

RHP FUND ANNUAL REPORT 2014



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Bosnia and Herzegovina



Republic of Croatia



Montenegro



Republic of Serbia

The Regional Housing Programme is financed and supported by the International Community



The Regional Housing Programme was set up to offer durable housing to 74,000 vulnerable individuals who became refugees or displaced persons following the 1991-1995 conflicts on the territory of former Yugoslavia. The RHP is to be implemented with the support of the international community.

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Photo on the cover page:
Building site in Korenica, Croatia, November 2014

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Foreword by CEB Governor Wenzel

In 2014, the Regional Housing Programme (the RHP) reached an important milestone. For the first time, housing solutions were delivered to beneficiaries. Specifically, 25 families were provided with building materials in Serbia and eight families received the keys to their new homes in Croatia.

Although the number may seem modest, the importance of the event should not be underestimated. More than fifteen years after the end of the war in the Balkans and despite the best efforts of Bosnia and Herzegovina, Croatia, Montenegro and Serbia (the Partner Countries), tens of thousands of refugees and displaced persons still live in undignified conditions. The delivery of the first homes within the context of the Regional Housing Programme marks an important step in the resolution of this protracted displacement situation. I look forward to witnessing many such events in 2015.

Moreover, the number of homes delivered should steadily increase in the near future. Having set up their implementation structures, the four Partner Countries are now focused on implementing their housing projects. And the pipeline of sub-projects to be implemented is substantial. RHP Donors have awarded EUR 125 million in grants in favour of 17 housing sub-projects. These projects should provide decent housing for over 19 000 vulnerable beneficiaries. And more sub-projects should receive funding in the future, subject to progress on those already approved.

The Council of Europe Development Bank (the CEB) is actively involved in the Regional Housing Programme. The Bank supervises the implementation of housing sub-projects by the Partner Countries. It also manages the RHP Fund, which holds EUR 111 million in Donor contributions. By participating in this initiative, the CEB performs the very role for which it was set up almost sixty years ago and which remains to this day part of its core mandate: to assist refugees and displaced persons.



Rolf Wenzel

Governor



But the Regional Housing Programme is above all a team effort. The four Partner Countries play a central role. They launched the initiative in 2011. They are in charge of implementing the housing projects. And their commitment to the initiative is impressive. The Donors, especially the European Union, represented by the European Commission (the Commission), and the United States of America (the U.S.), also play a crucial role. The Programme would not be happening without their financial support. But their active oversight, and sometimes hands-on involvement, is just as valuable. The other two organisations involved in the initiative, the United Nations High Commissioner for Refugees (the UNHCR) and the Organization for Security and Co-operation in Europe (the OSCE), play an important role as well. By supporting the Partner Countries in their selection of beneficiaries, they ensure that the initiative actually benefits those that are most vulnerable.

The Regional Housing Programme is an ambitious initiative. Because of its size and regional scope, it will remain a major challenge. But the results will be well worth the efforts. This initiative will not only enable tens of thousands of people to live in dignity at last, but, by fostering reconciliation between the Partner Countries, it will also contribute to peace and prosperity in the region.

Statement by European Union Commissioner Hahn

If the Western Balkans are to advance on their European path, they must first overcome the legacy of the past. I am convinced that the Regional Housing Programme can help resolve a humanitarian tragedy, and more broadly contribute to peace and prosperity in the region. This is the reason for the strong support of the European Union to the Regional Housing Programme.

The first benefit of the Regional Housing Programme is obvious. It will improve the livelihoods of its target population, namely the most vulnerable of the remaining refugees and displaced persons from the wars in the former Yugoslavia in the 1990s. For the last twenty years, these people have been living in inadequate conditions. They have not been able to return safely to their homes or to integrate into the communities to which they have fled. Thanks to the Regional Housing Programme, these people will finally move into a decent home and at last, they will be able to rebuild their lives.

The second benefit of the Regional Housing Programme is just as important. The initiative will benefit the region as a whole by setting the stage for a new era of cooperation. The lengthy displacement situation has strained interethnic and bilateral relations. By helping to remove this bone of contention, the Programme will contribute to reconciliation among populations and between governments. In addition, I am confident that the experience of working side by side on this issue has already generated political goodwill among the countries involved and will open up other areas of cooperation. This will contribute to stability and prosperity in the Balkans.



Johannes Hahn

Commissioner
for European
Neighbourhood
Policy and
Enlargement
Negotiations

For these reasons, the European Union has been and will continue to be a strong supporter of the Regional Housing Programme. The European Union pledged EUR 230 million during the Donors' Conference held in Sarajevo in 2012, becoming the biggest donor to this initiative.

We will continue to work closely with the countries of the region and to actively monitor the progress of the initiative, alongside the other donors and the institutions involved – the Council of Europe Development Bank, the UN Refugee Agency, and the Organisation for Security and Co-operation in Europe.

Statements by main Donors



Simon Henshaw
Principal Deputy Assistant Secretary
Bureau of Population, Refugees and Migration
U.S. Department of State

The United States has long been committed to easing the humanitarian suffering of those impacted by the brutal wars that ravaged the Balkans in the 1990s. The United States is also committed to improving regional cooperation and working to prevent future conflict and supports programs which foster both of these goals. The Regional Housing Program, initiated in 2012, presented an opportunity to finally address the housing needs of thousands of those fled following the conflict. Its implementation has removed a critical barrier to the creation of a durable solution for these families. In doing so, the RHP represents an important step forward for the Balkans in its efforts to heal from the wounds of war and for the international community in its efforts to address protracted refugee needs.

The RHP will be judged first and foremost by its success at moving people into permanent homes. Major positive steps taken in 2014 include construction in Croatia and Serbia and apartments handed over to beneficiaries in Croatia. There is still a long way to go and challenges that lie ahead. The RHP must continue efforts to ensure that beneficiaries are properly selected and that those who benefit from housing also have access to livelihoods and other support needed to sustain themselves in their communities. The RHP should also continue to improve and refine processes to reduce the time from inception of new projects to the time of move-in by vetted beneficiaries. All parties will need to work to boost the funding of the program to maximize the number of beneficiaries reached. To that end, the U.S. has contributed \$20 million and looks forward to an active role in the RHP in the years ahead. 2015 should be a year of great progress, which can be celebrated with beneficiaries and the stakeholders who make the program a success, including national governments, municipalities, the CEB, donors, the UNHCR, and the OSCE.



Dr Ernst Reichel
Special Envoy for South-Eastern Europe,
Turkey and EFTA States
Federal Foreign Office

In the past, south-eastern Europe has too often been the scene of instability and acts of war, the most recent ones in the Western Balkans having ended just over 15 years ago. All those involved and the entire international community agreed that things cannot continue like this in the future. It was not least for this reason that in 1999, in the immediate aftermath of the war in Kosovo, the Stability Pact for South-Eastern Europe was set up at the initiative of the German Government. It was very important to Germany and its over 40 partners to provide humanitarian and economic assistance, help the region with reconstruction and, through targeted support, provide impetus for progress in all areas of society.

However, over the past years, the key momentum for the further development of south-eastern Europe has increasingly been coming from within the region, one example being the Sarajevo Declaration of 31 January 2005 in which the Ministers responsible for refugees and IDPs of Bosnia and Herzegovina, Croatia as well as Serbia and Montenegro initiated the process which ultimately led to the establishment of the Regional Housing Programme.

Yet naturally, the fact that the region has increasingly taken on responsibility for its own affairs does not mean that outside help is no longer necessary now that the Stability Pact has expired. In light of the many victims, the massive destruction and the huge waves of refugees, the Western Balkans still need much more time and endurance to overcome the consequences of the 1990s conflicts. Therefore, it is a matter of course that alongside the many other ways in which it helps the region, Germany made an appropriate contribution to the Regional Housing Programme Fund. This annual report is an impressive display of how literally every single euro has been invested well. Building on the preparations of 2012 and 2013, the implementation phase began in 2014. The measures which have since been implemented are already promising impressive results in the near future.

I wish the programme great success for the future. Germany will continue to stand at the side of the people in south-eastern Europe and will work actively to achieve progress in the region.



Giampaolo Cantini

Director General
Directorate General for Development Cooperation
Ministry of Foreign Affairs and International Cooperation

The Italian Cooperation has been active in Bosnia and Herzegovina since the early 90s, when the first emergency activities in the health sector in favor of the refugees and the victims of the conflict started. After the Dayton Peace Agreement, the focus of the activities shifted to reconstruction and economic development, in coordination with International Organizations and other donors.

Currently, the work of the Italian Cooperation is focused on structural interventions for specific sectors of involvement: Governance and civil society, Environment and sustainable tourism, Private sector and Rural Development. At the Brussels Conference of July 2014, Italy pledged a special contribution worth EUR 1.2 million for reconstruction after the floods, that will be devoted to targeted initiatives in four local communities throughout Bosnia and Herzegovina.

In this framework, the participation in the RHP confirms Italy's strong will to take active part in the reconstruction of Bosnia and Herzegovina and the commitment to provide financial support in order to guarantee a permanent accommodation to those who still live in conditions of refugees or displaced persons due to the conflict in the 90s.

For the RHP objective to be achieved, two fundamental activities need to be adequately implemented: the selection of the beneficiaries by the local authorities and the correct sustainability assessment of the projects proposed by the partner countries. This is why Italy decided to complement its participation in the RHP with an additional grant component worth EUR 100 000 in order to provide assistance to the local authorities of Bosnia and Herzegovina in the beneficiary selection process and in the activities aimed at favoring the integration of the refugees families in their new households and social environment. Since 2013, in particular, the Italian Embassy in Sarajevo has been managing a special fund supporting the effort of the selection commissions for the identification and evaluation of potential RHP beneficiaries.

Finally, let me express my satisfaction for the results achieved so far and for the Partner Countries' efforts in cooperating for the implementation of the Program, which I sincerely believe is contributing to lay the foundations of a new age of peaceful cooperation and development in the region.



Haakon Blankenborg

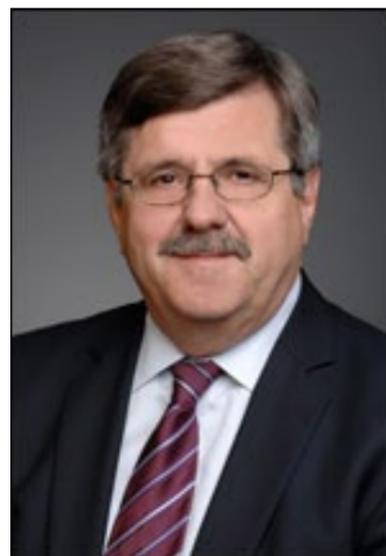
Director
Section for the Western Balkans
Ministry of Foreign Affairs

After a thorough preparatory phase, the Regional Housing Programme is starting to produce visible results in the region. Milestones were reached in 2014. In Croatia, the first keys were handed over to their tenants and in Serbia, the first building materials for housing solutions were delivered. These are concrete proof that the programme is reaching its beneficiaries. It is our hope that Bosnia and Herzegovina and Montenegro will be in a similar situation in 2015.

The success of the Regional Housing Programme is the result of a joint effort between Partner Countries, donor partners, the CEB and UNHCR/OSCE. Continued commitment and predictability are key issues in securing future results and a durable solution to the refugee situation that remains after the wars in the region in the 1990s. Securing reliable cross-border verification and beneficiary selection are at the heart of the process. UNHCR/OSCE's knowledge and support has been and continues to be crucial in this regard.

Norway recognises that untied funds provide useful flexibility for the implementation of the Regional Housing Programme. The use of the Norwegian contribution has some restrictions due to OECD/DAC rules. Similarly, other contributions are restricted by other criteria. Norway considers essential the complementary use of the funds to secure a fair distribution between the Partner Countries.

Closing the refugee chapter in the Western Balkans is important for regional stability. Norway congratulates the tenants that received the keys to their new, permanent homes in 2014. Furthermore, Norway recognises the efforts by the partners in 2014 and stays committed in its support to the Regional Housing Programme. Norway is looking forward to taking part in achieving new milestones as the Co-Chair of the Programme in 2015.



Eduard Gnesa

Special Ambassador for International Cooperation in Migration
 Swiss Agency for Development and Cooperation
 Federal Department of Foreign Affairs

Switzerland's engagement for the refugees of the Balkan conflicts dates back to the 1990s. After the war, humanitarian aid and support for reconstruction and re-integration was provided to the Western Balkan countries. This engagement was followed up through the establishment of bilateral migration partnerships and long-term cooperation programmes, to contribute to the stabilization of the region. For Switzerland, the RHP fits well in this perspective, and allows maintaining a meaningful dialogue with the Western Balkan countries and likeminded donors.

We consider that the main benefits of the RHP are its regional perspective; close cooperation between Partner Countries, committed multilateral partners (CEB, OSCE, UNHCR, the Commission) and like-minded donors, as well as a focus on an important, but specific issue to be solved. The key challenges of the RHP are its sustainability, including strengthening of the implementing structures in the Partner Countries, getting things realized on the ground, after thorough preparation, as well as integration of the local projects into the local development agenda.

Whilst it took time to set up the RHP on all sides, the necessary structures now exist and should allow for efficient implementation. We saw the first construction works in 2014; we are sure to see intensified construction work in 2015, and are looking forward to seeing beneficiaries moving into places which suit their needs. The RHP has the concrete and ambitious goal of providing durable housing to 27 000 households / 74 000 people. It is important to focus on the achievement of this goal. The RHP also contributes to peace and stability in the Western Balkans; therefore its local integration is equally important.



A beneficiary family, selected to receive a new housing solution under RHP, in front of their current home in eastern Bosnia and Herzegovina



Future beneficiaries of the apartments in Korenica, Croatia

Executive Summary



Delivery of building materials to a refugee family under the first sub-project approved by the RHP Assembly of Donors in favour of Serbia

DELIVERY OF THE FIRST HOUSING SOLUTIONS

2014 witnessed the delivery of the first housing solutions to beneficiaries by the Partner Countries. Croatia handed over the keys to their new homes to eight returnee families in Petrinje and Knin and started the construction of an apartment building in Korenica for 29 families. Serbia delivered building material packages to 25 beneficiary families, most of whom were able to finish their homes before the end of 2014.

FIRST DISBURSEMENTS TO SUB-PROJECTS

The Partner Countries were able to deliver the first housing solutions because, for the first time, they received funds from the RHP Fund to finance their sub-projects. The total amount of funds disbursed amounted to EUR 5.5 million. The CEB was able to make these first disbursements because three basic conditions were met. First, the Partner Countries had advanced on the preparation of their sub-projects to the point where these were ready to be implemented. Second, they had signed grant agreements with the CEB. Grant agreements define the terms and conditions for the use of grants by the Partner Countries. The CEB and the Partner Countries signed 11 grant agreements in 2014 for a total amount of EUR 55.6 million in RHP Fund grants. Third, the Partner Countries had in place procedures and systems that comply with best practice.

STRENGTHENING OF PARTNER COUNTRY IMPLEMENTING STRUCTURES

In parallel to preparing and implementing their sub-projects, in 2014 the Partner Countries continued to improve their implementing structures so as to ensure that they meet international standards. The Partner Countries carried out these improvements with extensive support from the CEB and a consultant consortium. This technical support enables the Partner Countries to address capacity constraints while leaving them firmly in charge of implementation. Thanks to these improvements, in 2014 all four Partner Countries successfully completed the process of verification of their respective implementing structures carried out by the CEB. Completion of the verification of RHP implementing structures is an important step. It means that the Partner Countries' national systems provide reasonable assurance to the CEB and to RHP Donors that the Country Housing Projects will be implemented in a verified and controlled environment.

APPROVAL OF FIVE NEW SUB-PROJECTS

In parallel, the Donors prepared the future of the Programme by approving five new sub-projects for a total grant amount of EUR 63.9 million. These new approvals brought the total number of grants awarded to 17, for a total amount of EUR 124.6 million.

ADDITIONAL COMMITMENT OF EUR 33.5 MILLION

The Donors also prepared the future of the Programme by contributing new funds. In 2014, Donors committed a further EUR 33.5 million and paid an additional EUR 49.7 million into the RHP Fund. Thanks to these new contributions, the total amount of funds committed reached EUR 148.1 million and, by end 2014, funds paid-in stood at EUR 119.5 million.

ENHANCED PROGRAMME VISIBILITY

To raise awareness of the RHP among potential beneficiaries and to increase the visibility of the Programme in the Partner Countries, various events such as the inauguration of works and grant agreement signing ceremonies, as well as public information campaigns, were organised during the year.

OUTLOOK FOR 2015

2015 will be a year in which the RHP will show concrete results on the ground in larger numbers, thanks to the considerable efforts made in the past in setting up efficient implementing structures. According to the estimates made by the Partner Countries, 2015 could see the delivery of close to 600 housing solutions, whereas the peak years are likely to be 2016 and 2017 when some 2 800 and 2 300 beneficiary families respectively should be provided with durable housing solutions. By end-2018, the number of beneficiary families to have been provided with durable housing solutions should exceed 6 150.



Delivery of building materials to a beneficiary family in Stara Pazova, Serbia

Contents

Foreword by CEB Governor Wenzel	4
Statement by European Union Commissioner Hahn	6
Statements by main Donors	8
Executive Summary	14
1. What is RHP?	18
2. RHP Activities - General Overview	26
3. RHP Activities per Partner Country	38
Bosnia and Herzegovina	40
Croatia	46
Montenegro	52
Serbia	58
4. Statement by UNHCR and OSCE	64
5. RHP Fund Activities	68
6. Appendices	74
1 - Audited Statement of the RHP Fund (January – December 2014)	76
2 - Sub-Projects Approved at December 2014	85
3 - RHP Governance Structure	86

1

What is RHP?

The RHP is a joint initiative by Bosnia and Herzegovina, Croatia, Montenegro and Serbia. Its aim is to contribute towards resolving the protracted displacement situation of the most vulnerable refugees and displaced persons following the 1991-1995 conflicts in the former Yugoslavia by providing them with durable housing solutions.



Bosnia and Herzegovina



Republic of Croatia



Montenegro



Republic of Serbia

The “Joint Regional Programme on Durable Solutions for Refugees and Displaced Persons” known as the “Regional Housing Programme” is a joint initiative by Bosnia and Herzegovina, Croatia, Montenegro and Serbia (the Partner Countries).

The aim of this regional initiative, which is an integral part of the “Sarajevo Process on refugees and displaced persons” initiated in 2005, re-launched in March 2010 at the Belgrade conference, and to which the Partner Countries have re-committed themselves under the November 2011 Belgrade Declaration, is to contribute towards resolving the protracted displacement situation of the most vulnerable refugees and displaced persons (DPs) following the 1991-1995 conflicts on the territory of former Yugoslavia, including internally displaced persons (IDPs) in Montenegro from 1999, by, inter alia, providing them with durable housing solutions.

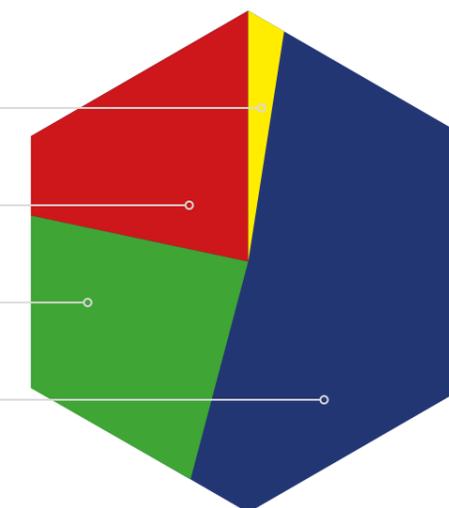
As stipulated in the Joint Declaration, the RHP aims to benefit close to 74 000 people or 27 000 households and its cost is estimated to be approximately EUR 584 million. It comprises four Country Housing Projects, one in each Partner Country, each of which will be implemented by the relevant Partner Country in several sub-projects. As part of the overall Sarajevo process, this regional initiative is endorsed by the international community, including the Commission, the U.S., the CEB, the UNHCR and the OSCE.¹

¹ All references to the OSCE are understood to be in line with its country-specific mandates and within existing capacities

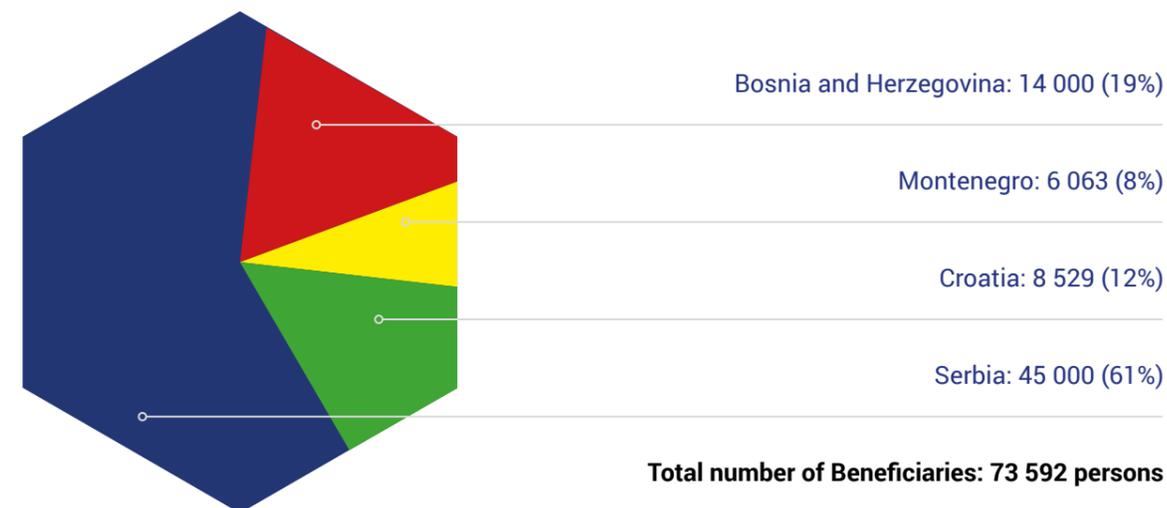
INDICATIVE COST PER COUNTRY

Montenegro: EUR 28 million (5%)
 Bosnia and Herzegovina: EUR 101 million (17%)
 Croatia: EUR 120 million (21%)
 Serbia: EUR 335 million (57%)

Total cost: EUR 584 million



NUMBER OF BENEFICIARIES PER COUNTRY



Total number of Beneficiaries: 73 592 persons

PARTNER COUNTRY OWNERSHIP WITH STRONG SUPPORT FROM STAKEHOLDERS

The four Partner Countries are in charge of implementing their respective Country Housing Projects, through national implementing structures that benefit from a strong capacity building component thanks to Technical Assistance financed by the Commission and channelled through and managed by the CEB.

By playing a key role in the RHP governance and coordination structure, Donors, in particular the European Union, which is the largest Donor, and the U.S., have been providing the Partner Countries with strong support in setting up the RHP in both financial and operational terms. The UNHCR and the OSCE are tasked with helping to identify eligible beneficiaries, monitoring their selection and ensuring that they receive adequate protection. As such, these institutions play a crucial role in ensuring that the RHP effectively provides sustainable housing. The CEB, in its three-fold role, manages RHP Fund resources, assists the Partner Countries in preparing and implementing their Country Housing Projects by managing the technical assistance provided, and facilitates RHP coordination.

EUR 268 MILLION PLEDGED

To raise funds for the RHP, an international Donors' Conference was held in Sarajevo, Bosnia and Herzegovina on 24 April 2012. During this conference, the Commission, the U.S., Germany, Italy, Norway, Switzerland, Denmark, Turkey, Luxembourg, Cyprus, the Czech Republic, Hungary, Romania, the Slovak Republic and the former United Nations High Commissioner for Refugees, Ms Sadako Ogata, pledged contributions for the Regional Housing Programme totalling EUR 261 million. Of this amount, EUR 230 million was pledged by the European Commission and EUR 31 million by other Donors. In 2014, the U.S. committed an additional EUR 7 million, bringing total pledges to EUR 268 million.

Considering that the total cost of the RHP is estimated at EUR 584 million, the RHP faces a significant funding shortfall.

CAPACITY BUILDING AND REGIONAL FOCUS

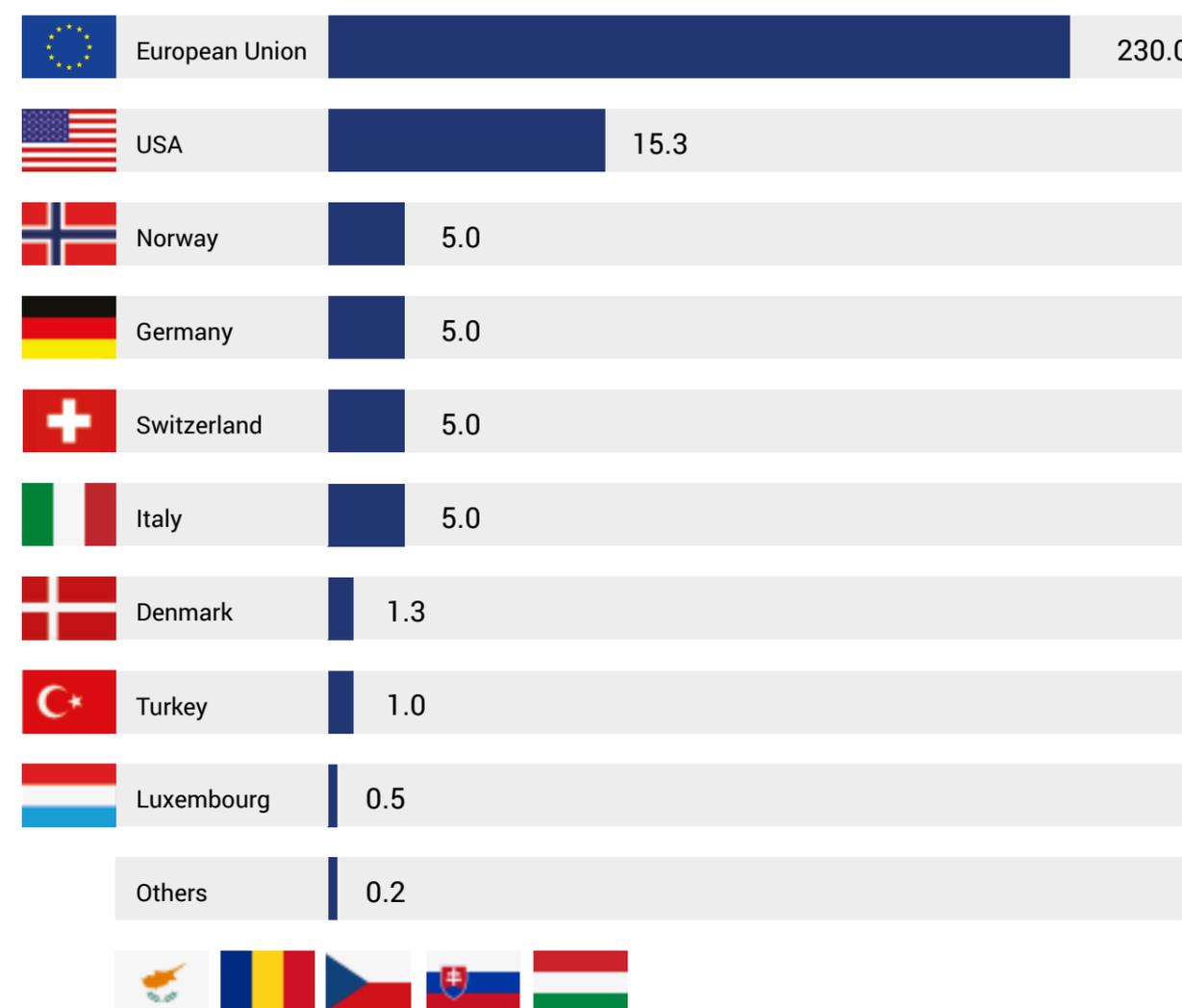
Contrary to most other housing projects in the region, the RHP is not just about providing housing, but it is also about fostering the institutional capacity of the Partner Countries to deliver housing solutions. Thanks to this enhanced capacity, the Partner Countries should, in the future, be in a better position to address the housing needs not just of RHP beneficiaries but of their populations at large.

Finally, although the Regional Housing Programme consists of four individual Country Housing Projects, one of the cornerstones of the RHP's success is its regional character. The four Partner Countries work very closely together to reach their common goal. They meet regularly to ensure that the regional spirit is maintained, be it in order to find synergies or to learn from each other's successful experiences within the RHP. By strengthening the ties between the Partner Countries, the RHP fosters neighbourly relations and regional cooperation.

Contributions pledged to the RHP

Amounts in EUR million at end-2014

Total pledged: EUR 268.3 million



RHP Sub-Project Cycle

Each sub-project proposal that a Partner Country presents to the RHP Assembly of Donors for approval goes through a specific project cycle, which ensures that all stakeholders have been duly consulted and that the sub-project fulfils all the required criteria in terms of technical quality and targeted beneficiaries.

1. Sub-project identification and preparation of a grant application

The national Lead Institution and/or the Project Implementation Unit, with the support of Technical Assistance where needed, identifies mature sub-projects and describes them in detail in the grant application.

2. Approval of the grant application by the National Steering Committee

Each grant application has to be approved by the National Steering Committee, which is the highest RHP body in each Partner Country. Once approved, it is submitted to the CEB's RHP Secretariat.

3. Pre-appraisal by the CEB

The grant application submitted to the RHP Secretariat is pre-appraised by the CEB. The pre-appraisal conclusions, together with the "UNHCR/OSCE Evaluation" of the sub-project proposal from beneficiary selection and protection viewpoints, are submitted by the RHP Secretariat to the Technical Committee.

4. Appraisal by the Technical Committee

The Technical Committee appraises each grant application, and the resulting recommendations are submitted to the RHP Fund Assembly of Donors for decision.

5. Decision by the RHP Fund Assembly of Donors

The Assembly of Donors approves or rejects sub-project grant applications, based on the Technical Committee's recommendations. The CEB's RHP Secretariat formally notifies the Partner Countries about the Assembly of Donors' decisions.

6. Conclusion of sub-project - specific grant agreements

Once a grant application has been approved by the Assembly of Donors, a grant agreement is signed between the CEB and the Partner Country on the basis of the terms and conditions approved by the Assembly of Donors.

7. Disbursements and monitoring

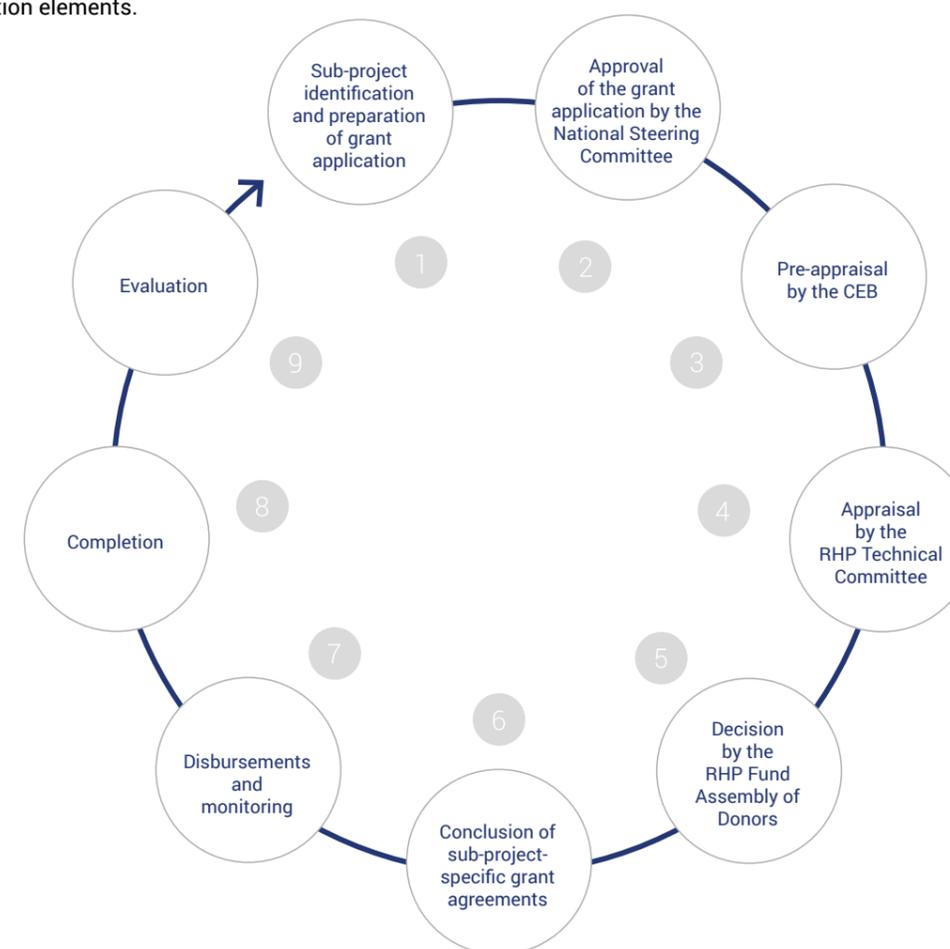
The responsibility for implementing the sub-projects lies with the Partner Countries, supported by Technical Assistance. Throughout the implementation of RHP sub-projects, the CEB closely monitors the physical and financial progress of the works, including compliance with cost forecasts and procurement procedures, in order to ascertain whether the anticipated objectives of the sub-project are being achieved. The UNHCR/OSCE carry out monitoring of beneficiary selection and protection elements.

8. Completion

A sub-project Completion Report setting out a detailed description of the works carried out and the objectives achieved is drafted by the Partner Country on completion of each sub-project.

9. Evaluation

An independent evaluation is carried out on completion of each Country Housing Project. The purpose of the evaluation is to certify the complete allocation and use of funds for the primary objective defined in each of the Country Housing Projects, and to provide a general analysis of the overall performance according to the main criteria: relevance, efficiency, effectiveness, impact and sustainability prospects.



2

RHP Activities — General Overview

In 2014, the Regional Housing Programme reached an important milestone as the first housing solutions were delivered to beneficiaries. Many more vulnerable families will be able to live in dignified conditions in 2015.

2014 marked an important turning point in the RHP. After two years of intense preparatory work, the Partner Countries delivered housing solutions to beneficiaries for the first time. The RHP is now fully operational and has started to improve the living conditions of the intended beneficiaries. And while the number of housing solutions delivered in 2014 was modest (19 in Serbia and eight in Croatia), various activities took place during the year which will enable the delivery of a considerably higher number of housing solutions in 2015 and – even more so – in 2016.



DELIVERY OF FIRST HOUSING SOLUTIONS IN CROATIA AND SERBIA

In 2014, after two years of focussing on setting up project implementation structures and starting to implement their sub-projects, the Partner Countries delivered the first housing solutions to refugees and displaced persons. They also organised various events celebrating the start of implementation to raise awareness of the RHP among potential beneficiaries and to increase the visibility of the Programme locally.

Start of construction of an apartment building in Croatia

On 24 June 2014, the RHP stakeholders celebrated the beginning of construction work on an apartment building in the Croatian town of Korenica. The construction of this building, which will accommodate 29 vulnerable families, should be completed by the summer of 2015.

Korenica is located in the Municipality of Plitvice Lakes, which is part of the Areas of Special State Concern. The total cost of the sub-project is estimated to be about EUR 1.4 million, 75% of which will be financed by the RHP Fund and the rest by Croatia's own contribution.

The beneficiary families - former occupancy / tenancy right holders, the majority of whom are elderly and unemployed - have already been selected. Some of them attended the inaugural event to witness the start of the construction of their future homes.



Inaugural event for the start of works in Korenica, Croatia, on 24 June 2014



Status of works in September 2014

Delivery of building material in Serbia

On 2 October 2014, the Serbian Commissariat for Refugees and Migration organised an event celebrating the official launch of Serbia's Country Housing Project. The event consisted of a site visit to the Tepsic family in Stara Pazova. The Tepsic family is one of the 125 vulnerable families selected to receive packages of building materials financed under sub-project SRB1.

The packages, worth around EUR 9 000 each, will enable the selected beneficiaries to finish their houses and finally settle in, in decent conditions. By the end of 2014, the delivery of 25 building material packages had been completed and 19 families had finished their installation of the materials. The remaining 6 families will complete their installation in early 2015, as soon as weather conditions permit.



Delivery of building materials to families in Stara Pazova, Serbia



Delivery of building materials to families in Indjija, Serbia

Handover of eight apartments in Croatia

On 19 and 23 December 2014, eight returnee families received the keys to their new apartments in the cities of Petrinje and Knin, Croatia, after spending nearly 20 years in precarious living conditions. These eight apartments were the first to be handed over to the selected beneficiaries under Croatian sub-project HR4 (Purchase of 101 Apartments).

With a total estimated cost of EUR 5.7 million and an RHP Fund contribution of EUR 4.3 million, this sub-project will provide durable housing solutions for a minimum of 101 families through the purchase of apartments throughout the country. The beneficiaries are former tenancy right holders or residents of collective centres.



First beneficiaries moving into their new homes in Knin, Croatia



Handover of apartment keys in Petrinje, Croatia

FIRST DISBURSEMENTS TO SUB-PROJECTS FOR A TOTAL OF EUR 5.5 MILLION

Disbursement of eight grant tranches

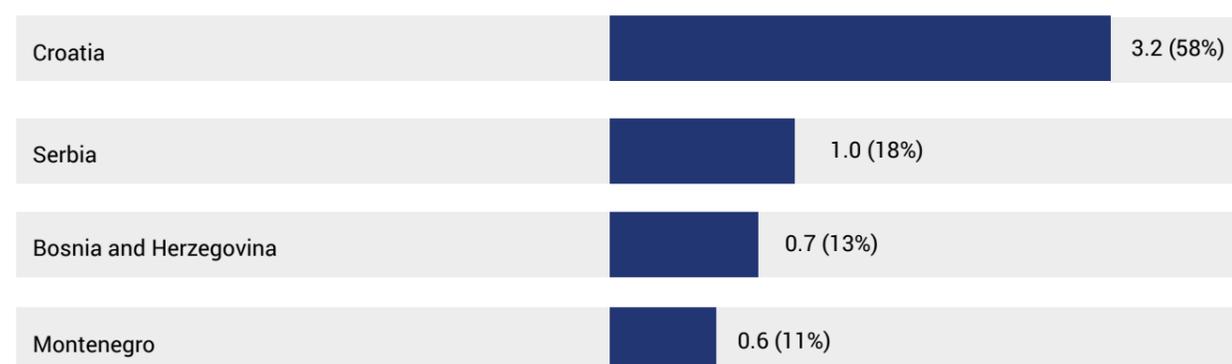
The delivery of the first housing solutions was also made possible because, for the first time, the Partner Countries received funds from the RHP Fund to finance their sub-projects. These first disbursements took place in May for Croatia, July for Montenegro, August for Serbia and October for Bosnia and Herzegovina.

By the end of the year, eight disbursements in favour of six sub-projects had been made to the Partner Countries for a total of EUR 5.5 million. The greatest share of the disbursements went to Croatia, which received EUR 3.2 million, or 58% of the total, followed by Serbia with EUR 1.0 million, representing 18% of the total.

Grants disbursed

Amounts in EUR million at end-2014

Total disbursed: EUR 5.5 million



Signing of 11 grant agreements

The CEB was able to make these first disbursements because, for the first time, three basic conditions were met. First, the Partner Countries had advanced on the preparation of their sub-projects to the point where these were ready to be implemented. Second, they had signed grant agreements with the CEB. Grant agreements define the terms and conditions for the use of grants by the Partner Countries. The CEB and the Partner Countries signed 11 grant agreements in 2014 for a total amount of EUR 55.6 million in RHP Fund grants. Third, the Partner Countries had in place procedures and systems that comply with best practice.

STRENGTHENING OF PARTNER COUNTRY IMPLEMENTING STRUCTURES

In parallel to preparing and implementing their sub-projects, in 2014 the Partner Countries continued to improve their implementing structures so as to ensure that they meet international standards, notably in the areas of internal control, accounting, external audit, procurement and grant award.

The Partner Countries carried out these improvements with extensive support from the CEB and a consultant consortium (EPTISA/GIZ/Danish Refugee Council), selected to provide technical assistance to the Partner Countries under the RHP. This technical support enables the Partner Countries to address institutional capacity constraints while leaving them firmly in charge of implementing their Country Housing Projects. It is financed by the European Union and supervised by the CEB. The improvements made by the Partner Countries during 2014 covered three main areas:

Implementation processes and procedures

With support from the CEB and the consultants, the Partner Countries developed the RHP Implementation Manuals. The purpose of these manuals is to ensure that the Partner Countries follow best practices in sub-project implementation by detailing all related procedures and providing checklists and templates. They are tailor-made to each Partner Country, taking into account national legislations and procedures. "Master Technical Documentation" for the RHP was also developed to provide the technical framework for sub-project preparation and implementation. Training sessions on the practical application of the manuals were organised in 2014 and will continue in 2015. Furthermore, detailed guidelines were developed for the purchase of flats and village houses in Croatia and Serbia respectively.

Procurement and Control Environment

The CEB requires that the Partner Countries, tenderers, contractors, suppliers and consultants operating within the RHP framework respect the highest standard of ethics during the procurement process and in the execution of the contracts financed. Procurement for all sub-projects financed from the RHP Fund resources should therefore respect the "CEB Guidelines for Procurement of Supplies, Works and Services".

To fulfil these requirements, each Partner Country developed an RHP Procurement Manual with the assistance of the CEB and the consultants. These Manuals include checklists and procedures for procurement as well as for the reporting of exceptions, among other things. The use of the RHP Procurement Manuals is compulsory for all procurement under the RHP. The CEB's follow-up missions ensured that appropriate procurement procedures were elaborated and that they were familiar to all concerned staff in the Lead Institutions and Project Implementing Units. Furthermore, policies on ethics and integrity were strengthened where necessary.

Financial Management and Accounting

With the help of the CEB and the consultant consortium, the Partner Countries also prepared and concluded inter-institutional agreements defining the relations between the national institutions and the administrations involved in the flow of funds, and defined the payment procedures for RHP-financed activities.

COMPLETION OF THE IMPLEMENTING STRUCTURE VERIFICATION PROCESS

Thanks to the improvements they made to their implementing structures, in 2014 all four Partner Countries successfully completed the process of verification of their respective implementing structures carried out by the CEB.

In 2013, in order to prepare the ground for efficient project implementation, the CEB thoroughly screened the Partner Countries' capacities, systems and procedures in a number of key areas such as legal set-up, procurement, control environment, financial management and accounting. The CEB identified a number of deficiencies, notably in the areas of financial management, but also in the area of internal control, which showed that the Partner Countries were not yet ready to receive Donor funds in a sufficiently secure environment.

As a result of this verification, the Partner Countries were requested to develop action plans to address the verification findings, but also to agree with the CEB on further capacity building and necessary institutional support measures. In fact, the CEB encouraged the national implementing structures (Lead Institutions and Project Implementing Units) to define their technical assistance needs themselves so as to ensure ownership. The fact that technical assistance experts were selected jointly by the Partner Countries and the CEB was pivotal to the successful use of technical support during 2014.

In 2014, all the Partner Countries finished addressing the deficiencies identified by the CEB, thereby enabling them to successfully complete the verification process. Completion of the verification of RHP implementing structures is an important step. It means that the Partner Countries' national systems provide reasonable assurance to the CEB and to RHP Donors that the Country Housing Projects will be implemented in a verified and controlled environment. The successful completion of the verification process was a precondition to the disbursement of grants to the Partner Countries.

APPROVAL OF FIVE NEW SUB-PROJECTS FOR EUR 63.9 MILLION

Grants approved reached EUR 124.6 million

In parallel, the Donors prepared the future of Programme implementation by approving new sub-projects. In 2014, the Partner Countries were instructed by the RHP Fund Donors to limit the number of new grant applications to be submitted, in order to focus all efforts on implementation: signing grant agreements, lifting conditions precedent for already approved sub-projects to enable disbursements, finalising manuals, preparing tenders, etc.

In the end, the Assembly of Donors approved five additional grant applications submitted by the Partner Countries for a total of EUR 63.9 million, as follows:

- Bosnia and Herzegovina – EUR 12.3 million
- Croatia – EUR 1.0 million
- Montenegro – EUR 3.6 million
- Serbia – EUR 47.0 million.

With the addition of some EUR 15 million in planned national contributions from the Partner Countries, the total value of these sub-projects is close to EUR 79 million. A detailed presentation of the sub-projects can be found in the section specifically devoted to Partner Countries in Chapter 3. These new approvals brought the total number of grants awarded since the beginning of the Programme to 17, for a total amount of EUR 124.6 million.

Grant allocation in line with Partner Country cost estimates

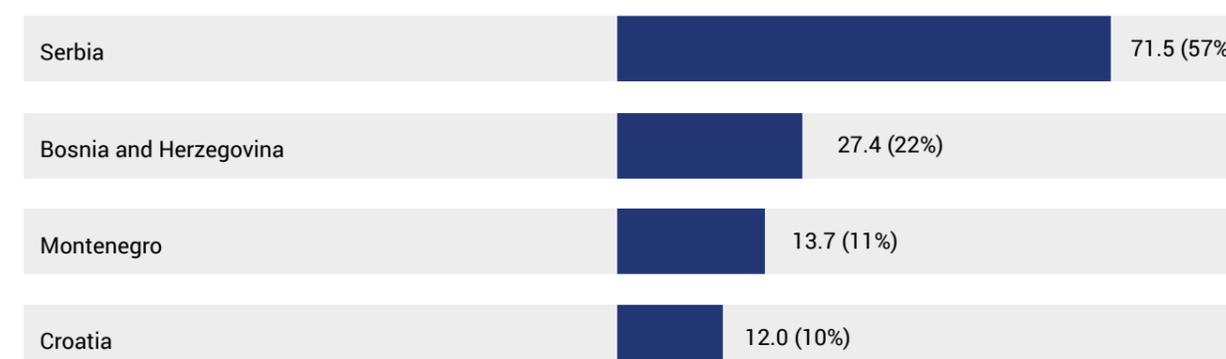
To date, Serbia has been awarded the largest share of grants with approvals in favour of its Country Housing Project amounting to EUR 71.5 million. As such, Serbia's Country Housing Project has been awarded more in grants than the Country Housing Projects of the other three Partner Countries combined. Indeed, grants awarded in favour of Serbia's Country Housing Project account for 57% of all grants approved. Bosnia and Herzegovina's Country Housing Project has received the second largest amount in grants, with EUR 27.4 million, or 22%.

This allocation is broadly in line with the cost breakdown estimate provided by the Partner Countries at the outset of the Programme. The Partner Countries had forecast that the Regional Housing Programme would cost EUR 584 million. Of this total, they estimated that Serbia's Country Housing Project would account for EUR 335 million - or 57% - and Bosnia and Herzegovina's Country Housing Project for EUR 101 million - or 17%.

Approved sub-project grants

Amounts in EUR million at end-2014

Total approved: EUR 124.6 million



ENHANCED PROGRAMME VISIBILITY

During 2014, the Partner Countries organized various events to raise awareness of the RHP among potential beneficiaries and improve the visibility of the Programme at national level. These events took the form of inauguration of works, delivery of building material packages to beneficiaries, grant agreement signing ceremonies, or events with local authorities involved in RHP implementation and potential beneficiaries.

Various public information campaigns also continued to be carried out throughout the region to raise awareness of the RHP among potential beneficiaries - refugees and internally displaced persons.

The CEB, with the support of technical assistance, also started producing an RHP e-Newsletter every two months, in addition to extensive reporting to Donors and the production of various promotional materials. The RHP e-Newsletter, which was originally intended for internal RHP stakeholder communication only, has since evolved into a tool that the Partner Countries use to further inform their local constituencies about progress in their CHP implementation at local level, but also in terms of successful regional cooperation.

A photo exhibition called "Faces of RHP", with photographs of beneficiaries from all four Partner Countries, was also organised on the occasion of the RHP Steering Committee meeting in November 2014. The exhibition was prepared in close cooperation between the Partner Countries, the UNHCR and the CEB.

Finally, a team of communication officers was put at the disposal of the Partner Countries to assist them in the production of audiovisual material (photographs, short movies, etc.). Thanks to this support, the Partner Countries will be able to produce more audiovisual material, which will help increase the visibility of the RHP in the future. RHP stakeholders also agreed on a common RHP visual identity, which is now consistently used and will also improve the visibility of the Programme.

OUTLOOK FOR 2015

Delivering more housing units to RHP beneficiaries

2015 will be the year in which the RHP will show visible results on the ground in larger numbers, thanks to the considerable efforts made in the past in setting up functional implementing structures and an efficient RHP operating environment.

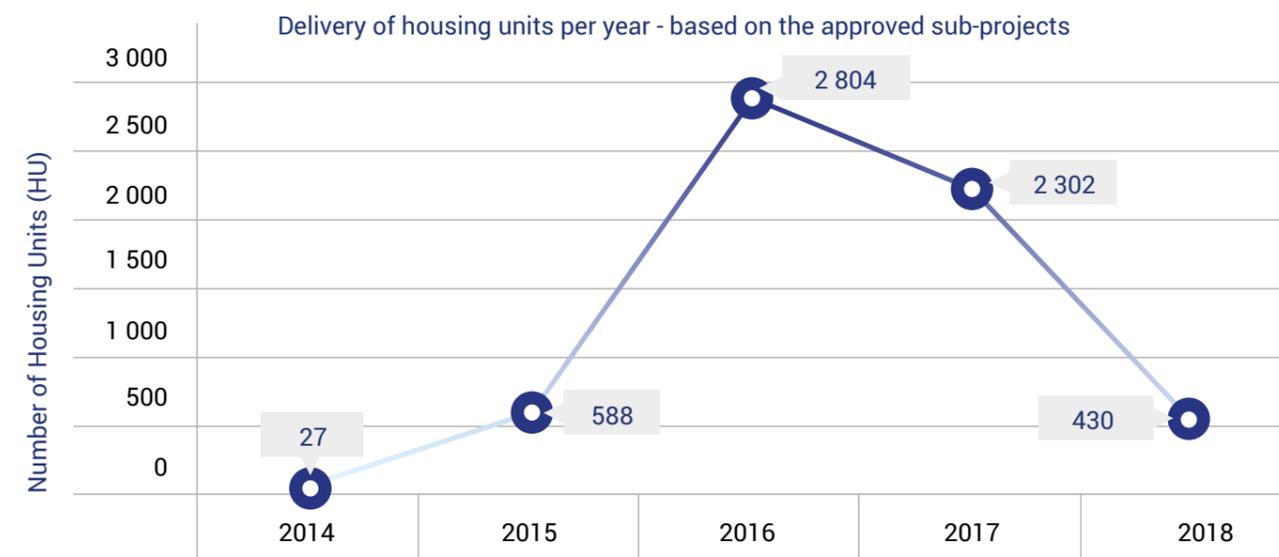
According to the estimates made by the Partner Countries (see graph below), 2015 could see the delivery of close to 600 housing solutions, whereas the peak years are likely to be 2016 and 2017 when some 2 800 and 2 300 RHP beneficiary families respectively should be provided with durable housing solutions. By end-2018, the number of beneficiary families to have been provided with durable housing solutions should exceed 6 150.

It is important to note that the figures remain indicative and only reflect the housing units covered by the sub-projects approved up to end 2014. Any future approvals will increase the number of housing units to be delivered each year. Moreover, the final results will obviously depend on how much further funding will be available thanks to future pledges to the RHP Fund.

In 2015, the CEB will focus on continuing to provide all the necessary support to the Partner Countries in order to achieve this goal. The Partner Countries are likely to require considerable support in managing the technical aspects of sub-project implementation as well as in the tender processes, since many sub-projects will be starting in 2015.

Ensuring efficient verification of beneficiary data

One of the challenges faced by RHP stakeholders in 2015 will be to ensure efficient cross-border data verification of potential beneficiaries. Proper selection of beneficiaries is at the heart of the RHP. Beneficiary selection must follow rigorous procedures to ensure that the available assistance goes to the most vulnerable and most needy, amongst a large number of families in need of housing assistance. This can only be ensured through proper verification of beneficiary data, be it through administrative or field checks. In 2015, in close co-operation with the Partner Countries and the UNHCR/OSCE, and with the support of the Commission and other main Donors, the CEB will allocate resources to provide the Partner Countries with the technical and logistical support they need to complete this important task.



Continuing verification of the implementing structures

Throughout 2015, the CEB will follow up on the verification process initiated in 2013 to obtain reasonable assurance that the Partner Countries continue to operate in line with best practice. The CEB will regularly review the status of implementation of all verification findings to ensure that the implementing structures are functioning properly, and with adequate staffing. Special attention will be paid to procurement to ensure the systematic use of checklists and the handling of potential complaints, among other things.

Developing visibility and communication

With the support of the CEB and the consultants, the Partner Countries will develop an annual communication plan to coordinate the organisation of events among RHP stakeholders. To enhance the visibility of the RHP, the CEB and the communication team will continue to develop materials such as country fact sheets and country specific and general RHP brochures and to seek media coverage during key events such as the inauguration of a specific sub-project. The contents of the RHP website will also be enhanced to better correspond to changing RHP dynamics, highlighting the implementation activities on the ground and how they impact the lives of those beneficiaries that the RHP ultimately serves.

Conducting a Mid-Term Review of the RHP

In line with the decision of the Assembly of Donors, the CEB will carry out a Mid-Term Review of the RHP in 2015. The purpose of this review is to provide an overall independent assessment of the RHP's achievements to-date, lessons learned, etc. Furthermore, the Mid-Term Review will assess whether the original design (defined scope, objectives and assumptions, funding needs and implementation timeframe) remains valid. This Mid-Term Review is expected to propose concrete and actionable recommendations for adjusting the programme design and/or implementation modalities, if deemed necessary. In parallel, the Commission will carry out its own assessment of the Programme. This assessment will be complementary to the Mid-Term Review as it will focus on beneficiary-related issues and sustainability.

3

RHP Activities per Partner Country

In 2014, the Partner Countries successfully submitted five new sub-projects for approval. These grant requests amounted to EUR 64 million, bringing the total amount of grants approved to EUR 125 million. In parallel, they made considerable progress in the implementation of already approved sub-projects.



RHP COUNTRY HOUSING PROJECT Bosnia and Herzegovina



LEAD INSTITUTION:

Ministry of Human Rights and Refugees of Bosnia and Herzegovina

THREE PROJECT IMPLEMENTATION UNITS:

- Ministry of Refugees and Displaced Persons in Republika Srpska
- Federal Ministry of Displaced Persons and Refugees
- The Department of Brcko District Government for Displaced Persons, Refugees and Housing Issues

During the year 2014, Bosnia and Herzegovina made tangible progress in the implementation of its Country Housing Project and concrete results are now visible.



Damir Ljubić
Minister of Human Rights and Refugees of Bosnia and Herzegovina

Recently, we organized a ceremony for the joint signing of cooperation agreements for the implementation of BiH1 - Provision of building materials to 20 families and turnkey reconstruction assistance to 150 families, which was the first sub-project approved in favour of Bosnia and Herzegovina by the RHP Fund Assembly of Donors in April 2013, thus marking the launching of RHP implementation in the field. These cooperation agreements were signed with the mayors of 22 cities/municipalities for the renovation of 150 housing units for the return of displaced persons in Bosnia and Herzegovina and refugees from Bosnia and Herzegovina currently residing in Croatia and Serbia, as well as for the delivery of 20 packages of building materials for the local integration of refugees from Croatia in Bosnia and Herzegovina. The total value of the sub-project is EUR 2 668 500.

A series of official meetings within the RHP framework have been held recently in Sarajevo and a lot was accomplished through the regional working group for RHP preparation and coordination, which Bosnia and Herzegovina is chairing, as well as through the Public Information Working Group. Very important issues were discussed at the meeting of the Regional Coordination Forum and cooperation among all relevant stakeholders has been further strengthened.

It is important to note that the Commissions for the selection of beneficiaries have reviewed all applications received in response to the public calls launched within the RHP framework.

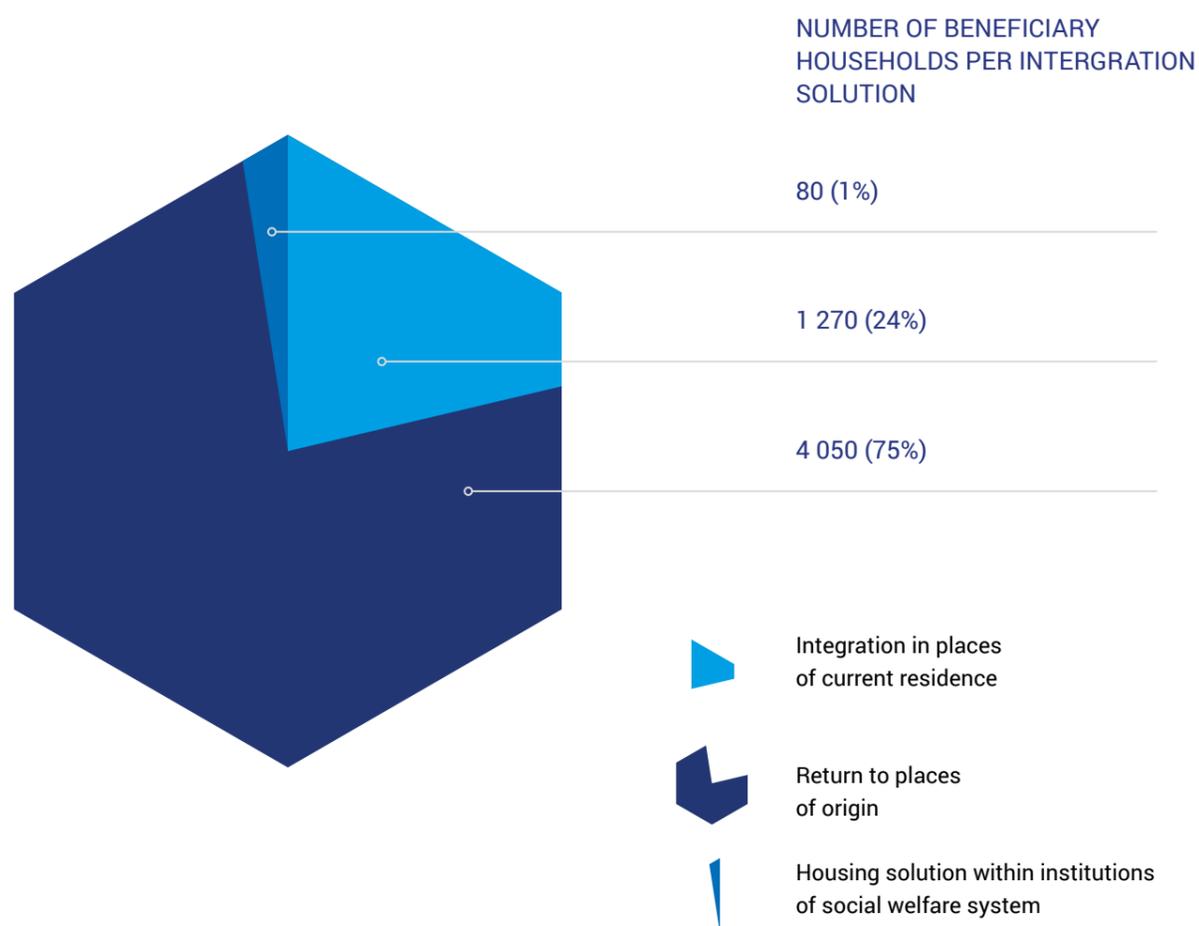
Currently, the data verification process in the Partner Countries is a bottleneck for completing the selection of beneficiaries. The redefinition of beneficiary categories has improved the process of selection of beneficiaries and maintained the spirit of the Sarajevo process. These developments will enable equal access to RHP assistance for all beneficiary categories among all nations in Bosnia and Herzegovina, on the territory of both entities, etc. Following the approval of sub-projects in the "1st and 2nd waves" (BiH1 and BiH2), the Assembly of Donors approved Bosnia and Herzegovina's application for the 3rd sub-project which entails the construction of more than 20 multi-apartment buildings targeting 438 refugee and IDP families.

We are working on many fronts in parallel: launching works in the field, finishing the process of selecting beneficiaries, preparing the signing of Grant Agreements and strengthening the capacity of Bosnia and Herzegovina's implementing structures to undertake a wide range of procurement and implementation activities.

2014 was one in a series of difficult years for our country, Bosnia and Herzegovina being faced with the tremendous consequences of flooding but we will continue to work hard in 2015 and together with our partners, we will strive to fulfil all the conditions for the approval of new sub-projects.

BENEFICIARIES OF THE BOSNIA-HERZEGOVINA COUNTRY HOUSING PROJECT

The Regional Housing Programme in Bosnia and Herzegovina is expected to provide durable housing solutions to 5 400 households (or 14 000 individuals). The largest percentage of the beneficiary households (75%) will be provided with housing solutions in their places of origin. Around 24% of the beneficiary families will integrate in the places of their displacement. A small number of elderly refugees will be integrated in institutions within the social welfare system. The number of beneficiaries forecast to benefit from each of these solutions is presented in the following graph:



Most of the beneficiaries (82%) will get reconstruction assistance to finalise their houses/flats. New apartment buildings will be constructed to provide housing for around 17% of the beneficiary households. The remaining 1% will be provided with building materials or with housing within social welfare institutions.

PROJECTS APPROVED IN 2014

The RHP Assembly of Donors approved one new sub-project in favour of Bosnia and Herzegovina in 2014, with a total grant amount of EUR 12.3 million.

SUB-PROJECT BIH3: CONSTRUCTION OF 438 FLATS IN MULTI-APARTMENT BUILDINGS FOR REFUGEES AND IDPS IN BIH

At its meeting on 20 November 2014, the RHP Fund Assembly of Donors approved a grant of EUR 12 343 875 in favour of this sub-project, which aims to provide durable and sustainable housing solutions, in accordance with the appropriate standards, to 438 households or approximately 1 800 eligible beneficiaries (refugees and internally displaced persons; IDPs), for local integration. The sub-project consists of four components:

COMPONENT 1

Brcko District - 8 flats for IDPs

COMPONENT 2

Federation of Bosnia and Herzegovina - 178 flats for IDPs

COMPONENT 3 and COMPONENT 4

Republika Srpska (North and East respectively) – 252 flats including 100 flats for refugees from the other Partner Countries who wish to integrate in BiH and 152 flats for IDPs.

The estimated total cost of the sub-project is EUR 14 371 287, of which the Partner Country will provide its own contribution of EUR 2 027 412 (14 %).

Name of sub-project	Date of approval of Assembly of Donors	Total Cost EUR	Grant Amount EUR	Partner Country Contribution EUR	Status of sub-project implementation
BiH1: Provision of building materials to 20 families and turnkey reconstruction assistance to 150 families	08/04/2013	2 668 500	2 387 500	281 000	Beneficiaries have been selected and tendering has started. Delivery of building materials is scheduled to start in early March 2015
BiH2: Provision of housing solutions to 780 households for return and reintegration or local integration in BiH	11/10/2013	14 634 324	12 634 032	2 000 292	Beneficiary selection on-going
BiH3: Construction of 438 flats in multi-apartment buildings for refugees and IDPs in BiH	20/11/2014	14 371 287	12 343 875	2 027 412	Beneficiary selection on-going; Grant Agreement to be signed
TOTAL		31 674 111	27 365 407	4 308 704	

"All we want is to live simply as normal people."



In 1992, Zenid Guta was only a teenager when war forced him to flee the remote village of Ustikolina, tucked away in the Drina Valley in eastern Bosnia and Herzegovina.

When Zenid, now aged 41, returned to his destroyed community after the war's end, he tried to rebuild his life. He married a local woman, 33-year-old Adila, and sheltered her and their son Eldin in a makeshift hut that he constructed from Ustikolina's ruins, hoping to move out when things improved.

Now, after years of waiting and worrying, better times may be on the horizon. For the Guta family, the launch of the Regional Housing Programme in Bosnia and Herzegovina is more than an ending. The initiative could provide them with a home, and a chance for a fresh start.

Life for the Gutas has been a struggle. The hut Zenid constructed for his family is only 12 square metres. The family has been forced to sleep on the bare, cold floor, even during the winter. For years they have bathed in a shower that Zenid made himself, and their lighting consists of a single bulb, powered by a cable strung from a nearby house.

These spartan conditions have been trying for Zenid and Adila, and life-threatening for five-year-old Eldin, who is in frail health. And because the local economy has been slow to recover from the war, the Guta family's progress has been hampered by Zenid's struggles to make a living. Zenid makes just over EUR 10 a day picking herbs and mushrooms and cutting firewood. Most of the time, the Gutas make ends meet thanks to the state child allowance payments they receive for Eldin, and by selling the milk from their two cows.

After years of struggle and poverty, their ambitions are modest. **"All we want is to live simply as normal people,"** declared Zenid.

The Gutas may soon have their chance within the Regional Housing Programme: the first sub-project will see EUR 2.4 million earmarked for the construction of 170 housing units. Zenid and Adila hope to be among those to receive a real home and a new beginning. They even have a plot of land on which a house can be built: a lot in a meadow they purchased a few years ago after endless saving. "Our only wish is to see our home rise in that meadow," said Zenid.

Story by UNHCR, photo by UNHCR / Nena Lukin



RHP COUNTRY HOUSING PROJECT Croatia



LEAD INSTITUTION:

State Office for Reconstruction and Housing Care

PROJECT IMPLEMENTATION UNIT:

State Office for Reconstruction and Housing Care

The first RHP beneficiaries moved into their new homes in 2014 – our joint efforts continue



Mirela Stanić Popović
Head of State Office for
Reconstruction and Housing Care

We can say that the past year was very successful for the Republic of Croatia. In effect, in the year behind us, the Framework Agreement was ratified by the Croatian Parliament and verification of the CHP implementing structures was successfully completed.

As we planned, last year was a year of implementation: we signed grant agreements for three sub-projects: Construction of an apartment building for 29 families in Korenica (HR1); Construction of two residential buildings in Knin for 40 families (HR2); and Purchase of flats for 101 eligible beneficiaries (HR4). We also received four grant tranche disbursements for these sub-projects.

It is worth mentioning that the first construction works under the RHP started in the Republic of Croatia when RHP Donors and other partners celebrated the beginning of the construction works on an apartment building in Korenica in June 2014. This building will provide accommodation for 29 families by the summer of 2015.

In November 2014, the Assembly of Donors approved a new sub-project for Croatia – Construction of a residential building for 21 families in Benkovac (HR5).

The best news in 2014 came when eight families received the keys to their new homes in Petrinja and Knin just a few days before Christmas. They were the first beneficiaries to move into their homes under the RHP.

They had been selected to be recipients of durable housing solutions under sub-project HR4 - Purchase of flats for 101 eligible beneficiaries.

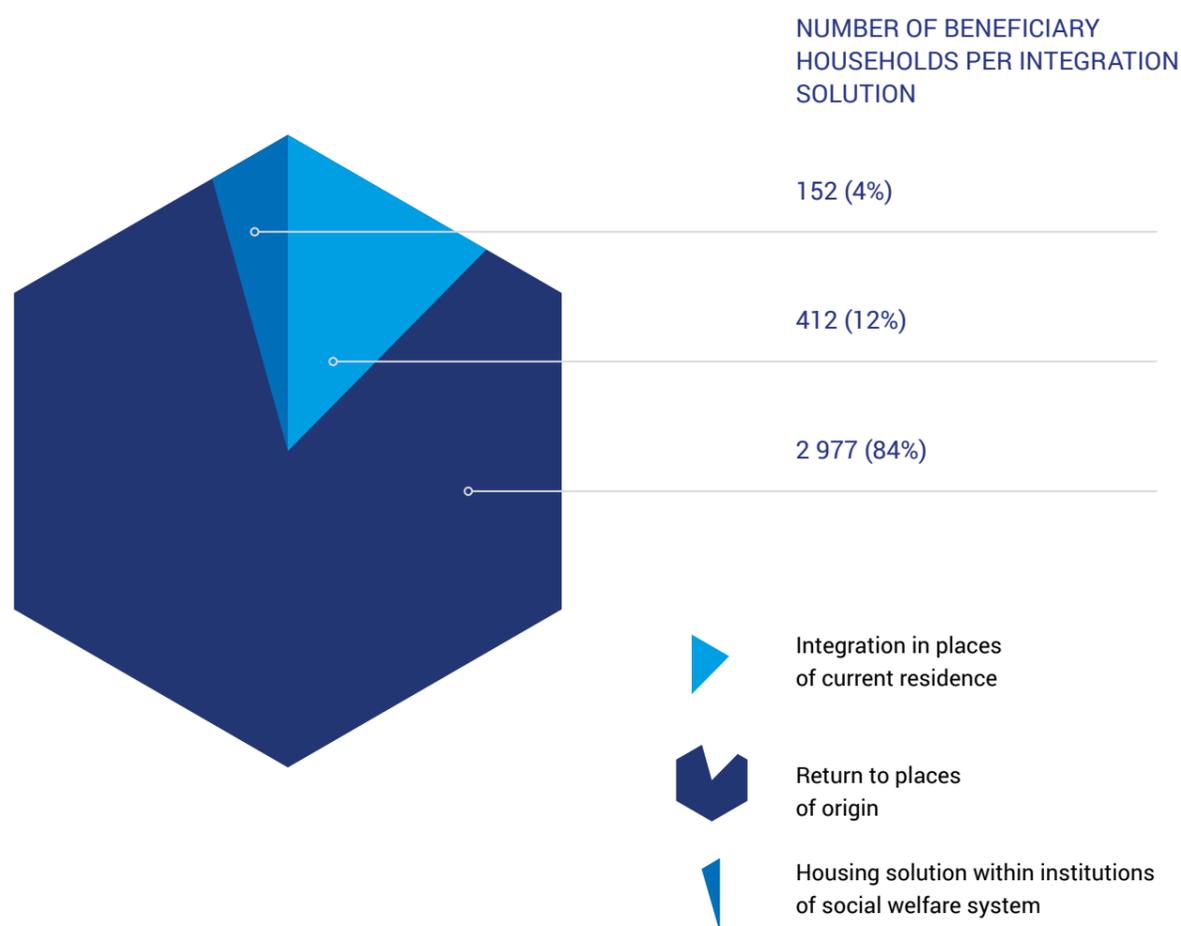
In the year ahead, we expect to sign two more grant agreements for sub-projects Home for elderly in Glina (HR3) and Construction of an apartment building in Benkovac (HR5) and to start on their construction. Furthermore, we plan to prepare at least one new sub-project proposal that will provide homes for the most vulnerable families. Despite the difficult financial situation, the Government of the Republic of Croatia has made a full contribution for the implementation of RHP sub-projects. In order to solve the remaining problems of refugees and returnees, budgetary resources for the implementation of the National Housing Programme have also been increased.

Finally, I would like to thank all our partners involved in this Programme for their cooperation and assistance. I especially want to thank the Donors for their understanding and efforts which have so positively contributed to significant progress in the implementation of this Programme.

Although we appreciate every euro that has been donated, we should not forget that a large number of vulnerable families still remain without any durable housing solution. They should be our main goal in the future period.

BENEFICIARIES OF THE CROATIAN COUNTRY HOUSING PROJECT

According to its original design, the Regional Housing Programme in Croatia is expected to provide durable housing solutions for 3 541 refugee households (or 8 529 individuals). This number includes both refugees who wish to return to their places of origin and refugees who wish to integrate in the places of their displacement. It also includes a number of elderly refugees who will be integrated in institutions within the social welfare system. The number of beneficiaries forecast to benefit from each of these solutions is presented in the graph below:



Most of the beneficiaries (90%) will be provided with flats, either through the construction of new buildings or through the purchase of existing flats.

PROJECTS APPROVED IN 2014

The RHP Assembly of Donors approved one new sub-project in favour of Croatia in 2014, with a total grant amount of just over EUR 1 million.

SUB-PROJECT HR5: CONSTRUCTION OF A RESIDENTIAL BUILDING FOR 21 FAMILIES IN BENKOVAC

At its meeting on 20 November 2014, the RHP Fund Assembly of Donors approved a grant of EUR 1 023 421 in favour of this sub-project, which aims to complete the construction of a residential building to accommodate 21 families with the status of former tenancy right holders and families from Bosnia and Herzegovina (BiH), most of whom have refugee status in Croatia.

The majority of former tenancy right holders are subtenants, whereas some of them are living with their relatives. Some of them have been waiting for a housing care solution for ten years.

The estimated total cost of the sub-project is EUR 1 375 732, of which the Partner Country will provide its own contribution of EUR 352 311 (26 %).

Name of sub-project	Date of approval of Assembly of Donors	Total Cost EUR	Grant Amount EUR	Partner Country Contribution EUR	Status of sub-project implementation
HR1: Construction of an apartment building for 29 families in the municipality of Korenica	08/04/2013	1 398 211	1 048 658	349 553	Construction started in June 2014, and should be finalised by summer 2015 for beneficiaries to move in
HR2: Construction of two residential buildings in Knin for 40 families	11/10/2013	3 475 781	2 587 037	888 744	Beneficiaries have been selected. Design is completed; tenders to be launched
HR3: Construction of a home for 75 elderly and disabled persons in Glina	11/10/2013	4 259 039	3 085 525	1 173 514	Beneficiaries have been pre-selected. Tender dossiers are under preparation
HR4: Purchase of flats for 101 households	06/12/2013	5 717 140	4 287 855	1 429 285	44 flats have been purchased, 8 flats were handed over to beneficiaries in 2014. The rest is planned for 2015
HR5: Construction of a residential building for 21 families in Benkovac	20/11/2014	1 375 732	1 023 421	352 311	Grant Agreement to be signed
TOTAL		16 225 903	12 032 496	4 193 407	

"I have not had a home since 1995. When I walk the streets of Strmica and Knin I hide from shopkeepers, people I owe money to..."



The village of Strmica hosts one of the four last collective centres for returnees, refugees and other displaced persons in Croatia. A gloomy former village today looks like a ghost town. Two of the few people to have stayed in the village, practically left to fend for themselves, are Šehrizada Samouk (47) and her daughter Maja (28).

Šehrizada is a native of Ličko Petrovo Selo, on the Croatian border with Bosnia and Herzegovina. The turmoil of war forced her and her daughter to flee Croatia in 1995, eventually finding refuge in Serbia.

After spending nine years in a collective centre there, Šehrizada and Maja returned to Croatia with UNHCR assistance in 2004. Unable to move back into their pre-war home, to which they

had lost their occupancy rights in the meantime, they were accommodated in the Strmica collective centre where they have been living ever since. They applied for housing care and were offered a flat in Knin, but it was practically uninhabitable and they refused to move in.

After a long bureaucratic struggle, in 2011, Šehrizada and Maja finally acquired Croatian citizenship. Today they live in Strmica on EUR 145/month in returnee assistance, which arrives irregularly. They also receive some sporadic bread donations. During the summer season, Maja manages to find occasional employment in tourist resorts on the Croatian coast. **"I have not had a home since 1995. When I walk the streets of Strmica and Knin I hide from shopkeepers, people I owe money to..."**, says Šehrizada.

In 2010, the Samouks were offered accommodation in Ervenik, a war-affected, isolated, underdeveloped, sparsely populated municipality with a mainly elderly returnee population and with very limited connections to the nearest urban centre. In particular, it offered very limited professional and social prospects for a young woman such as Maja. Considering it as an unsustainable option for decent living, the Samouks declined the offer.

Life was not easy for Šehrizada and her daughter during the conflict years. Being of minority Bosniak ethnicity, they were constantly compelled to struggle, and survive, in a dangerous and unwelcoming area. The hardship did not cease with the end of the war – traumatic experiences of fleeing and seeking refuge, 18 years in the cruel environments of collective centres

in Serbia and Croatia, left heavy marks on them, especially on Šehrizada's psychological condition. Nevertheless, the fighting spirit has not abandoned these brave women, and they still hope that eventually they will get the chance to overcome their plight and rebuild their lives in a decent environment. This opportunity will soon come, when Šehrizada and Maja take possession of the keys to one of the 101 apartments provided through the 4th RHP sub-project approved in favour of the Republic of Croatia in 2014.

Story by UNHCR, photo on page 51 by UNHCR



RHP COUNTRY HOUSING PROJECT Montenegro

Many achievements in 2014 - 2015 will be a year of implementation



Budimirka Đukanović
RHP Coordinator
Ministry of Labour and Social Welfare



LEAD INSTITUTION:

Ministry of Labour and Social Welfare

PROJECT IMPLEMENTATION UNIT:

PROCON - National Project Implementation Unit in the field of Communal Services and Environment

2014 was an active year for RHP stakeholders in Montenegro. For the four sub-projects approved so far by the RHP Fund Assembly of Donors, several implementation activities were prepared and launched. The achievements in 2014 also included the adoption of RHP Implementation Manuals, the successful conclusion of verification of Montenegro's implementing structures, and the adoption of criteria for the selection of beneficiaries under the RHP. The public announcement for the home for the elderly in Pljevlja (MNE3) was launched in order to confirm the needs for the sub-project. In June 2014, the Ministry of Labor and Social Welfare established the Commission for the Selection of Beneficiaries for the municipalities of Herceg Novi, Berane and Podgorica - camp Konik-, and the preliminary lists of beneficiaries were issued. During July and August 2014, in cooperation with the UNHCR and the OSCE, public announcements for the provision of prefabricated houses and building material packages were launched and the Commission for the Selection of Beneficiaries was established. The process of beneficiary data verification between the four Partner Countries is being conducted in parallel with the selection of beneficiaries for the Montenegrin sub-projects.

In September 2014, the Ministry of Labour and Social Welfare submitted two new sub-projects to the Assembly of Donors for approval. As mentioned above, the sub-project in Berane (MNE4) has been approved by the Assembly of Donors. Regarding the sub-project proposal for the construction of 32 housing units in Herceg Novi for 32 families or 103

persons (displaced persons from Bosnia and Herzegovina, Croatia and Kosovo presently living in Herceg Novi), the Assembly of Donors decided not to approve the sub-project at its session in November 2014, but invited Montenegro to better align the sub-project to the RHP framework.

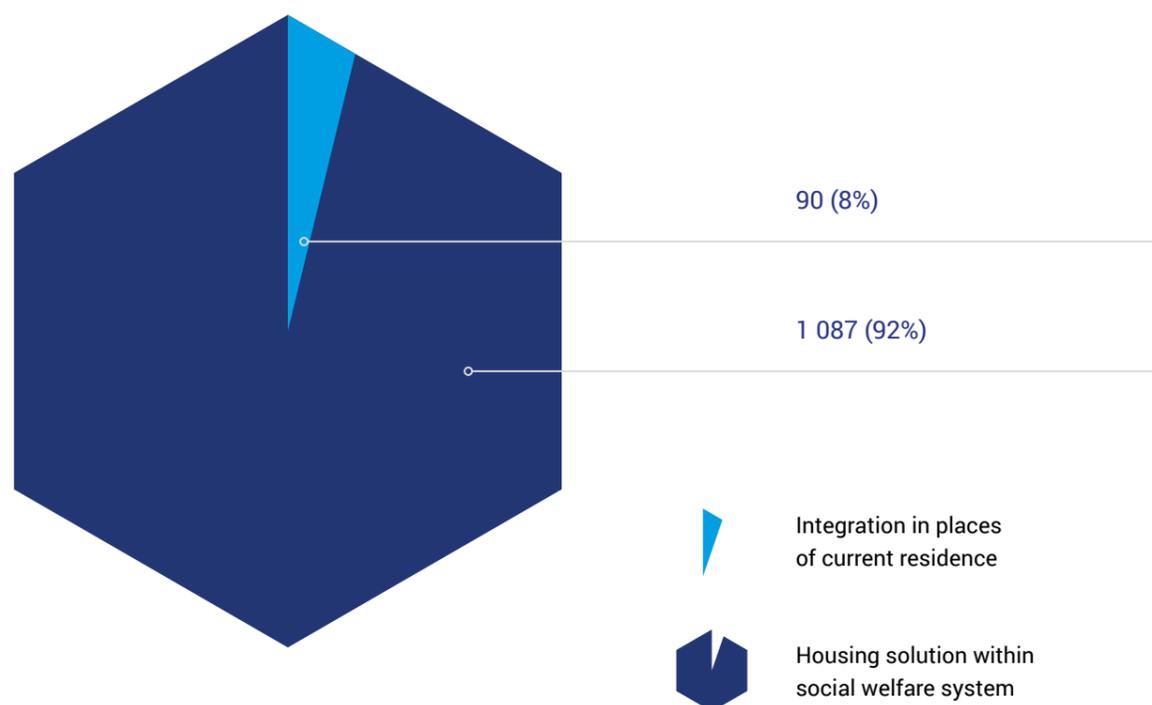
In terms of the institutional set-up, the Ministry of Labor and Social Welfare acts as the Montenegrin Lead Institution for the RHP. Its main tasks include the preparation of sub-projects and grant applications as well as ensuring smooth cooperation with the CEB, the RHP Fund Assembly of Donors, the European Commission, the UNHCR, the OSCE and the three other RHP Partner Countries. Out of Montenegro's total estimated RHP cost of EUR 27.7 million, the currently approved sub-projects cover about EUR 15.7 million or 56% of the needs outlined in the Joint Declaration.

As to the year 2015, Montenegro will focus on implementing its sub-projects in the municipalities of Nikšić, Podgorica, Pljevlja and Berane. According to the planned dynamics of works, it is necessary to ensure solid conditions for implementation, first of all by ensuring the availability of basic infrastructure and through proper preparation of planning and project documentation, as well as through efficient public procurement. Montenegro has allocated a financial contribution of EUR 500 000 to the RHP for 2015, in order to make sure that the RHP is implemented in accordance with the planned dynamics provided for under the RHP Framework Agreement.

BENEFICIARIES OF THE MONTENEGRIN COUNTRY HOUSING PROJECT

The Regional Housing Programme in Montenegro is expected to provide durable housing solutions to 1 177 households (or 6 063 individuals) in the places of their displacement (local integration), and in institutions within the social welfare system.

NUMBER OF BENEFICIARY HOUSEHOLDS PER INTEGRATION SOLUTION



The beneficiaries can choose between 4 housing solutions: (i) provision of flats through the construction of apartment buildings (an estimated 77% of beneficiaries); (ii) provision of construction materials (10%); (iii) construction of pre-fabricated houses (5%); and (iv) provision of housing within the social welfare system (8%).

PROJECTS APPROVED IN 2014

The RHP Assembly of Donors approved one new sub-project in favour of Montenegro in 2014, with a total grant amount of EUR 3.6 million.

SUB-PROJECT MNE4: CONSTRUCTION OF 94 APARTMENTS FOR 271 PERSONS IN THE MUNICIPALITY OF BERANE

At its meeting on 20 November 2014, the RHP Fund Assembly of Donors approved a grant of EUR 3 575 780 in favour of this sub-project, which aims to build 94 apartments in multi-apartment buildings in the Municipality of Berane. A 6 500 m² plot of land has been allocated by the municipality of Berane for the sub-project. The apartments should provide a permanent housing solution for 94 families (271 persons) presently living in two collective settlements, Rudes 1 (mostly DPs from BiH and Croatia 1991-1995) and Rudes 2 (mostly IDPs from Kosovo from 1999).

The estimated total cost of the sub-project is EUR 3 990 647, of which the Partner Country will provide its own contribution of EUR 414 867 (10 %).

Name of sub-project	Date of approval of Assembly of Donors	Total Cost EUR	Grant Amount EUR	Partner Country Contribution EUR	Status of sub-project implementation
MNE1: Construction of two blocks of flats for 62 families in the municipality of Nikšić	08/04/2013	2 580 000	1 980 000	600 000	Tender dossiers have been approved and tenders are to be launched in early spring 2015. Beneficiaries have been pre-selected.
MNE2: Provision of housing to 120 most vulnerable families from Camp Konik 1	11/10/2013	6 906 750	6 226 622	680 128	Potential beneficiaries have been identified. Design process has been launched
MNE3: Construction of a home for 68 elderly/handicapped persons in Pljevlja	11/10/2013	2 231 716	1 918 572	313 144	Beneficiary selection will be carried out once construction is finalised. The main Project Design and its design review were finalised, and the building permit has been issued by the Municipality of Pljevlja.
MNE4: Construction of 94 apartments in the municipality of Berane	20/11/2014	3 990 647	3 575 780	414 867	Grant Agreement to be signed
TOTAL		15 709 113	13 700 974	2 008 139	

"We are hard-working people and I am sure everything will be easier once we have a roof over our heads."



Most of the stories a person can hear from the people who live in camps situated in Konik, Podgorica, are those of utter poverty and despair. But the story of Naim Krasnici is not one of those.

Naim was not dealt the best hand of cards in life. He is an internally displaced person from Kosovo. In 1999, when he was eighteen, his mother, brother and he fled Kosovo and came to Podgorica. Since then, his mother has passed away, his brother has migrated to Italy and Naim has started a family.

He lives with his wife Violeta and 5 children in a container house in Konik. One of the things that sets them apart from the usual profile of a camp resident is that all the members of his family have documents. Both he and his wife have the status of foreigners with permanent residence and are holders of ID cards for foreigners issued by Montenegro. Four of his older children attend nearby schools, while his youngest daughter attends kindergarten in the camp. Their mother is very proud of them: "They are good children, good students. Everything a mother could ask for." Violeta is determined to steer them onto the right path "I want them to have everything they want and to achieve big things in life."

Naim was one of the first residents in the camp to obtain the status and the ID card. He works as a musician and his band plays at functions such as birthdays and weddings. Thanks to his status, he obtained a work permit that allows him to travel for his work all over ex-Yugoslavia and also to Italy. They have succeeded in making the best out of the situation they are in. Violeta is a housewife and has managed to turn an unsightly little shack into a home for her family. They do not ask for much: "I wish we had a bathroom with running water so that life could be easier for my children, you know? They are my treasures."

Naim and his family are eligible to submit an application for sub-project MNE2, which envisages the construction of an apartment building for 120 families in Konik. And they are looking forward to it. "The undignified conditions we have to live in are obvious to anyone who has set foot in Konik, and I do not want to go around complaining about life in this camp, like many people do. There is no point in that. But I do think we deserve better living conditions. **We are hard-working people and I am sure everything will be easier once we have a roof over our heads**", says Naim.

Story by UNHCR, photo by UNHCR / Nena Lukin



RHP COUNTRY HOUSING PROJECT Serbia

First housing solutions provided to beneficiaries in 2014 - an active year 2015 ahead



Vladimir Cucić
Commissioner for Refugees and Migration



LEAD INSTITUTION:

Serbian Commissariat for Refugees and Migration (KIRS)

PROJECT IMPLEMENTATION UNIT:

PIU for Research and Development Ltd.

Last year was in many ways essential for the Commissariat for Refugees and Migration of the Republic of Serbia. In particular, we would like to highlight the progress made in the implementation of the CHP of the Republic of Serbia and the allocation of the first housing solution in October 2014. Allocation of this construction material package demanded a lot of energy, negotiations, goodwill and understanding from all the parties involved. The delivery of building materials under SRB1, which was the first sub-project approved by the RHP Fund Assembly of Donors in April 2013, was the crowning achievement of all our efforts so far in Serbia. On the 2nd October 2014, we officially handed over the first housing solution to the beneficiary family Tepsic from the village of Krnješevci near Stara Pazova. They are one of the 125 vulnerable families selected to receive packages of building materials financed within sub-project SRB1.

So far, five sub-projects have been approved in favour of Serbia for a total value of some EUR 88 million, and grant agreements have been signed for four sub-projects. Public calls for beneficiary selection were announced for Component I (Construction of multi-apartment buildings) and Component II (Prefabricated houses) under sub-projects SRB2 and SRB4.

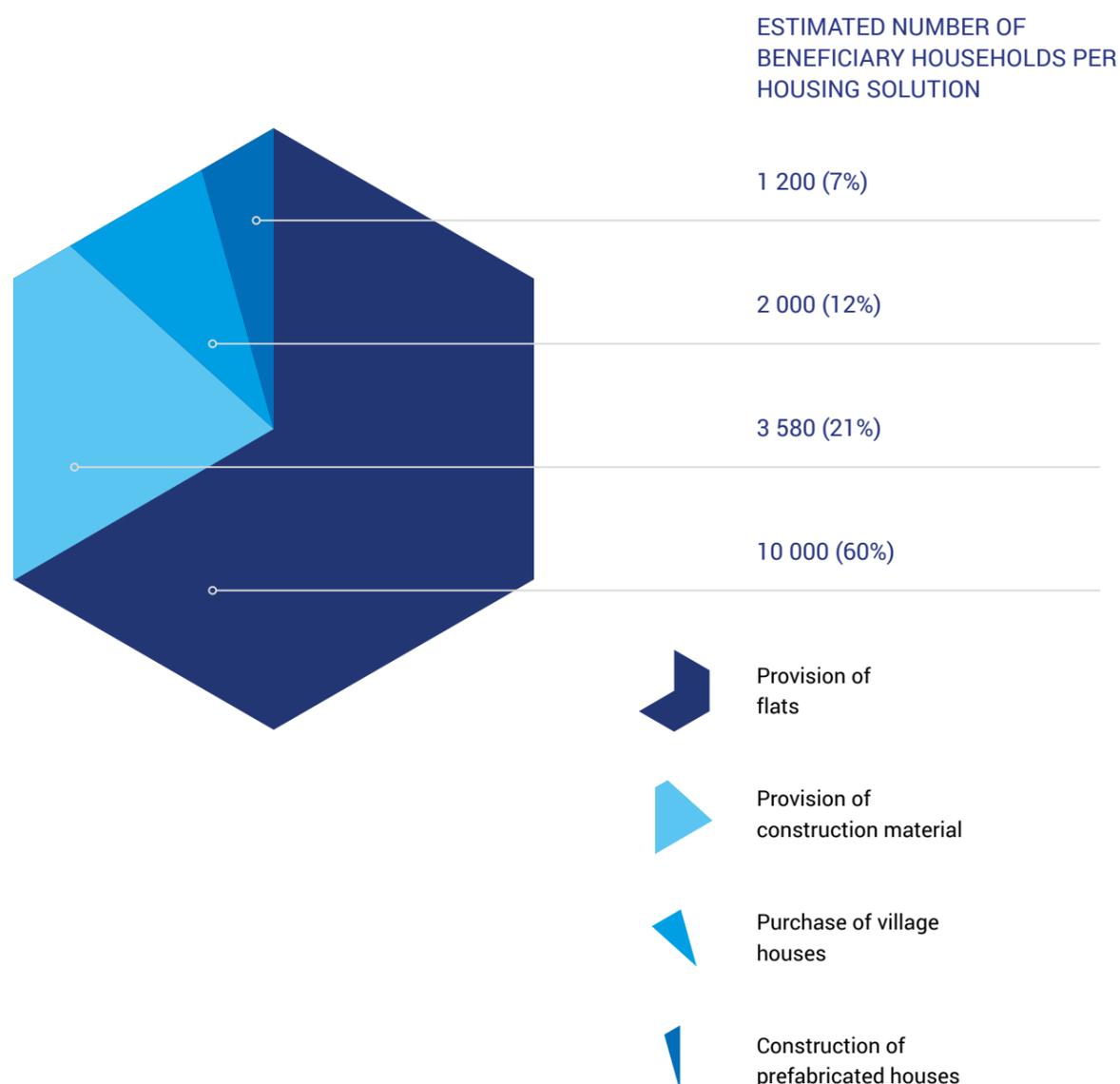
We will not stop here. Plans for 2015 are very ambitious. The completion of the first sub-project in the field is planned, i.e. the installation of 70 prefabricated houses and completion of 125 family houses thanks to packages of construction materials. Construction of 200 apartments in multi-apartment buildings under SRB2 will start. Likewise, we plan to launch the provision of 300 building material packages and the purchase of 250 village houses under SRB2. As regards SRB4, which will involve more than 100 municipalities in Serbia, we will initiate the process of providing 300 building material packages as well as the purchase of 70 village houses. Likewise, the selection of beneficiaries and contractors for 261 flats to be constructed under SRB4 is ongoing. Finally, the implementation of all the components of SRB3 has been initiated. This sub-project will offer a significant number of housing solutions for refugees living in the city of Belgrade.

We will continue to propose new sub-projects and to be proactive in dealing with the bureaucracy and tender procedures, so as to bring this large and demanding job to a successful end.

Our sincere wish is that, by end 2015, all four Partner Countries can say that the RHP is progressing and that we have provided a significant number of housing solutions for the beneficiaries.

BENEFICIARIES OF THE SERBIAN COUNTRY HOUSING PROJECT

The Regional Housing Programme in Serbia is expected to provide durable housing solutions to 16 780 households (or 45 000 individuals), through local integration, i.e. helping the targeted population to integrate in their places of current residence. Four different housing solutions are offered to the selected beneficiaries: (i) provision of flats; (ii) provision of construction materials; (iii) purchase of village houses; and (iv) construction of pre-fabricated houses. The indicative numbers of beneficiaries that will be assisted through these housing solutions are presented in the graph below:



PROJECTS APPROVED IN 2014

The RHP Assembly of Donors approved two new sub-projects in favour of Serbia in 2014, with a total grant amount of EUR 47 million.

SUB-PROJECT SRB4: PROVISION OF DURABLE HOUSING SOLUTIONS IN THE PLACES OF LOCAL INTEGRATION FOR 661 REFUGEE FAMILIES

At its meeting on 23 June 2014, the RHP Fund Assembly of Donors approved a grant of EUR 10 614 891 in favour of this sub-project, which aims to provide durable housing solutions in the places of local integration for 661 refugee families through four components:

- COMPONENT 1:** Construction of 261 apartments
- COMPONENT 2:** Construction of 30 pre-fabricated houses
- COMPONENT 3:** Provision of 300 building material packages
- COMPONENT 4:** Purchase of 70 village houses.

The estimated total cost of the sub-project is EUR 11 987 751, of which the Partner Country will provide its own contribution of EUR 1 372 860 (11.5%).

SUB-PROJECT SRB5: PROVISION OF DURABLE HOUSING SOLUTIONS IN THE PLACES OF LOCAL INTEGRATION FOR 1 712 REFUGEE FAMILIES

At its meeting on 20 November 2014, the RHP Fund Assembly of Donors approved a grant of EUR 36 348 906 in favour of this sub-project, which aims to provide durable housing solutions in the places of local integration for 1 712 refugee families through three components:

- COMPONENT 1:** Construction of 1 262 apartments
- COMPONENT 2:** Provision of 250 building material packages
- COMPONENT 3:** Purchase of 200 village houses.

The estimated total cost of the sub-project is EUR 46 773 758, of which the Partner Country will provide its own contribution of EUR 10 424 852 (22%).

Name of sub-project	Date of approval of Assembly of Donors	Total Cost EUR	Grant Amount EUR	Partner Country Contribution EUR	Status of sub-project implementation
SRB1: Provision of 70 pre-fabricated houses and 125 packages of building materials for 195 families	08/04/2013	2 212 500	1 993 000	219 500	Delivery of 25 building material packages is completed and delivery of remaining 100 packages will start in March 2015. Beneficiary selection is completed.
SRB2: Support to 870 refugee families through four housing modalities	11/10/2013	13 062 936	11 560 936	1 502 000	Tender will be launched in early spring 2015. Beneficiary selection is on-going.
SRB3: Support to 715 refugee families through four housing modalities	06/12/2013	13 642 918	10 963 918	2 679 000	The City of Belgrade will launch the beneficiary selection process in the near future. Design on-going.
SRB4: Support to 661 refugee families through four housing modalities	23/06/2014	11 987 751	10 614 891	1 372 860	Beneficiary selection process has started.
SRB5: Support to 1 712 refugee families through three different housing modalities	20/11/2014	46 773 758	36 348 906	10 424 852	Grant Agreement to be signed.
TOTAL		87 679 863	71 481 651	16 198 212	

"This building material package is important for the sake of my children. This help has really saved us."



In August 1995, Dragan Tepšić (59), his wife Dragica (62) and son Dagomir (32) had to flee their home town in Croatia. Until then, they had been living in the Croatian town of Pešćanica, in the municipality of Vrgin Most. Following their exile to Serbia, they stayed with relatives in Inđija, Kovin and Vojka. They finally settled in Krnješevci, Stara Pazova, where they still live in private accommodation. Dragomir is now married to Aleksandra (27) and they have two daughters aged four and six.

14 years ago, they bought a plot of land and started building their own house. Now, the building materials that they received through Serbia's first sub-project under the RHP will allow them to finally finish their house.

"We got the materials for the whole roof and insulation for the whole house. I am the first beneficiary to receive a building material package and the very first truck with the materials arrived at my house", said Dragomir Tepšić. His mother Dragica said they had been filling out questionnaires for 20 years, and now finally they have received housing assistance. **"This building material package is important for the sake of my children. This help has really saved us"**, she said.



4

Statement by UNHCR and OSCE

“UNHCR and OSCE strongly believe that the selection of beneficiaries should be at the heart of the Programme at this stage. We are encouraged to see that other RHP stakeholders share that notion. In that sense, we would like to urge all Programme partners and Donors to keep the spotlight on this crucial aspect of the implementation...”



2014 witnessed the first tangible results of the Regional Housing Programme. Two significant milestones of the Programme in this regard have been the beginning of construction works of the first apartment building in Croatia in June, and the allocation of construction material in October for future housing of refugee families in Serbia. Also, public tenders have been launched in all Partner Countries across the region. UNHCR and OSCE wish to commend Bosnia and Herzegovina, Croatia, Montenegro and Serbia, supported by the Council of Europe Development Bank, for taking all these encouraging steps.

Intensive efforts and significant resources were invested, throughout the year in the entire region to advance implementation of the technical aspects of the Programme, and the results are evident. Combined with the extensive experience of the Partner Countries in implementing housing projects for refugees, returnees and internally displaced persons, the palpable progress of the RHP creates a solid basis for the implementation of a large number of sizable sub-projects. At the same time, more ambitious projects require selection of a large number of beneficiaries.

Beneficiary selection must follow rigorous, complex procedures to ensure that the available assistance goes to those who need it most, which requires time and resources, both human and financial. A vital part of the selection process is the verification of applications across borders, to ensure that there is no duplication of assistance, but also that no eligible needy case is excluded. The process of selection of beneficiaries for the first sub-projects in 2014 has demonstrated strong commitment of the competent bodies to implement cross-border administrative and field verifications. At the same time, due to the large number of sizable sub-projects, the capacities of the partner countries to conduct, most of the times simultaneously, large numbers of cross-border verifications, are stretched. Therefore it is of utmost importance that sufficient resources are allocated to support them in this critical segment of the implementation process.

UNHCR and OSCE strongly believe that the selection of beneficiaries should be at the heart of the Programme at this stage. We are encouraged to see that other RHP stakeholders share that notion. In that sense, we would like to urge all Programme partners and Donors to keep the spotlight on this

crucial aspect of the implementation and support it within the scope of their respective mandates and within the framework of available budgets, so that it can be accomplished in the most efficient manner.

Sustainability of solutions provided through the RHP remains a challenge as well. Continuous Donors' support to RHP beneficiaries through complementary projects, in close coordination with the relevant stakeholders, including the OSCE and UNHCR, is very important. The RHP should not only provide housing to the most vulnerable people still displaced in the region. It should also, and even more importantly, help them in rebuilding their lives, after two decades of ordeal.

The Programme is in a critical phase. Generous support by the Donors and their dedicated attention to timely resolution of all problems related to RHP implementation remain crucial for its success. UNHCR and OSCE hope that further sub-projects will be submitted and approved at an adequate pace in order to ensure sufficient funding for large-scale investments, thus enabling the RHP to reach its targets.

UNHCR and OSCE will continue to monitor the process of selecting beneficiaries and advising partners on how to further strengthen the sustainability of the Programme. As organizations that were among the initiators of the Sarajevo Process, we remain strongly committed to its cause – achieving durable solutions for the displaced population in the region. The Regional Housing Programme is now well placed to make a major contribution to this overall objective, and additionally, to serve as a catalyst for other durable solutions projects. We shall continue steering the Programme towards that end, within mutually agreed structures.



Photo by UNHCR/N.Lukin, July 2014

Since she was forced to leave her home in Croatia in 1995, **Milka Kanazir** (79) has lived in different collective centers, first in refuge in Serbia and later in Croatia, where she finally returned. Ms Kanazir is one of the few beneficiaries left in the collective center Strmica, near Knin, and despite her ill-fated life she refuses to give up: "I am not getting sick or old, never!"



Photo by UNHCR/N.Lukin, May 2014

Tefik Berisha and his family fled Kosovo for Montenegro in 1999, with little more than the clothes on their backs. Since then, the Berishas have been living in a container in the refugee settlement Konik Camp, in Podgorica. To support his family of eight, Mr Berisha engages in physical labour, trimming grass, collecting plastic bottles and scrapping metal. "Sometimes I have 50 cents to give to my children, sometimes I don't. It depends. Such is life," he says.



Photo by N.Lukin/UNHCR, July 2014

Božica Obrić and her family left their home village of Islam Grčki, in Croatia's Dalmatian hinterland, in 1995. They have changed several locations while in refuge in Serbia to find themselves, eleven years ago, in a small two-room flat in the collective center Krnjača, on the outskirts of Belgrade. In spite of their severe health problems, Božica and her husband Nikola are taking care of their two grown-up sons, one of whom is almost blind. "Yet, if we only had a small house with a small garden, that would heal us all". Ms Obrić is confident that they will get a house in the near future thanks to RHP.



Photo by N. Lukin/UNHCR, October 2014

Fehim Gondžić (48) lives with his wife Džemila (40) and their three children in Olovo, central Bosnia and Herzegovina, where they fled from the horrors of war in 1992. For four years they have lived in a dilapidated pre-fab house, in dire conditions, with improvised electricity. Their 15-year old son had to undergo two heart surgeries in Italy and still has to take medication, the cost of which exceeds the disability and child allowances – the family's only regular monthly income. The municipality recently granted Mr Gondžić a plot of land, where a family house should be built soon. "If we got a house, this would be like a second birth for me," he says.

5

RHP Fund Activities

During 2014, the Donors continued to support the Programme by making new contributions. Donors committed a further EUR 34 million and paid an additional EUR 50 million into the RHP Fund. Thanks to these new contributions, the total amount of funds committed reached EUR 148 million while funds paid-in stood at EUR 120 million.

In 2014, the international community continued to support the RHP by making additional funding commitments. To date, Donors have pledged a total of EUR 268.3 million in favour of the RHP. Moreover, they have made good on the majority of their pledges. Donors have signed legally binding Contribution Agreements in favour of the RHP Fund amounting to a total of EUR 148.1 million. Just as importantly, they have paid in most of the funds they have committed. To date, Donors have paid EUR 119.5 million into the RHP Fund.

CLOSE OVERSIGHT BY DONORS

Assembly of Donors

The Assembly of Donors, the RHP Fund's supreme organ (see Appendix 3 for more details), held three meetings during 2014, one of which took place in the region - namely in Zagreb, Croatia - in June 2014, back to back with the RHP Steering Committee meeting.

The Assembly of Donors is chaired on a permanent basis by the Commission and by another Donor on an annual rotation basis. The co-chair during the reporting period was Switzerland. Its mandate ended in December 2014; hence, during its last 2014 meeting, the Assembly of Donors unanimously elected Norway as co-chair for the next twelve-month period.

During 2014, the Assembly of Donors approved five grant applications submitted by the Partner Countries (see Appendix 2 for more details on sub-projects approved). It also monitored progress in the preparation and implementation of the Country Housing Projects and the status of the RHP Fund.

Technical Committee

In 2014, the Technical Committee, the other governance body of the RHP Fund (see Appendix 3 for more details) whose role is to screen and assess grant requests, appraised sub-project applications during two of the three meetings it held during the year. The Technical Committee also examined technical and financial issues related to the implementation of the Country Housing Projects.

AN ADDITIONAL EUR 33.5 MILLION COMMITTED AND EUR 49.7 MILLION PAID IN

In 2014, Donors to the RHP showed their sustained support for the initiative by committing an additional EUR 33.5 million and paying an additional EUR 49.7 million into the RHP Fund.

In April, the Commission signed an Addendum to its second Contribution Agreement, for an amount of EUR 26.0 million, and paid a EUR 39.5 million instalment into the RHP Fund in December 2014. By making this additional contribution, the Commission brought its total commitment to EUR 110.0 million and its amount paid-in to EUR 84.0 million.

Likewise, the U.S. signed a second Contribution Agreement for USD 10.0 million in July 2014 and paid the entire contribution into the RHP Fund during the same month. This second contribution brought the total amount committed and paid in by the U.S. to EUR 15.3 million.

Furthermore, several other Donors paid additional tranches of previously committed contributions in 2014:

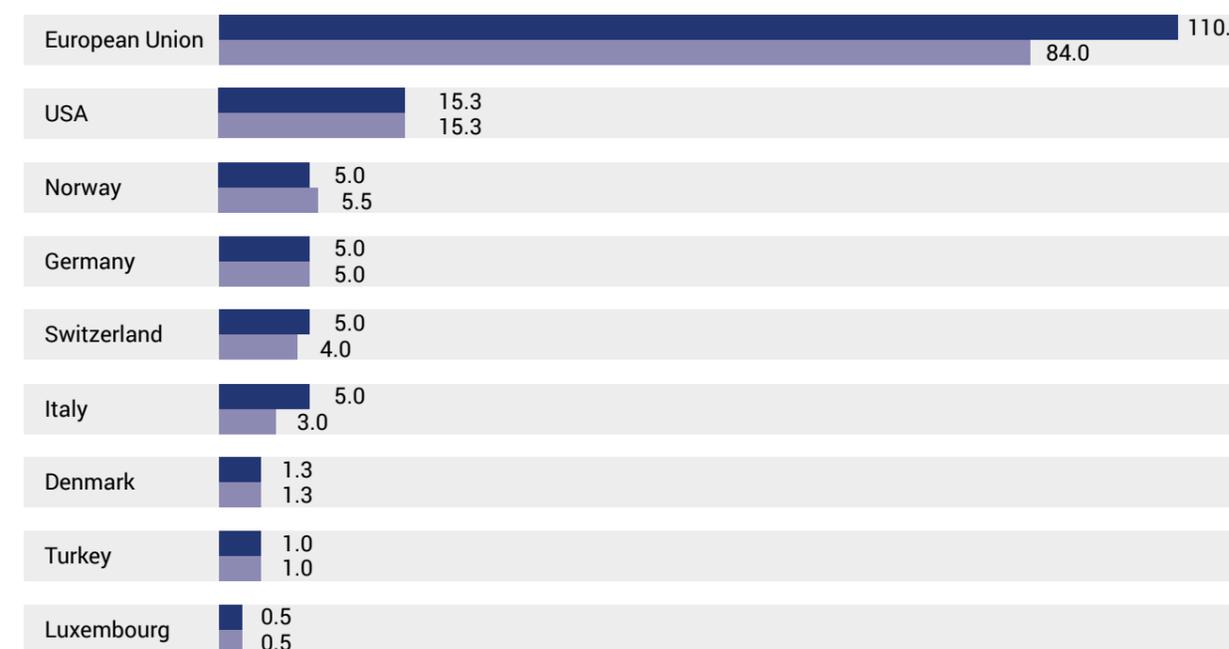
- Italy: EUR 1.5 million
- Germany: EUR 0.8 million
- Switzerland: EUR 0.5 million.

Thanks to these additional commitments, funds committed reached EUR 148.1 million at end 2014. This represents a substantial year-on-year increase, with commitments increasing by 29% compared to end 2013, when they stood at EUR 114.6 million.

There was an even greater increase in funds paid-in. In effect, thanks to the substantial payments into the RHP Fund made by the Donors, funds paid-in reached EUR 119.5 million at end 2014. This corresponds to a 71% increase compared with the year before, when funds paid-in stood at EUR 69.8 million.

The additional contribution made by the Commission consolidated its status as the main Donor to the Fund. Of the total EUR 148.1 million committed, EUR 110.0 million has now been committed by the Commission. Likewise, of the total EUR 119.5 million paid in, EUR 84.0 million has been paid in by the Commission.

RHP Fund contributions committed and paid in
Amounts in EUR million at end-2014



EUR 110.8 MILLION HELD IN THE RHP FUND

At year-end 2014, the funds held in the RHP Fund amounted to EUR 110.8 million. The amount of these funds increased significantly during the year since substantial payments were made by the Donors and disbursements still remained limited. The funds held rose by 63% compared with year-end 2013, when they stood at EUR 68.0 million.

The General Conditions of the RHP Fund, which is the text that defines the Fund's terms of operation, state that un-earmarked contributions are preferred. However, they do offer the possibility for a Donor to earmark its contribution for a specific Country Housing Project or for a group of Country Housing Projects.

In practice, the Donors have earmarked the majority of their contributions. Of the EUR 110.8 million held in the RHP Fund at end 2014, EUR 75.7 million, or 68%, are earmarked for a specific Country Housing Project or a group of Country Housing Projects. The remaining funds held in the RHP Fund, which amount to EUR 35.1 million, or 32%, are un-earmarked and may therefore be used to fund the Country Housing Projects of all four Partner Countries.

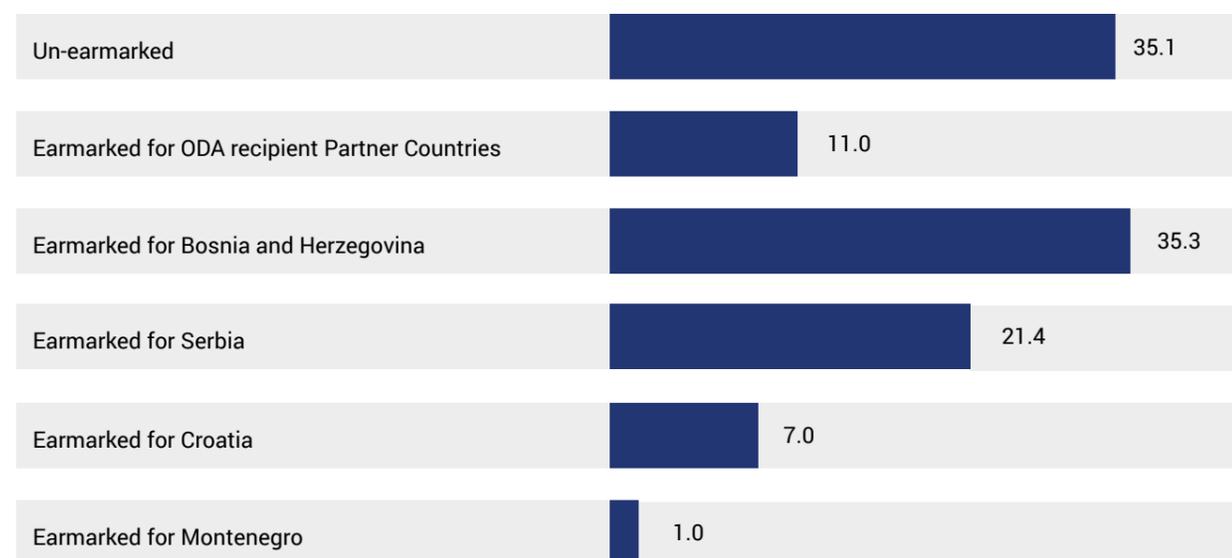
To date, most of the earmarked funds are in favour of the Country Housing Projects of Bosnia and Herzegovina and Serbia. The Bosnian Country Housing Project accounts for the largest share of earmarked funds, representing EUR 35.3 million, or 32% of the total. Serbia's Country Housing Project accounts for the second largest share, with EUR 21.4 million of the earmarked funds, representing 19% of the funds held in the RHP Fund.

Donors have also earmarked part of their contributions in favour of the Country Housing Projects of the Partner Countries that are eligible for Official Development Assistance, as defined by the OECD-DAC Secretariat. These Partner Countries are Bosnia and Herzegovina, Montenegro and Serbia. The funds earmarked jointly in favour of their Country Housing Projects amount to EUR 11.0 million, or 10% of the total.

Funds held in the RHP Fund

Amounts in EUR million at end-2014

EUR 110.8 million held



OUTLOOK FOR 2015

The Partner Countries estimated at the outset of the initiative that the Programme would cost EUR 584 million. To date, the international community has committed EUR 175.2 million, including EUR 26.9 million in bilateral contributions from the Commission to cover technical assistance for the Partner Countries as well as some of their operating costs, and the CEB's management costs. The international community has also pledged an additional EUR 93.1 million.

These additional funds would bring the total contribution to the RHP to EUR 268.3 million.

EUR 209 000 COMMITTED OUTSIDE THE RHP FUND

To ensure an efficient representation of Donors within the RHP Fund, only Donors who contribute at least EUR 250 000 may channel their contributions through the RHP Fund. Those countries who pledged less than EUR 250 000 during the Donors' Conference in Sarajevo in 2012, i.e. Cyprus, the Czech Republic, Hungary, Romania and the Slovak Republic, were invited to channel their contributions directly through the CEB.

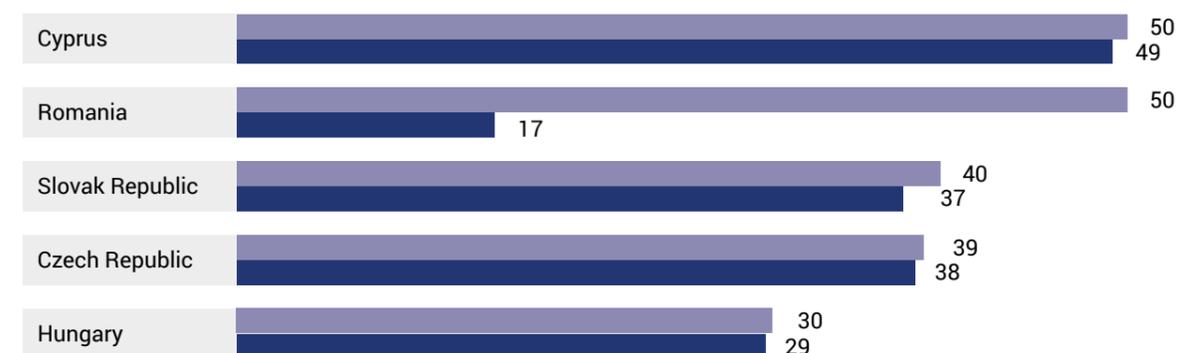
To do so, a country signs a Contribution Agreement by which it commits to contribute a specific amount to the RHP. Since Hungary signed its Agreement in January and paid in its EUR 30 000 contribution in March 2014, by the end of the year all of the above-mentioned countries had signed their Contribution Agreements and paid in their contributions for a total amount of EUR 209 000. These contributions are used by the CEB to pay for RHP-related events or publications. For example, in 2014, part of these funds covered the cost of the 2013 Annual Report on the RHP Fund and the organisation of the RHP Steering Committee meeting on 20 November in Paris.

Contributions outside the RHP Fund

Amounts in EUR thousands at end-2014

Pledged / committed / paid in: EUR 209 000

Total available: EUR 169 518

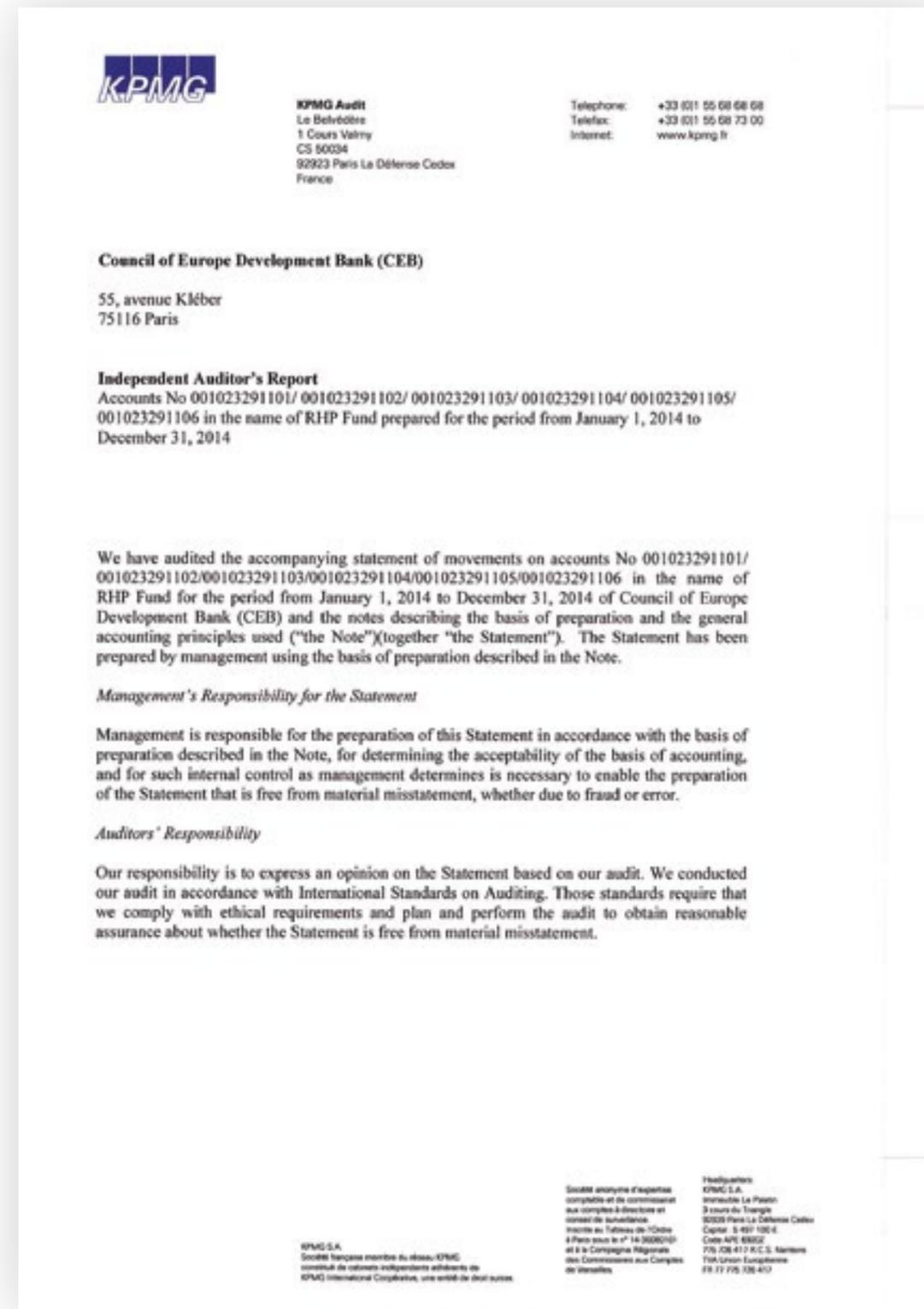
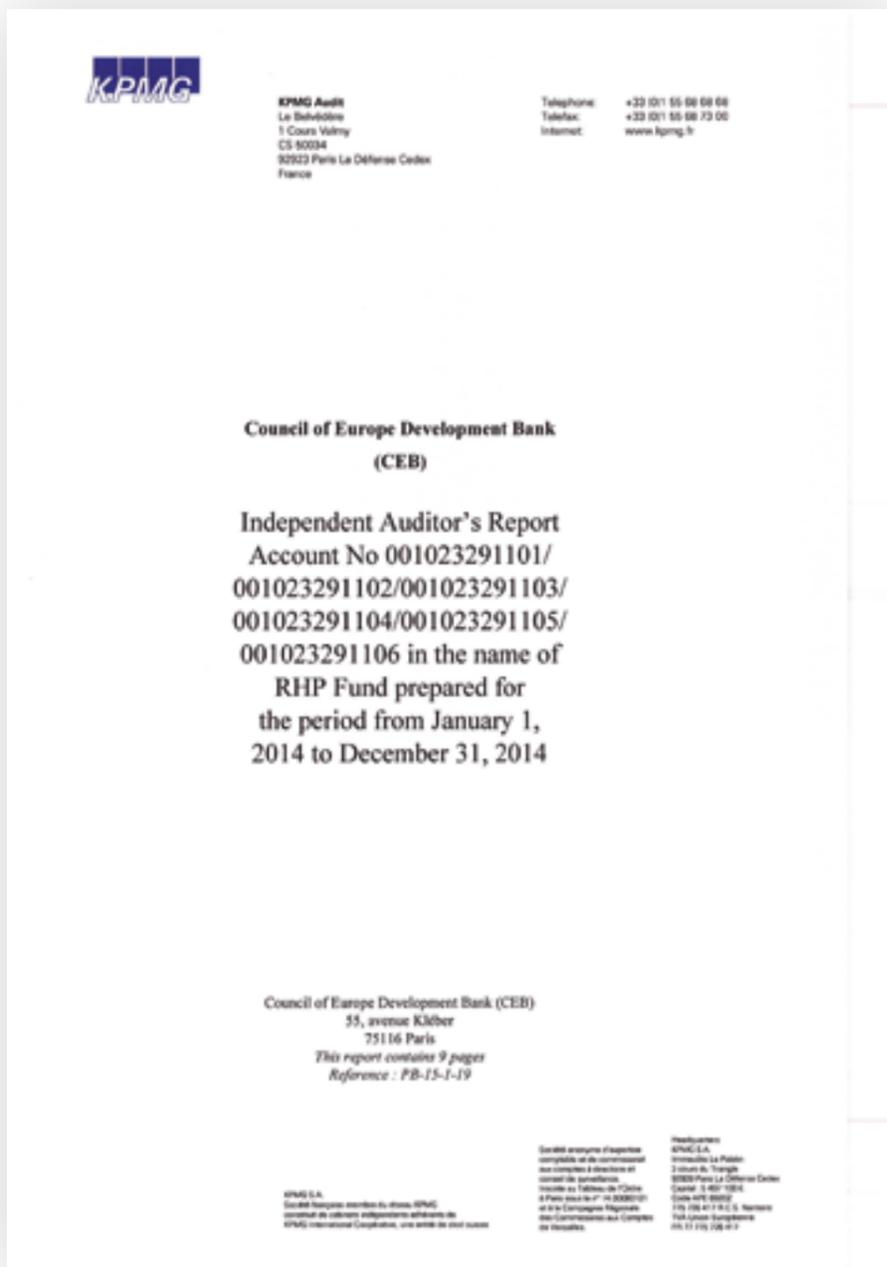


6

Appendices

- 1 – Audited Statement of the RHP Fund (Jan. – Dec. 2014)
- 2 – Sub-Projects Approved at December 2014
- 3 – RHP Governance Structure

1 – Audited Statement of the RHP Fund (Jan. - Dec. 2014)





Council of Europe Development Bank (CEB)
Independent Auditor's Report
 Accounts No 001023291101/001023291102/
 001023291103/001023291104/001023291105/
 001023291106 in the name of RHP Fund Prepared
 for the period from January 1, 2014
 to December 31, 2014

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Statement for the period from January 1, 2014 to December 31, 2014 is prepared, in all material respects, in accordance with the basis of preparation described in the Note.

Basis of Preparation

The Statement is prepared to provide information to the donors. As a result, the Statement may not be suitable for another purpose.

Paris La Défense, 26th February 2015

KPMG Audit
 A division of KPMG S.A.

Pascal Brouard
 Partner



Council of Europe Development Bank (CEB)
Independent Auditor's Report
 Accounts No 001023291101/001023291102/
 001023291103/001023291104/001023291105/
 001023291106 in the name of RHP Fund Prepared
 for the period from January 1, 2014
 to December 31, 2014

Appendix to the Independent Auditor's report

Statement of movements on Accounts No 001023291101/ 001023291102/ 001023291103/
 001023291104/ 001023291105/ 001023291106 in the name of RHP Fund prepared for the
 period from January 1, 2014 to December 31, 2014.

RHP FUND REGIONAL ACCOUNT (in Euro)						
Reference / Desc.	Value Date	Beneficiary	Page	Debit	Credit	
INITIAL BALANCE AS AT 01/01/2014						10 000 000,00
INTEREST FOR THE LAST MONTH	01/03/2014	CEB		1 000,00		
INTEREST FOR THE LAST MONTH	01/03/2014	CEB		2 100,00		
INTEREST FOR THE LAST MONTH	01/04/2014	CEB		1 800,00		
EXTERNAL AUDIT REPORT 2013 FOR THE RHP FUND FUND 1000000000100014	08/04/2014	KPMG SA IMMOBILIE BELGIQUE - 1 COUR VILARIES 3000 - 1000 PARIS		6 000,00		
RECUP FINANCURE KPMG	09/04/2014	FRANCE			1 000,00	
RECUP FINANCURE KPMG	09/04/2014	FRANCE			980,00	
INTEREST FOR THE LAST MONTH	09/04/2014	CEB		880,00		
LD 0001 (2014) - 001 (2) CONSTRUCTION APARTMENT BUILDING IN FINALES IN THE MUNICIPALITY OF KORDINGA 1ST GRANT TRANCHE (RHP) - RHP	22/05/2014	MINISTRY OF FINANCE OF THE REPUBLIC OF CONGO		314 987,40		
INTEREST FOR THE LAST MONTH	05/06/2014	CEB		790,00		
INTEREST FOR THE LAST MONTH	05/07/2014	CEB		3 500,00		
MRE1 - LD 0001 (2014) CONSTR. OF 2-BLOCKS OF FLATS FOR 40 FAMILIES - ANNO - FP (1 740 (RHP) 1ST GRANT TRANCHE (RHP) - 1	30/07/2014	CENTRAL BANK OF MONTENEGRO		504 000,00		
CB RECEIVED - USA USD - 1000000 (1740)	26/07/2014	UNITED STATES OF AMERICA			7 400 000,00	
MRE1 (2014) - LD 0001 (2014) CONSTR. OF 2-BLOCKS OF FLATS FOR 40 FAMILIES - ANNO - FP (1 740 (RHP) 1ST GRANT TRANCHE (RHP) - 1	26/07/2014	CEB		100 000,00		
INTEREST FOR THE LAST MONTH	04/08/2014	CEB		4 200,00		
INTEREST FOR THE LAST MONTH	04/08/2014	CEB		4 210,00		
LD 0001 (2014) - 001 (1) 1st GRANT TRANCHE	04/08/2014	MINISTARSTVO FINANSIJE IZ OBLASTI IZ OBLASTI BEGRAD, SRBIJA		900 000,00		
INTEREST FOR THE LAST MONTH	04/08/2014	CEB		6 200,00		
INTEREST FOR THE LAST MONTH	04/08/2014	CEB		6 570,00		
LD 0001 (2014) - 001 APARTMENT BUILDING KORDINGA 2ND GRANT TRANCHE - (RHP) (RHP)	21/11/2014	MINISTRY OF FINANCE OF THE REPUBLIC OF CONGO		400 100,00		
INTEREST FOR THE LAST MONTH	01/12/2014	CEB		6 100,00		
MRE1 - LD 0001 (2014) ANNO - 1ST TRANCHE 27 PER CENT FROM REG. ACC.	10/12/2014	MINISTRY OF FINANCE OF THE REPUBLIC OF CONGO		200 000,00		
CB RECEIVED FROM EU COMMISSION 400 + 2013/2014 470 2ND INSTALMENT EUR 14 740 (RHP) (1 740 (RHP)	10/12/2014	EUROPEAN COMBANTY			4 020 150,00	
MRE1 (2014) - LD 0001 (2014) 2ND GRANT TRANCHE	10/12/2014	CEB		100 000,00		
COMPTON 100 - 400 AND 2014 300 - 470 EU CONTRIBUTION RHP FUND REGIONAL ACCOUNT	24/12/2014	EUROPEAN COMBANTY			1 000 000,00	
SPANISH FEE 2.5 PER CENT TO COVER 7400 SALARY COMMISSIONS 400 AND 2013 300 - 470	24/12/2014	CEB		177 214,00		
INTEREST FOR THE LAST MONTH	01/01/2015	CEB		8 100,00		
TOTAL MOVEMENTS				2 267 264,10	14 911 710,00	
NEW BALANCE AS AT 31/12/2014						26 711 710,00



Council of Europe Development Bank (CEB)
Independent Auditor's Report
 Accounts No 001023291101/001023291102/
 001023291103/001023291104/001023291105/
 001023291106 in the name of RHP Fund Prepared
 for the period from January 1, 2014
 to December 31, 2014

RHP FUND SUB-REGIONAL ACCOUNT (in Euro)						
RHP FUND SUB-REGIONAL ACCOUNT - 618 (001023291102)						
Reference / Desc.						
	Value Date	Bank/Agency	Page	Debit	Credit	
INITIAL BALANCE AS AT						10 000 000,00
INTEREST FOR THE LAST MONTH	01/02/2014	CEB		800,72		
INTEREST FOR THE LAST MONTH	01/03/2014	CEB		1 144,26		
INTEREST FOR THE LAST MONTH	01/04/2014	CEB		986,25		
INTEREST FOR THE LAST MONTH	01/05/2014	CEB		446,02		
INTEREST FOR THE LAST MONTH	01/06/2014	CEB		388,06		
INTEREST FOR THE LAST MONTH	01/07/2014	CEB		1 843,02		
CONTRIBUTION RECEIVED SWITZERLAND FP 1740 (RHP)	13/07/2014	SWITZERLAND			500 000,00	
MANAGEMENT FEES ON EUR 500 000 CB SWITZERLAND	13/07/2014	CEB		12 500,00		
INTEREST FOR THE LAST MONTH	01/08/2014	CEB		2 376,79		
INTEREST FOR THE LAST MONTH	01/09/2014	CEB		2 636,57		
INTEREST FOR THE LAST MONTH	01/10/2014	CEB		2 718,05		
INTEREST FOR THE LAST MONTH	01/11/2014	CEB		2 894,11		
INTEREST FOR THE LAST MONTH	01/12/2014	CEB		2 736,36		
INTEREST FOR THE LAST MONTH	01/01/2015	CEB		3 264,08		
TOTAL MOVEMENTS				24 939,24	500 000,00	
NEW BALANCE AS AT				01/01/2014		11 274 939,24

RHP FUND COUNTRY ACCOUNT - BOSNIA AND HERZEGOVINA (in Euro)						
RHP FUND COUNTRY ACCOUNT - 618 (001023291103)						
Reference / Desc.						
	Value Date	Bank/Agency	Page	Debit	Credit	
INITIAL BALANCE AS AT						20 110 800,00
INTEREST FOR THE LAST MONTH	01/02/2014	CEB		1 608,88		
INTEREST FOR THE LAST MONTH	01/03/2014	CEB		2 407,34		
INTEREST FOR THE LAST MONTH	01/04/2014	CEB		2 076,07		
INTEREST FOR THE LAST MONTH	01/05/2014	CEB		908,54		
INTEREST FOR THE LAST MONTH	01/06/2014	CEB		807,03		
INTEREST FOR THE LAST MONTH	01/07/2014	CEB		4 088,24		
CONTRIBUTION-TALE ERREZIONE GENERALE PER LA COOPERAZIONE UFFICIO B	14/07/2014	ITALY			1 500 000,00	
MANAGEMENT FEES CEB ON EUR 1500000	14/07/2014	CEB		37 500,00		
INTEREST FOR THE LAST MONTH	01/08/2014	CEB		5 076,74		
INTEREST FOR THE LAST MONTH	01/09/2014	CEB		5 428,26		
CB RECEIVED - GERMANY EUR 4.5 MIO GRANTING ON FP 1740 (RHP)	01/09/2014	GERMANY STATE			500 000,00	
MANAGEMENT FEES ON EUR 500 000 GERMANY CB	01/09/2014	CEB		12 500,00		
INTEREST FOR THE LAST MONTH	01/10/2014	CEB		5 949,79		
0101 - LD 0101 (2013) - COMPONENT 1 PROVISION OF BUILD MAT TO 20 FAMILI +		MINISTRY OF FINANCE AND				
RECONSTR. AID. TO 100 FAMILIES 1ST GRANT TRANCHE 1ST COM 0011 - 1	18/10/2014	TREASURY (REP HR 0000) (E) TRG		268 750,00		
INTEREST FOR THE LAST MONTH	01/11/2014	CEB		6 236,21		
CB RECEIVED FROM GERMANY EUR 300 000 - LAST INSTALLMENT FP 1740	02/11/2014	GERMANY STATE			300 000,00	
MANAGEMENT FEES ON EUR 300 000 FROM GERMANY	02/11/2014	CEB		7 500,00		
INTEREST FOR THE LAST MONTH	01/12/2014	CEB		5 987,77		
0101 - LD 0101 (2013) - RHP BUILDING MATERIALS TO FAMILIES + RECONSTRUCTION		MINISTRY OF FINANCE AND				
100 FAMILIES 1ST GRANT TRANCHE 1 COMP 2	18/12/2014	TREASURY (REP HR 0000) (E) TRG		447 500,00		
CB RECEIVED FROM EU CBA 2013025-400 + 2013025-470 2ND INSTALLMENT EUR 147	18/12/2014	EUROPEAN COMMUNITY			4 400 000,00	
30 000 FP 1740 (RHP)						
MANAGEMENT FEES ON EUR 4 400 000 CB FOR RHP RECEIVED FROM EU CBA 2013025-400 +	18/12/2014	CEB		112 000,00		
2013025-470 2ND INSTALLMENT						
CBA 2013 305-400 AND 2013 305-470 EU CONTRIBUTION RHP FUND COUNTRY ACC	24/12/2014	EUROPEAN COMMUNITY			2 916 148,00	
001						
MANAGEMENT FEES 2.5 PER CENT EU CONT 2 916 148 001 CBA 2013 305-400 AND 2013 305-470	24/12/2014	CEB		72 913,74		
INTEREST FOR THE LAST MONTH	01/01/2015	CEB		8 155,36		
TOTAL MOVEMENTS				5 121 811,88	14 900 000,00	
NEW BALANCE AS AT				01/01/2014		25 232 611,88



Council of Europe Development Bank (CEB)
Independent Auditor's Report
 Accounts No 001023291101/001023291102/
 001023291103/001023291104/001023291105/
 001023291106 in the name of RHP Fund Prepared
 for the period from January 1, 2014
 to December 31, 2014

RHP FUND COUNTRY ACCOUNT - CROATIA (in Euro)						
RHP FUND COUNTRY ACCOUNT - 618 (001023291104)						
Reference / Desc.						
	Value Date	Bank/Agency	Page	Debit	Credit	
INITIAL BALANCE AS AT						4 444 444,00
INTEREST FOR THE LAST MONTH	01/02/2014	CEB		376,85		
INTEREST FOR THE LAST MONTH	01/03/2014	CEB		493,39		
INTEREST FOR THE LAST MONTH	01/04/2014	CEB		425,42		
INTEREST FOR THE LAST MONTH	01/05/2014	CEB		340,21		
INTEREST FOR THE LAST MONTH	01/06/2014	CEB		171,71		
INTEREST FOR THE LAST MONTH	01/07/2014	CEB		839,36		
INTEREST FOR THE LAST MONTH	01/08/2014	CEB		1 062,79		
INTEREST FOR THE LAST MONTH	01/09/2014	CEB		1 084,28		
INTEREST FOR THE LAST MONTH	01/10/2014	CEB		1 109,87		
INTEREST FOR THE LAST MONTH	01/11/2014	CEB		1 193,05		
LD 0004 (2013) - HR PURCHASE OF FLATS 1ST GRANT TRANCHE	19/11/2014	MINISTRY OF FINANCE OF THE			1 514 883,00	
		REPUBLIC OF CROATIA				
INTEREST FOR THE LAST MONTH	01/12/2014	CEB		674,87		
HR: LD 0004 (2013) HR - 1ST TRANCHE 20 PER CENT HR COUNTRY ACC.	19/12/2014	REPUBLIC OF CROATIA			507 274,51	
CB RECEIVED FROM EU CBA 2013025-400 + 2013025-470 2ND INSTALLMENT EUR 14	18/12/2014	EUROPEAN COMMUNITY			1 707 870,45	
700 000 FP 1740 (RHP)						
MANAGEMENT FEES ON EUR 1 707 870 45 FOR HR CB RECEIVED FROM EU CBA 2013025-400 +	18/12/2014	CEB		43 463,21		
2013025-470 2ND INSTALLMENT						
CBA 2013 305-400 AND 2013 305-470 EU CONTRIBUTION RHP FUND COUNTRY ACC	24/12/2014	EUROPEAN COMMUNITY			2 916 913,00	
001						
MANAGEMENT FEES 2.5 PER CENT EU CONT 2 916 913 001 CBA 2013 305-400 AND 2013 305-	24/12/2014	CEB		73 800,83		
470						
INTEREST FOR THE LAST MONTH	01/01/2015	CEB		1 241,07		
TOTAL MOVEMENTS				2 267 270,42	6 667 266,00	
NEW BALANCE AS AT				01/01/2014		6 711 714,42

RHP FUND COUNTRY ACCOUNT - SERBIA (in Euro)						
RHP FUND COUNTRY ACCOUNT - 618 (001023291105)						
Reference / Desc.						
	Value Date	Bank/Agency	Page	Debit	Credit	
INITIAL BALANCE AS AT						10 791 669,00
INTEREST FOR THE LAST MONTH	01/02/2014	CEB		877,34		
INTEREST FOR THE LAST MONTH	01/03/2014	CEB		1 167,21		
INTEREST FOR THE LAST MONTH	01/04/2014	CEB		1 006,70		
INTEREST FOR THE LAST MONTH	01/05/2014	CEB		461,52		
INTEREST FOR THE LAST MONTH	01/06/2014	CEB		404,64		
INTEREST FOR THE LAST MONTH	01/07/2014	CEB		1 980,87		
INTEREST FOR THE LAST MONTH	01/08/2014	CEB		2 371,89		
INTEREST FOR THE LAST MONTH	01/09/2014	CEB		2 584,55		
INTEREST FOR THE LAST MONTH	01/10/2014	CEB		2 650,78		
INTEREST FOR THE LAST MONTH	01/11/2014	CEB		2 851,45		
INTEREST FOR THE LAST MONTH	01/12/2014	CEB		2 867,27		
CB RECEIVED FROM EU CBA 2013025-400 + 2013025-470 2ND INSTALLMENT EUR 14	18/12/2014	EUROPEAN COMMUNITY			4 110 194,00	
700 000 FP 1740 (RHP)						
MANAGEMENT FEES ON EUR 4 110 194 00 FOR RHP RECEIVED FROM EU CBA 2013025-400 +	18/12/2014	CEB		102 754,88		
2013025-470 2ND INSTALLMENT						
CBA 2013 305-400 AND 2013 305-470 EU CONTRIBUTION RHP COUNTRY ACCOUNT	24/12/2014	EUROPEAN COMMUNITY			6 999 800,07	
001						
MANAGEMENT FEES 2.5 PER CENT EU CONT 6 999 800 001 CBA 2013 305-400 AND 2013 305-	24/12/2014	CEB		172 240,00		
470						
INTEREST FOR THE LAST MONTH	01/01/2015	CEB		4 233,95		
TOTAL MOVEMENTS				246 204,64	11 999 994,07	
NEW BALANCE AS AT				01/01/2014		11 999 994,07



Council of Europe Development Bank (CEB)
Independent Auditor's Report
 Accounts No 001023291101/001023291102/
 001023291103/001023291104/001023291105/
 001023291106 in the name of RHP Fund Prepared
 for the period from January 1, 2014
 to December 31, 2014

RHP FUND COUNTRY ACCOUNT - MONTENEGRO (in Euro)						
Reference/Desc.	Value date	Debiting	Payee	Debit	Credit	Net
NETAL BALANCE AS AT 01/01/2014						
INTEREST FOR THE LAST MONTH	01/02/2014	CEB		28,87		
INTEREST FOR THE LAST MONTH	01/03/2014	CEB		33,99		
INTEREST FOR THE LAST MONTH	01/04/2014	CEB		40,73		
INTEREST FOR THE LAST MONTH	01/05/2014	CEB		49,71		
INTEREST FOR THE LAST MONTH	01/06/2014	CEB		59,46		
INTEREST FOR THE LAST MONTH	01/07/2014	CEB		70,52		
INTEREST FOR THE LAST MONTH	01/08/2014	CEB		83,79		
INTEREST FOR THE LAST MONTH	01/09/2014	CEB		99,17		
INTEREST FOR THE LAST MONTH	01/10/2014	CEB		116,48		
INTEREST FOR THE LAST MONTH	01/11/2014	CEB		136,25		
INTEREST FOR THE LAST MONTH	01/12/2014	CEB		158,24		
CB RECEIVED FROM EU CBA 2010/305/488 + 2013/305/479 (2ND INSTALLMENT EUR 14 (2ND RHP 17462) RHP)	09/12/2014		EUROPEAN COMMUNITY		146 427,71	
MAN FEE ON EUR 186 807,71 FOR MNE CB RECEIVED FROM EU CBA 2010/305/488 + 2013/305/479 (2ND INSTALLMENT)	09/12/2014	CEB		4 670,88		
CB 2013/305/488 AND 2013/305/479 EU CONTRIBUTION RHP COUNTRY MNE	29/12/2014		EUROPEAN COMMUNITY		313 173,94	
FORWARD FEE 2.5 PER CENT EUR CONT 313 173,94 CBA 2013/305/488 AND 2013/305/479	29/12/2014	CEB		7 809,32		
INTEREST FOR THE LAST MONTH	01/01/2015	CEB	CEB	160,45		
TOTAL MOVEMENTS				11 942,74	506 992,60	
NEW BALANCE AS AT 31/12/2014					471 764,45	



Council of Europe Development Bank (CEB)
Independent Auditor's Report
 Accounts No 001023291101/001023291102/
 001023291103/001023291104/001023291105/
 001023291106 in the name of RHP Fund Prepared
 for the period from January 1, 2014
 to December 31, 2014

Notes to the statement

Basis of Preparation

The accompanying statement of movements on following RHP Fund accounts:

- RHP – Fund Regional Account (Account N° 001023291101)
- RHP – Fund Sub- Regional Account (Account N° 001023291102)
- RHP – Fund country account – BIH (Account N° 001023291103)
- RHP – Fund country account – HR (Account N° 001023291104)
- RHP – Fund country account – SRB (Account N° 001023291105)
- RHP – Fund country account – MNE (Account N° 001023291106)

for the period from January 1st, 2014 to December 31, 2014 is prepared in accordance with Articles 2 and 3 of the General Conditions of the Regional Housing Programme Fund (the "General Conditions").

In accordance with these General Conditions, the Accounts will be debited with:

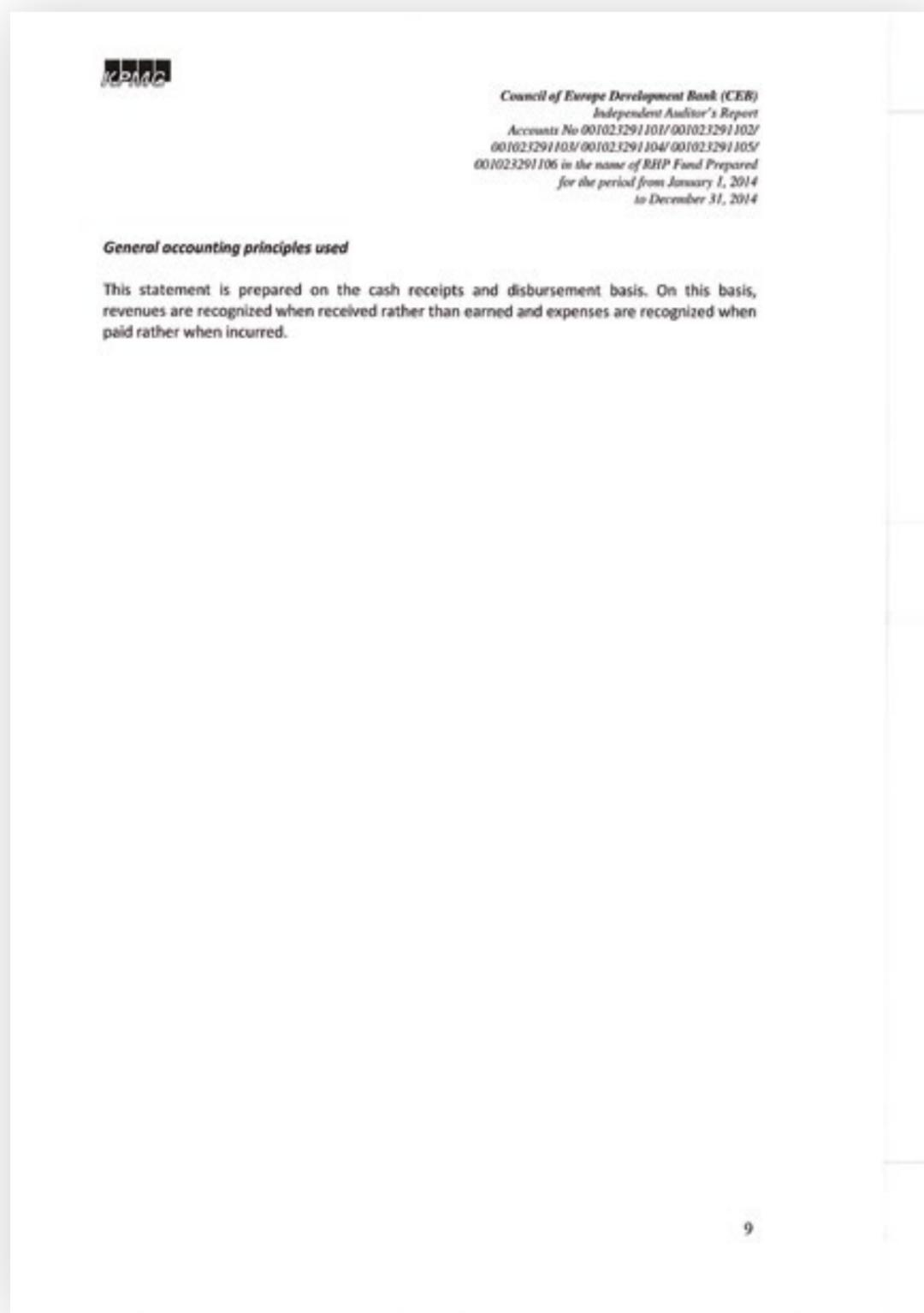
- payments for providing support in the form of Grants;
- the Management Fee in accordance with Paragraph 3.6 of the General Conditions;
- the costs of the audit of the statements of the RHP Fund in accordance with Paragraph 3.8 (b) the General Conditions;
- the costs of recovery proceedings in accordance with Paragraph 3.4(c) of the General Conditions;
- other activities approved by the Assembly of Donors, such as regular audits in the Partner Countries as well as an RHP mid-term review and independent evaluations of Country Housing Projects (CHP).

The terms of the Management Fee due to the CEB are provided in the Article 3.6 of the General Conditions. The CEB receives a management fee, corresponding to 2.5 per cent of the total amount of Contributions paid into the RHP Fund.

In accordance with the General Conditions, the Accounts will be credited with:

- contributions made by donors pursuant to articles 2.2 and 2.3 of the General Conditions;
- interest accrued on the Fund Resources in accordance with article 3.7 of the General Conditions;
- amounts recovered under proceedings taken pursuant to article 3.4(c) of the General Conditions).

2 – Sub-Projects Approved at December 2014

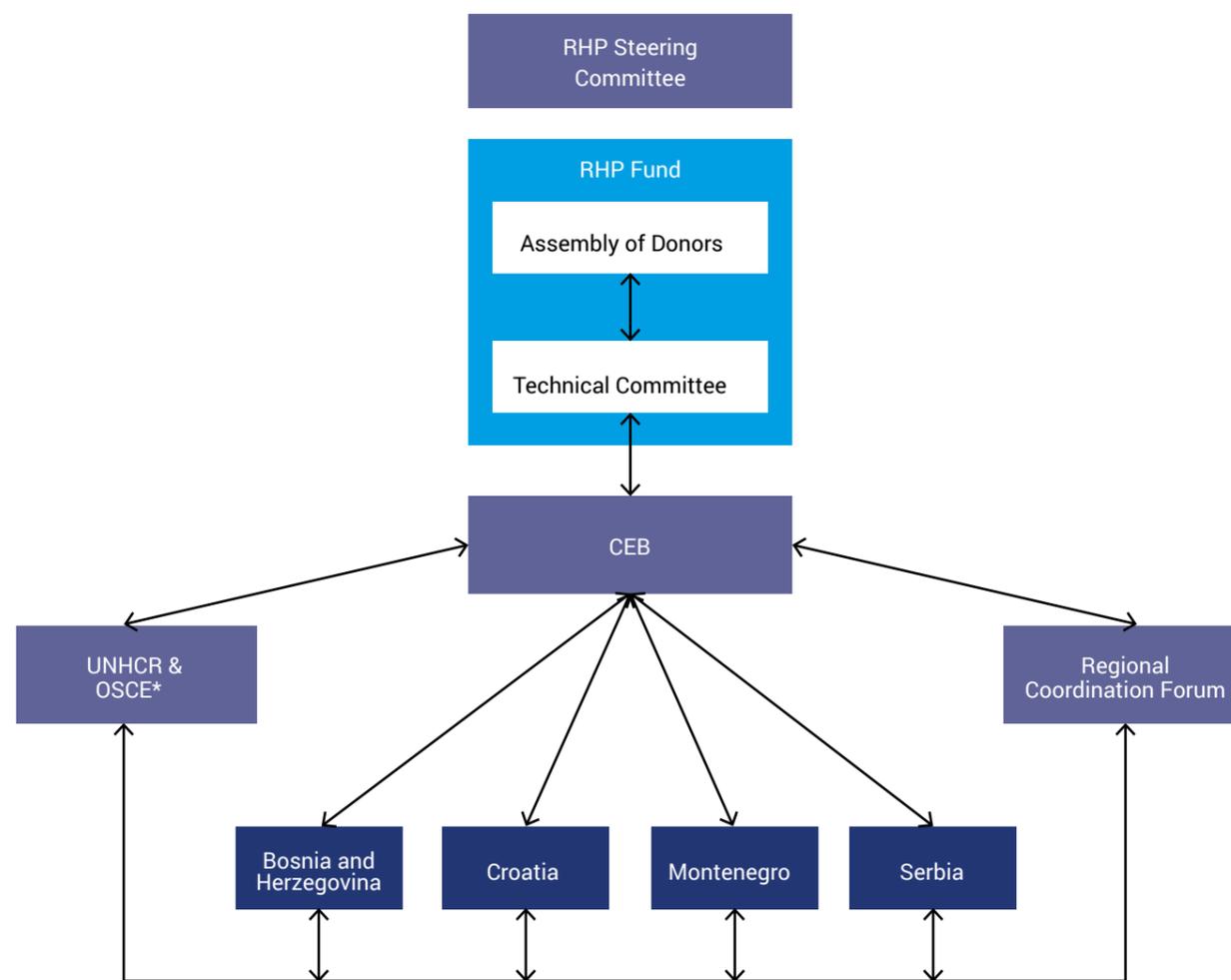


	Sub-project title	Ref. no	Date of approval by Assembly of Donors	Total estimated budget	Approved grant amount (in EUR)	Estimated national contribution (in EUR)
1	Provision of building materials to 20 families and turnkey reconstruction assistance to 150 families	BiH1	08/04/2013	2 668 500*	2 387 500*	281 000
2	Construction of apartment building for 29 families in the municipality of Korenica	HR1	08/04/2013	1 398 211	1 048 658	349 553
3	Construction of two blocks of flats for 62 families in the municipality of Nikšić	MNE1	08/04/2013	2 580 000	1 980 000	600 000
4	Provision of 70 pre-fabricated houses and 125 packages of building materials for 195 families	SRB1	08/04/2013	2 212 500	1 993 000	219 500
5	Provision of housing solutions to 780 households for return and reintegration or local integration in BiH	BiH2	11/10/2013	14 634 324	12 634 032	2 000 292
6	Construction of two residential buildings in Knin for 40 families	HR2	11/10/2013	3 475 781*	2 587 037*	888 744*
7	Reconstruction of a home for 75 elderly and disabled persons in Glina	HR3	11/10/2013	4 259 039*	3 085 525*	1 173 514*
8	Provision of housing to 120 most vulnerable families from Camp Konik 1	MNE2	11/10/2013	6 906 750	6 226 622	680 128
9	Construction of a home for 68 elderly/handicapped persons in Pljevlja	MNE3	11/10/2013	2 231 716	1 918 572	313 144
10	Support to 870 refugee families through four different housing modalities	SRB2	11/10/2013	13 062 936	11 560 936	1 502 000
11	Purchase of flats for 101 households	HR4	06/12/2013	5 717 140	4 287 855	1 429 285
12	Support to 715 refugee families through four different housing modalities	SRB3	06/12/2013	13 642 918	10 963 918	2 679 000
13	Support to 661 refugee families through four different housing modalities	SRB4	23/06/2014	11 987 751	10 614 891	1 372 860
14	Construction of 438 flats in multi-apartment buildings for refugees and IDPs in BiH	BiH3	20/11/2014	14 371 287	12 343 875	2 027 412
15	Construction of a residential building for 21 families in Benkovac	HR5	20/11/2014	1 375 732	1 023 421	352 311
16	Construction of 94 apartments for 271 persons in the municipality of Berane	MNE4	20/11/2014	3 990 647	3 575 780	414 867
17	Support to 1 712 refugee families through three different housing modalities	SRB5	20/11/2014	46 773 758	36 348 906	10 424 852
	TOTAL			151 288 990	124 580 528	26 708 462

3 – RHP Governance Structure

In 2012, the CEB, in cooperation with other RHP stakeholders, set up an effective governance and coordination structure for the RHP and the RHP Fund. This structure is intended to foster three principles that are key to the success of the RHP:

- high stakeholder ownership
- strong operational coordination
- close Donor oversight.



*In line with its mandate in each Partner Country and within existing capacities

RHP FUND GOVERNANCE STRUCTURE

In 2012, the CEB, in coordination with the Donors, set up a multi-donor fund named the RHP Fund. The Fund's governance structure and the conditions applicable to its resources are defined in the General Conditions of the RHP Fund.

Within this overall governance and coordination structure, a specific governance scheme has also been set up for the RHP Fund to enable Donors to closely oversee the use of their contributions. This specific governance scheme comprises two bodies.

Assembly of Donors

The first body is the Assembly of Donors of the RHP Fund, which is the RHP Fund's supreme organ. The Assembly of Donors is composed of:

- one representative of each Donor
- the CEB in its capacity as Fund Manager, with non-voting status.

The Assembly of Donors has the following main responsibilities:

- approve the grant applications submitted by the Technical Committee and decide on other grant-related issues
- approve the annual financial statements of the RHP Fund
- monitor the payment of contributions to the RHP Fund as well as the Fund's financial flows.

The Assembly of Donors meets at least twice a year and is chaired on a permanent basis by the Commission and by another Donor on an annual rotation basis. From November 2013 to December 2014, the co-chair was Switzerland.

Technical Committee

The second body in the RHP Fund's governance structure is the Technical Committee. The Technical Committee is composed of one representative of:

- each Donor that has contributed at least EUR 5 million to the RHP Fund
- the Commission
- the CEB in its capacity as the RHP Secretariat.

The role of the Technical Committee is to:

- screen and assess grant applications
- submit grant applications to the Assembly of Donors for approval
- prepare Grant Request Assessment Criteria
- discuss implementation-related issues, especially those concerning the progress of the RHP.

The EUR 5 million contribution threshold ensures that the Technical Committee remains operational by limiting the number of its members. The Technical Committee met for the first time in Paris on 26 October 2012 and meets a minimum of twice a year.

RHP COORDINATION STRUCTURE

RHP Steering Committee

At the top of the coordination structure is the RHP Steering Committee. This Committee was set up to ensure that all RHP stakeholders have ownership of the Programme and coordinate closely with one another.

The RHP Steering Committee is composed of one representative of:

- each Donor
- each Partner Country
- the UNHCR
- the OSCE Secretariat

As the RHP's supreme coordinating body, the RHP Steering Committee has both strategic and supervisory tasks:

- Strategic tasks:
 - provide strategic guidance and coordinate activities under the RHP
 - review the effectiveness and sustainability of the activities financed with RHP Fund resources.

- Supervisory tasks:
 - oversee the RHP Fund's operations and the progress of the RHP.

The RHP Steering Committee has the same chairing arrangements as the Assembly of Donors (see above). The Committee meets at least twice a year and held its inaugural meeting in Paris on 30 November 2012. During that meeting, it was agreed that the RHP Steering Committee meetings would take place back to back with Assembly of Donors meetings.



RHP stakeholders at the meeting of the RHP Steering Committee, held on 23 June 2014 in Zagreb, Croatia

Regional Coordination Forum

To further ensure close coordination between all RHP operational stakeholders, an operational coordination organ, named the Regional Coordination Forum, has also been set up.

The Regional Coordination Forum is composed of one representative of:

- each Partner Country
- the Commission
- the UNHCR
- the OSCE Secretariat
- the CEB in its capacity as the RHP Secretariat

The purpose of the Regional Coordination Forum is to facilitate coordination in respect of issues related to the Sarajevo process in general, and to operational issues concerning RHP preparation and implementation in particular.

The Terms of Reference of the Regional Coordination Forum were adopted at the first meeting of the Forum, which was held in Podgorica, Montenegro, on 18 January 2013. The Regional Coordination Forum formalises the operational cooperation that has been taking place among the Partner Countries, international stakeholders and the CEB since the Belgrade Conference held in March 2010 and which is so vital to the success of the RHP.

INTERNATIONAL STAKEHOLDERS

A number of international stakeholders, i.e. the Commission, the U.S., the UNHCR, the OSCE and the CEB provide strong support to Partner Countries. By playing a key role in the governance and coordination structure, they contribute to close Donor oversight and strong operational coordination.

The Commission and the U.S. closely monitor the progress of the RHP, in particular within the framework of the Technical Committee. The UNHCR and the OSCE have been tasked with helping to identify beneficiaries, monitoring their selection and ensuring that they receive adequate protection. As such, these institutions will play a crucial role in ensuring that the RHP effectively provides sustainable housing solutions to those refugees and displaced persons most in need. Finally, the Commission, the UNHCR and the OSCE also facilitate operational coordination between all stakeholders by participating in the Regional Coordination Forum.

The CEB's role within the framework of the RHP is threefold:

- in its capacity as Fund Manager, the CEB is responsible for managing the RHP Fund. This mainly entails managing the contributions received from Donors, providing administrative support to the RHP Fund's governance bodies and reporting on the activities undertaken;
- in its capacity as a Financial Institution, the CEB assists the Partner Countries in preparing and implementing their Country Housing Projects, including pre-appraising grant requests, disbursing grants as well as monitoring the implementation of Country Housing Projects and the use of grants disbursed from RHP Fund resources to the Partner Countries. As part of this role, the CEB also supervises the Technical Assistance, funded by the European Commission, that is provided to the Partner Countries by a consultant;
- in its capacity as the RHP Secretariat, the CEB facilitates coordination between the Partner Countries, the Donors, other international stakeholders and itself, during RHP preparation and implementation phases. This role entails providing administrative support to the RHP and the RHP Fund organs as well as ensuring that the RHP receives appropriate visibility.

In November 2012, the CEB set up a dedicated RHP team to carry out the above-mentioned functions (see photo below).



photo by Kitty Villani



Bosnia and Herzegovina



Republic of Croatia



Montenegro



Republic of Serbia

The Regional Housing Programme is financed and supported by the International Community



The Regional Housing Programme was set up to offer durable housing to 74,000 vulnerable individuals who became refugees or displaced persons following the 1991-1995 conflicts on the territory of former Yugoslavia. The RHP is to be implemented with the support of the international community.

www.regionalhousingprogramme.org
