between the partners.

Other documents resulting from the memorandum will subsequently delineate specific phases of construction with specified type and value of the investment, type and size of the building, all (co)investors, and the method of construction and definition of ownership.

The memorandum represents a starting point for the preparation of terms of reference for the following:

- Production of a detailed architectural programme, based on the needs and requirements of the beneficiaries, investors and other stakeholders;
- Development of clear terms of reference, based on the adopted architectural programme strategies and objectives;
- Contracting production of the architectural design;
- Adoption of the architectural design;
- Obtaining bids for production of technical documentation;

²⁰ Samples of notary acts can be found on the CD accompanying this manual.

- Contracting and production of the concept design required to obtain the urban planning consent;
- Contracting and organisation of the required surveys, to include
- geomorphic surveys, with test-drills at a number of precisely specified points in order to determine the soil load-bearing capacity;
- Preparation and execution of annotations and other legal documents, possibly also pre-contracts, with notarisisation;
- Obtaining urban planning consent which details the design requirements, and defining specific terms of reference based on these requirements which must be adhered to in the main designs;
- Contracting production and review of main designs, in order to obtain building permits;
- Detailing of previous agreements;
- Obtaining building permits;
- Preparation of the joint financing contract;
- Organisation of the tender procedure in order to select the best bidders for execution of works and supervision of works.

Considering that the built properties will be owned by or at the disposal of the local community and that they have a specific status and a long life, at this stage it is recommended to obtain a formal decision on this from the legislative body of the local community in order to provide legitimacy to its executive bodies and the decisions they make in the course of implementation of activities, in accordance with the signed memoranda of understanding.

6.1.8. Definition of methodology for creation of housing stock and specific activities in the memorandum of understanding

After acceptance of main designs, the memorandum foresees signing of the joint financing contracts and this requires a procedure for obtaining all consents, selection of methodology for the execution of works, tender procedure for works and other services and execution of works in phases or in general.

It should be noted that under specific circumstances in project implementation, i.e., if the investment is defined, the weather is favourable and the schedules are approved, the selection procedure and the required preparations for contracting can be performed prior to determination of the details necessary for the joint financing contracts.

In this case the methodology should plan for, prior to production and completion of main designs, production of architectural designs with more detailed basic drawings and bills of quantities. Such architectural designs can serve as an excellent base for:

- Tender documents for procurement of individual works, or
- Potentially, procurement of all the required works using a turnkey approach.

In the first case, in addition to the timeframe and procedures required to obtain the bids, reach agreement between the partners and evaluate the bids, additional time is necessary to complete the main designs and obtain the required building permits.

The second case requires a detailed technical description and technical characteristics, which must be upheld by the contractors in order to achieve the required and desired standard of newly built apartments for all technical details which may or may not have been designed at the time of contracting the execution of works.

It should be noted that the architectural design may be used as the basis for elaboration of preparatory works, and the time needed to obtain the required permits can be used to contract and execute prior and preparatory works, and with the turnkey approach other works as well, after all the required permits have been issued.

The CD accompanying this manual contains characteristic examples of the following documents:

1. Memorandum of Understanding (MoU) for construction of buildings owned by the local community on community-owned sites (one or more owners),
2. MoU for construction of apartments on different community-owned sites;
3. MoU for construction of apartments owned by the local community on privately owned sites.

6.1.9. Co-Financing Contract between the partners

The co-financing contract should specify all the new facts and plans that have arisen after the production and adoption of investment/technical documentation, specify all co-investors and the method of financing, role of partners in the construction, and the roles of the building owner and the implementer.

The co-financing contract is best signed after the implementer has completed the tender for procurement of all or just the main part of the works, as this will help to visualise the total cost and avoid the need for annexes or unanticipated higher costs resulting from errors in estimates of market prices or poor selection of the implementation method.

The co-financing contract is the basis for initiating activities and creates conditions for:

1. Contracting of main designs and technical documentation or of execution of works, subject to the selected implementation method;
2. Works related to infrastructure and utility connections, and landscaping;
3. Technical acceptance of completed works and issuance of permits required to put the building to use;
4. Geodetic survey works required to map the building in the cadastral maps, pursuant to the notarised contract;
5. Registration of the real estate property in accordance with the prescribed terms.

The co-financing contract²¹ also contains the specific commitments of the local community in terms of financial investment, property status and the manner of its use in the long-term. The contract should therefore contain elements from the memorandum or decision confirming the stated property status commitments, regardless of whether the memorandum was formally approved by the relevant legislative body.

If the memorandum/decision refers to the limitations of the right of disposal, registration of mortgages or sale, for this document to have a form that can be registered in the land register and the cadastral records it must be notarised by an authorised person, certified to perform such notarisation by the relevant legislative body and the attorney general.

KEY ELEMENTS

1. The project plan specifies the following processes: initiation, planning, execution, control and closure of the project.
2. The legal basis for creation of a local housing stock for NSH purposes can be found in entity laws on local self-governance and the two key actors are the municipal mayor, in the executive role, and the municipal assembly/council as the legislative body.
3. The municipal assembly/council adopts the Decision on Participation in the NSH Project and the Decision on Allocation of Land/Property and defines the period of use for the stated purpose with a prohibition of disposal or use for other purposes, thus clearly stipulating the long-term commitment of the local community to the development of housing policy.
4. The mayor, in his/her executive role, creates specific housing solutions and signs the various memoranda and contracts in accordance with the adopted strategy, implements and executes plans and decisions adopted by the local legislative authorities with regard to management of property owned by the local community, and legally secures the long-term immutable purposeful utilisation of the property using the appropriate notarisation services.

6.2. The role of the owner in the construction process

Owners of future NSH apartments, these being local communities, organisations or governmental institutions, within the scope of their plans, commitments and resources, define their obligations in the process of creation of the NSH housing stock by signing the co-financing contract with the implementer and other investors.

Owners of future apartments contractually define the purpose and management of apartments and each owner should make individual arrangements with the building management for any special requirements applicable to their apartments over and above the requirements legally prescribed by the local legislation applicable to NSH.

NSH apartment owners or investors can dictate special priorities and allocation criteria within the specified target groups for their apartments, and this process must be kept transparent.

²¹ Typical examples of co-financing contracts can be found on the CD accompanying this manual.

The owner can therefore create special priorities within the target beneficiary groups specified by the decision of the local community, thereby addressing the housing needs of groups of particular interest to the owner/institution that (co)financed NSH in the local community. In the event of insufficient interest of beneficiaries from the categories of particular interest to the owner, the owner should accept the allocation methodology stipulated by the relevant general criteria and conditions.

Each (co)owner should become familiar with the local regulations governing the implementation of NSH and must be kept regularly informed of any decision adopted at the local level or any other level competent for managing apartments or regulating the rights and obligations of the owners.

Every (co)owner which places his property at the disposal of any building management for NSH purposes should be familiar with municipal regulations governing the implementation of NSH and accept the principles and decisions adopted by the local community in order to uphold this institute, as introduced and implemented by the community.

Each (co)owner should appoint a person to act as a representative during the construction phase. This person should be familiar with the technical solutions and any alterations made in the course of construction, he/she should be present for the technical acceptance of the building and act on behalf of the apartment owner to facilitate the implementation of contractually agreed obligations. Correspondence with the implementer reduces and simplifies the investors' need for ongoing correspondence with multiple stakeholders such as the local administration, various public services and utility companies and coordination with other stakeholders during the construction phase and up to the point of handover of the completed building to the management.

6.3. Role of the Municipality as the administrative authority rather than the owner in the construction of NSH buildings

In NSH projects implemented to date, and this is fairly likely to occur in future projects, municipalities played a dual role of apartment owners as well as authorities responsible for implementation of the local housing policy as per the relevant legislation, by performing the allocation of apartments and monitoring of their use. In practice, one municipal department was formally tasked with allocation of apartments and another department was tasked with their management.

Considering all the different situations involving owners and building management (with several managements and several sets of rules guiding the method and procedure of allocation), it is important to clarify that the local authorities are legitimately authorised to implement the housing policy and perform its monitoring.

Therefore, if the apartments are owned by several owners, managed by several managements and allocated using several sets of criteria, this requires working with the local administration to harmonise the acts governing the utilisation of said apartments with the relevant legislative and other acts in order to prevent discrimination and human rights injury while honouring the owners' and managements' principles and their right to protect their interest and investment without jeopardising or discriminating against other parties.

In the event that the rights of potential beneficiaries are injured in any procedure for allocation or use of rental apartments, the allocation system foresees that such appeals will be addressed on

the second instance, before a second instance committee.

With regard to the above, in the construction phase and not later than before the first allocation of apartments, the municipal department responsible for housing will, in coordination with apartment owners and management, produce a Regulation on the Method and Procedure for Allocation of Apartments and the Regulation on the Manner of Use and Maintenance of Apartments and consolidate them with the existing municipal acts.

6.4. Role of the future building management in the construction process

Considering the building management's responsibilities upon taking over of the apartments for management, the recommendation is that the management (selected by the (co) owners) appoints a representative who will be the point of contact with the implementer and familiarise him/herself with the design and any subsequent alterations to the building under construction, and be present on behalf of the future management at the technical acceptance and handover of the building arranged by the implementer.

This creates conditions for uninterrupted care of the investment, in accordance with the specific requirements and maintenance needs.

6.5. Role of the implementer in the construction process

The implementer should utilise all advantages at his disposal or those that he may become aware of in the course of implementation of the project or introduction of the NSH institute in the local community.

Considering the large scale of activities required for project implementation and establishment of a sustainable NSH institute, the implementer's role can be divided into two segments: the administrative and the technical.

The administrative segment is highly demanding in terms of coordination and reporting to (co) owners and (co)investors. The schedule of implementation is very important in this regard in order to ensure timely completion of all contracts and subcontracts for groups of works, which provide the required conditions for initiation of other activities and issuance of permits.

In the technical segment, the implementer's role in the construction process should be integral and encompass all stages, from the conceptual technical design, development of building models, administration and supervision of contracted surveys and preparatory works, design, construction and supervision of works. Any changes to the planned circumstances in the above stages, if left unattended or if inadequately administered or communicated by the Implementer, may result in major problems which are usually more difficult to solve at a later stage or even become unsolvable, i.e., the consequences can then only be mitigated to a level which may be considered acceptable.

This is why the role of the implementer should be entrusted to an experienced team that will technically satisfy the investors' requirements and will administer contracts transparently and with due reporting to all stakeholders about the activities on site, taking maximum care to avoid

any pitfalls and all the while monitoring for any developments that may lead to improvements to the existing solutions.

KLJUČNI ELEMENTI

1. The role of apartment owners is to specify the purpose, use and method of management for the apartments and possibly to establish special prioritisation criteria for beneficiaries, and using appointed competent representatives to participate in the implementation in the construction stage and thereby protect the function of their investment.
2. The role of the municipality as the local authority is to prevent discrimination and injury to human rights and to consolidate the legislative aspect of NSH together with the owners and building management, i.e. to harmonise the acts governing the rules for allocation, use, disposal and maintenance of apartments and to harmonise house rules with those applicable to other housing units in the local community.
3. The future building management must be familiar with the design and the finished building, and the implementer has an administrative role in notifying all stakeholders about the progress of construction and a technical role which requires an experienced team consisting of experts in different disciplines.

7. MONITORING OF THE IMPLEMENTATION OF THE NSH INSTITUTE

The process of monitoring the implementation of NSH must be carried out at several levels, at the level of the local community which holds the most interest in its implementation in accordance with the adopted local strategy as well as at the level of regional and other ministries which are directly interested in its implementation.

The competent ministries not only support the implementation of the programme, they also manage the analysis of beneficiary categories and adopt decisions on project-based or systemic subsidisation of vulnerable population categories within their care, and are responsible for overall administration of their situation, needs assessment and planning of activities.

7.1. Assessment of beneficiary and potential beneficiary databases, special needs and available options

Archiving of data on beneficiaries, candidates and their families who at one time or another experienced a state of need and do not have access to market housing, provides an opportunity for accurate visualisation of the situation and needs in the housing segment and therefore for fact-based policy development and implementation. Such assessments at the local level provide incentives for the responsible departments to create new and better housing conditions. Introduction of benefits for creation of new apartments will also impact other related activities and provide support for them, thereby improving the overall situation in the local community. The local community needs to provide transparent and fair representation of categories defined as important for provision of housing by the local authorities.

In the pre-war system, rental housing and various housing funds ranked high on the priority list of social issues and were systematically addressed by the policy in order to adequately respond to this social need and at the same time provide a certain positive impulse to the economy from the local community.

Redemption of apartments built in the socialist era resulted in unnecessarily high standards for every new 'ordinary citizen' who now often projects his/her needs far beyond his/her capacities and this leads to existential problems and inability to experience personal satisfaction.

The local community should be guided by the idea and responsible for creating an atmosphere



where the housing needs can be satisfied with quality and adequate housing solutions, even if this implies rental of a good apartment. State level authorities have a similar task but at a higher level and with a much larger number of categories requiring adequate housing so this institute represents a good approach, subject to availability of resources.

Analysis of reliable data can ensure that a higher number of individuals can be provided with quality, independent and durable housing solutions while the need persists or until they can arrange for something better. At the same time, this sets the appropriate standard for the society in general, based on actual needs and existing resources and with a positive, creative approach to addressing this issue by the relevant institutions.

7.2. Monitoring the management and use of apartments

One of the most important measures that will ensure that management activities are carried out with due care is to open a dedicated bank account for income from rent and subsidies and which will be used to manage the system and maintain the NSH housing stock, with any sub-accounts that may be required. This account will be operated and reported on by the building management/relevant department, which is of particular importance if the management role is performed by the authorities.

If this is not done it is only a matter of time before, for example, the investment maintenance reserve accrued from rent payments (planned, accrued and saved for this purpose) will be used for another purpose in order to cover the justifiably large current expenditure of the local administration. This way the accrued reserve becomes unavailable at the moment when the need arises, which is the very reason for its existence. Without a dedicated account it is questionable and uncertain whether an appropriate amount would be allocated in the budget each year to cover for reserves otherwise accrued for this purpose from rent payments.

In order to keep monitoring tension-free, regardless of permanent access to software databases, this process requires development of tools and methods that will place management in an 'organised cycle' that involves continuous implementation of activities in a manner that leaves a clear audit trail, allowing third parties and the management itself to create a summary report.



Production of standardised reports from the software application cannot be detailed in a common form because the monitoring party will require specific sets of data that will allow them to react in the most effective and timely manner and in accordance with the goals. Essential reporting includes reports on funds collected from rent payments, financial assets and liabilities, apartments and planned activities.

7.2.1. Monitoring of candidates

Monitoring of candidates for use of NSH includes monitoring of beneficiaries with lease contracts and monitoring of candidates that do not have a signed contract. Beneficiaries with contracts are periodically controlled for:

1. Payment reports;
2. Public utility companies' reports on the beneficiary's payments against consumption of utility services;
3. Record of periodic inspection of rented apartment;
4. Periodic completion of GIF forms and their archiving.

Candidates without contracts are on the waiting list and, depending on availability of NSH apartments, maintain contact with the local NSH management. Review of candidates' data and status allows the management to have an updated database of potential NSH beneficiaries and a direct indication of needs and interest in this form of housing, which can be used by the local authorities in the development of plans and strategies.

Lease contracts should contain mechanisms for use and disposal of NSH apartments in accordance with the original purpose and with due fulfilment of the required obligations. Without regular monitoring of the use of apartments and timely reactions to any potential misuse or negative trends in the beneficiaries' attitude towards the accepted obligations, the management system may become compromised. Failure to implement the foreseen measures may cause a domino effect because active users of NSH apartments will perceive their relationship to apartment

owners as a collective one, regardless of the fact that they signed individual lease contracts and had different grounds for receiving the same form of housing assistance.

Due to all of the above, regular monitoring of candidates and the use and disposal of apartments, with a decisive approach to upholding the established principles of use represents the cornerstone for establishment of NSH in the local community on a healthy basis and with good potential for sustainability of NSG as an institution.

7.2.2. Monitoring of apartments

The monitoring process is carried out in order to protect the value of the investment for the owners, and is performed by the building management.

Monitoring data is used in the development of short-term and long-term plans for all types of maintenance. Monitoring and recording of data for any changes in the current status provides up-to-date information on the condition and status of housing units and auxiliary spaces as well as building installations in order to perform the required interventions in a professional and timely manner.

Monitoring of apartments starts with technical acceptance and handover of investment documentation by the implementer, and is performed periodically or in case of need or any technical problems, which should be resolved from the outset in order to protect the quality and value of the managed property.

Depending on the results of monitoring of apartments and their use, authorities on different levels can use this data for creation of policy aimed at attainment of strategic goals through establishment of the NSH as an institution in certain areas, subject to local needs.

7.3. Role of the housing stock management within NSH

The fundamental requirement for a sustainable NSH institution is proper and transparent management as a local policy mechanism. Due to the nature, creation and the manner of use of the housing stock within this institute, the main tasks comprising the building management's role can be divided into administrative, financial and operational. This section only briefly lists and defines these activities and each group of activities will be described in more detail in the Data Archiving Software Manual.

7.3.1. Role and responsibilities of the building management within NSH

As mentioned previously, the role of the building management, particularly for NSH apartments, is fundamentally different from the role of management in residential buildings which is responsible for managing common areas of the building, and these should not be treated equally.

In the majority of NSH programmes implemented to date, NSH was developed with entire buildings and apartments owned by the local community, usually just one. In some cases, resolution of property relations resulted in factual ownership of NSH housing units by several administrative bodies.

Regardless of the number of owners and the number of selected managements, it is essential to know who manages which apartments and what is the scope of their responsibility, and this, together with the application of relevant laws and regulations, determines their mutual relations. What must be noted is that when the NSH as an institution was uncompromisingly committed to upholding contractual obligations, this resulted, even in the most complex situations, in both managements performing their roles in a coordinated manner and without difficulties in buildings where the authorities owned only some of the apartments.

The prerequisite for this is that the rent payable by the lessees to the lessor contains an adequate provision for regular maintenance of common areas of the building, according to the relevant regulations. This portion of the rent is then transferred by the lessor to the management for regular maintenance of common areas of the building, unless otherwise stipulated by the lease contract, other regulations or established practice in the local community and approved by the authorities.

In the case that other regulations governing rent stipulate a different procedure for this portion of the rent, this must be defined through correction of rent price, i.e., segments that comprise the total price of rent in the NSH system, or removing this provision, with a remark that in the event of non-payment of this portion of the rent by the lessee or if the apartment is empty this amount must be compensated to the management by the owners of the apartments in question.

7.3.2. Maintenance and management activities

Past experiences show that insufficient investment in maintenance of residential buildings (and in this case both the apartments and the common areas) leads to rapid deterioration of the building and the apartments and in time leads to major interventions in order to protect the investment value of the building, which could have been prevented by regular maintenance. Here we must refer back to the previously mentioned requirement for accrual of rent payments to a dedicated account in order to secure the funds for proper management and planned maintenance interventions.

Planned maintenance and management are based on proper assessment of the situation and status of the building and the housing units, annual planning of regular maintenance activities, planning of regular investment maintenance and insurance costs for protection against fire and other usual risks.

Planning of maintenance and management activities for NSH housing stock building management requires special training, planned to be provided to the management together with training in the use of the software application for archiving of data related to these activities.

The management must ensure continuous monitoring of housing stock beneficiary data from the time of application through to complete contractual documentation for the use of apartments. The NSH implementation protocol in the local community contains dedicated provisions governing the procedures for activities related to housing. Candidates may be assigned different statuses (waiting, contract, appeal, etc.) and these statuses may be changed over time in order to reflect the needs and the statutory rights relevant for this type of housing.

At the same time, in addition to beneficiary records, the management will record and manage data related to apartments, owners, equipment and other characteristics relevant for administrative

purposes. Owners and co-owners should be periodically provided with status reports, thus allowing for timely development of strategic plans for use of NSH housing units.

The management should ensure that the funds are recuperated from the anticipated rent payments through administration of payments and correspondence with lessees, while ensuring that all maintenance and repair interventions are provided in a timely manner in order to preserve and protect the investment value.

Financial administration can be assisted by computer applications but, regardless of any such tools, all data must be fully updated at least on a monthly basis and particularly if it involves any financial events that may affect the dedicated housing maintenance and management reserve pool.

KEY ELEMENTS

1. Monitoring of the implementation of NSH should allow transfers of all data related to the stakeholders in NSH, both at the local level and at the higher levels.
2. Management monitoring can be performed by regular inspection of the dedicated bank account or sub-account used for income from rent and subsidies, as well as financial and other computer-generated reports.
3. Monitoring of selected beneficiaries allows insight into the justifiability of their housing and fulfilment of contractual responsibilities related to the use of the apartment, and monitoring of potential candidates in the waiting list provides insight into the current NSH housing needs in the local community.
4. Monitoring of apartments is performed by the building management for purposes related to maintenance planning, according to all planned segments comprising the rent price.
5. In order to protect the investment, the management should also monitor the state of the housing units and the equipment they contain as well as other facts of relevance for management of the apartments.
6. Planned maintenance and management should be based on proper utilisation of funds from the dedicated account for income from rent and subsidies and regular status reviews.

8. NSH MANAGEMENT SOFTWARE

8.1. General remarks about the software

This software was the result of the need to organise and implement an efficient apartment maintenance and management system, and its original concept is based on this requirement. Additional, subsequently introduced modules made this software useful for apartment owners and the institutions analysing housing needs and situation in a wider area for the purpose of determining strategic goals and policy implementation methods for social housing in BiH.

The software can therefore be used by all institutions and bodies participating in social housing in BiH – primarily in management of buildings and apartments, but can also be used by apartment owners. The software, according to the appropriate access rights and according to need, may be used by organisations involved in strategic decision-making in the domain of social housing.

It can be accessed via the Internet and offers controlled transfer of data and information from individual user applications, depending on the relevant rights assigned to each application. In order to allow for controlled use of different application segments and modules, the software will have an administrator (currently CRS) that can assign user rights according to need and thereby prevent unauthorised access and unnecessary overloads.

At the time this software was created it was intended to be installed in field locations and in different institutions with still largely unclear roles in the implementation of NSH, and CRS therefore planned for a small internal network of application to be used at different levels and in the field and connected via the Internet for controlled data exchange, aimed at providing insight in the transparency of procedures in all local communities and controlled management and monitoring of the rental housing stock.

Manuals for installation and use of the software are available, as well as technical support.

8.2. Application segments

8.2.1. Database module

The basic module, primarily intended for use in the local communities with an existing social housing stock, is the database which contains all relevant details of the buildings and apartments, to be archived and used for management and maintenance purposes. Building and apartment status data consist of the degree of completion, ownership, technical characteristic, occupancy status, value, manner of use, installed equipment, status changes through time and existence of a lease contract.

In addition to the apartment data, the application foresees a database of potential beneficiaries interested in using apartments under social housing principles. All candidates should be entered into the database and their data is then processed by status in relation to the offered housing. The database also archives data on family and social and material status, housing status history and a periodically completed GIF form based on UNHCR instructions for potential housing and welfare beneficiaries.

These two databases form the foundation for combining and developing all further activities need for transparent husbandry of the housing stock. This module is also used for archiving data on fulfilment of individual criteria for allocation of apartments, ranking of candidates and offers for provision of available apartments and ultimately offers a semi-automated preparation of contracts for the selected beneficiaries.

This module is visionary in terms of allowing for potential subsidisation by third parties, in various forms and based on the beneficiary's social categorisation and factual status, and administration of the subsidisation process.

8.2.2. Financial module

The financial module is important for the building management because it automates the process of periodic invoicing of beneficiaries with current contracts. This module inputs data on rent payments and automatically controls rent payments and their distribution according to segments specified by the owner for proper management and maintenance.

In combination with data from apartment and beneficiary databases the application can provide periodical summary or individual detail reports for apartment users and subsidy providers, and financial reports by building, apartment owner, management, etc.

8.2.3. Maintenance module

Maintenance activities will benefit from automated recording and performance of planned and periodic works. Maintenance is necessary for timely prevention of damages and preservation of value of the assigned housing stock.

This module uses data from the basic databases to provide reports on planned or accumulated funds for each rent segment and controlled expenditure of funds or their accumulation for future needs.

8.2.4. Reporting module

The reporting module, at the level used by the building management, provides a wide range of reports on the state and status of contracts administered by the management on behalf of apartment owners. These reports offer the management the insight needed to act on the owner's instructions and the regulations governing the disposition of apartments.

Taking into account the possible inefficiencies and (un)preparedness of smaller local communities for managing a small housing stock, the application freely allows apartment management and administration to be done for a group of municipalities, region or similar, which may prove to be an economically viable option.

NSH apartment management can easily produce reports requested by the owner at any time and which are relevant for the state and status of management and maintenance, and also produce periodic reports for the owners using a predefined template tailored to each owner's requirements.

8.3. Data import and export and specific reporting

In addition to managing the apartments, the software allows owners to download data related to their apartments, beneficiaries using the apartments, beneficiaries on waiting lists and similar. Filtering data according to the selected apartment and beneficiary characteristics allows for quick and relevant analyses, at the local and higher levels.

Properly structured data downloaded directly from management applications in different local communities, regions, etc. can be used by the competent ministries responsible for coordination or monitoring of the development of social housing institute or utilisation of the government-owned rental housing stock to examine the situation in the field and make timely adjustments to the legislation and institutional set-up, in accordance with the specifics of each community.

KEY ELEMENTS

1. The software can be used by institutions, owners, management and any other relevant parties participating in NSH. Access rights, user rights and data entry/modification privileges differ, with authorisation provided in a controlled manner by the top-level data analysts.
2. The software consists of several modules:
 - a) Database of apartments,
 - b) Database of potential beneficiaries,
 - c) Financial (tracking rent payments),
 - d) Maintenance (works records),
 - e) Reporting (from the management to owners).
3. Data from different modules can be combined (i.e. financial with housing units, buildings, owners or managements) and aggregated at the level of municipality or region, thus providing decision-makers with relevant field data.
4. Apartment owners can independently download data related to their apartments, beneficiaries, etc. if they wish to perform their own analyses.
5. A transparent and up-to-date flow of NSH-related information through a software application supports controlled investment in NSH and allows for systemic monitoring and evaluation of strategic goal attainment in the domain of housing for target categories.

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