

Berit Nordahl and Iršam Omerspahić

# **The challenges of housing privatisation**

Evaluation of a pilot project in Sarajevo 1997 –  
2000

BYGGFORSK

Norwegian Building Research Institute

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Project report 289 – 2000

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## **Preface**

This report presents an evaluation of a housing project in Sarajevo. Norwegian Peoples Aid (NPA) and the international department of The Norwegian Federation of Housing Associations (NBBL) have been in charge of a project called “*Privatisation of Housing, Institutional Building and Residents Organisation for Maintenance of Common Areas*” for four years. As the title indicates, the project has several aims. One is to help the residents in their new role as owners and to help them organising maintenance and management of the estates. Another aim is to support the institutions in Sarajevo to carry out the process of housing privatisation.

In June 2000 a small team was established to evaluate the project. The evaluation team has consisted of Mr. Irsham Omerspahić, director of the Company of Public Housing in Zenica, Zenica-Stan, and Mrs. Berit Nordahl, research fellow at the Norwegian Building Research Institute.

For twelve active days the team worked in Sarajevo in order to collect information, and for some weeks after we had active e-mail correspondence. The team wants to thank the NPA office in Sarajevo, especially Ms. Mersija Pirkić, for support and thorough help. We also have had very good co-operation with employees in Sarajevostan, Sarajevo Canton, Park Company, the Municipality of Novi Grad and several residents, and want to thank them for their participation in the interviews.

It is our wish that this report can be of value for NPA and NBBL, and for the institutions that have been participating in the project. Good luck to all of you!

For the busy reader we recommend to read the introduction and the last chapter, recommendations. This will give a brief version of the project, our evaluation and suggestions for future activities.

Frank Henning Holm  
Head of department

IRŠAM OMERSPAHIĆ  
BERIT NORDAHL  
Zenica/Oslo 07.18.2000.



## Contents

<b>1. Introduction</b> .....	<b>7</b>
<b>2. Methods</b> .....	<b>9</b>
<b>3. Sketch of the situation</b> .....	<b>11</b>
<b>4. The different actors</b> .....	<b>15</b>
<b>5. The project and its goals – expected results</b> .....	<b>18</b>
The goals and the intentions .....	18
What has been done in the residential areas .....	20
Central level .....	23
<b>6. Achieved results</b> .....	<b>27</b>
Kucni Savjets revitalised.....	27
Knowledge about upgrading and maintenance of buildings.....	28
Lack of legal regulations makes responsibility a burden.....	29
The unclear status of outdoor areas .....	31
Sarajevostan and Canton – several benefits but still a long way to go .....	32
New methods for Park Company.....	33
Municipality and Mjesna Zajednica.....	34
Conclusions - achieved results.....	35
<b>7. Evaluation of methods</b> .....	<b>36</b>
The benefits from working on two levels .....	36
Residential work .....	36
Institutional co-operation .....	37
<b>8. Need to continue?</b> .....	<b>39</b>
Good model and good relations .....	39
Increasing needs.....	39
Still huge challenges for the Canton, Sarajevostan and the Municipalities .....	40
Conclusions.....	41
<b>9. Recommendations</b> .....	<b>42</b>
Expand activities to new residential areas .....	42
Increase the institutional co-operation .....	43
Appendix 1: Interviews.....	45
Appendix 2: The Capital expenditure and estimated value of voluntary work .....	49
Appendix 3: Main points in the draft of the Law on Maintenance from Sarajevo Canton...50	
Appendix 4: Figures from OHR on the minority return .....	51
Appendix 5: The law on maintenance in the Canton of Zenica-Dobaj.....	53
Appendix 6: Term of Reference .....	60
Literature:.....	64



## **1. Introduction**

The war has seriously damaged the housing stock of Sarajevo. Reconstruction has been going on for some years, but there are still a lot of damaged houses and big needs for further improvements. Also the outdoor environment needs improvements. Trees were cut down during the war and the green areas between blocks have become wastelands, and used as parking plots.

Bosnia has decided to privatise its public housing sector. The privatisation process will take several years and offers a series of new challenges, especially as it will take place parallel to the rebuilding and repairing of the housing stock after the war damage. Issues concerning maintenance and management of housing offer big challenges. In the privatisation process Bosnia is looking for models in countries with a liberalised economy. Norway has gone from a planned economy after the Second World War to a more market oriented economy today. This shift is clearly reflected in the housing sector.

The project “*Privatisation of Housing, Institutional Building and Residents Organisation for Maintenance of Common Areas*” evaluated in this report, was developed in order to transform some of the experiences from the Norwegian models to Bosnia.

Good housing is a central issue for Bosnia and Herzegovina in the effort to rebuild the country after the war. Good housing is both a matter of physical construction and a matter of organisation, and this project addresses both the building issues and the organisational issues.

The aims of the project are twofold: First, to enable the residents to organise maintenance and management of the building and outdoor area. In order to do so the project has been working directly with the residents in four pilot areas. The second aim is to support the local institutions in forming the framework for privatisation. The project has co-operated with the institutions that are developing the legal structures for the privatisation issue: Sarajevostan and Sarajevo Canton. Sarajevostan is the public housing company that manages and maintains the housing stock. Sarajevo Canton is the main legislative body in this part of the privatisation process. The project has also co-operated with Park Company of Sarajevo. The company used to be in charge of all green areas in the city, in the housing areas as well as in the city centre. The project has been defined as a pilot project because several of the methods and approaches were new for the participants.

The Norwegian Federation of Housing Association (NBBL) has played a key role in the project as they have had the professional responsibility and performed an active advisory service. The project started in 1997 and in May 2000 NPA and NBBL decided upon an evaluation. NPA assigned a researcher at Norwegian Building Research Institute and the director of the Public Company Zenica-Stan, for the job and a small evaluation team was established. None of these persons or the institutions in which they work have been involved in the project.

This report consists of nine parts. It starts with a short orientation about the methods used in the evaluation. The next part gives a sketch of the housing situation in Bosnia and Sarajevo in particular. The housing situation is extremely difficult for the inhabitants and the institutions



that are supposed to set up framework are experiencing several significant changes at the same time. It has been of great importance for the team to become familiar with these difficulties, in order to assess the inputs and the results. We assume that a basic knowledge of the housing situation and the ongoing changes are of importance for the reader as well (part three).

In part four we give a brief presentation of the main actors in the project.

The main part of the evaluation is to be found in parts five, six and seven. Part five presents the inputs, the activities and the intentions of the project. Part six assesses the achieved results according to the project activities and the situation in Sarajevo. Part seven gives a more thorough assignment of the methods used in the project, as the project might serve as a model for other cities/other parts of the country. We think the project has been successful and that it should continue. In part eight we explain why, and in part nine we give some recommendations for further activities.

## **2. Methods**

This study was carried out during twelve days of intensive informationseeking and discussions in Sarajevo, and with additional analyses and writings in Oslo and Zenica.

The evaluation is based on information from project documents and interviews with project staff, residents, local project partner in different institutions and organisations and other key personnel.

### *The interviews*

Before the team started the work the project manager in NPA in Sarajevo and the advisory staff from NBBL made a tentative list over persons that could be interviewed. The list was adopted with some minor changes. This was an effective way of organising the data collection. Project manager had already made arrangements with some of the interviewed persons. During the twelve days 18 interviews were carried out and four pilot areas were inspected, see list of interviews in appendix 1.

Some issues came up during the interviews, which the team wanted to explore further. As we wanted more information about the housing situation in general and the challenges according to displaced people, we added some interviews with staff from the Norwegian embassy and the Office of the High Representative in Sarajevo (OHR).

All the interviews were carried in the offices or homes of the interviewed persons. In some interviews the project manager came with us and gave a short introduction before she left us alone with the interviewed persons. All interviews, apart from the embassy and OHR staff, were in Bosnian language. Simultaneous interpretation enabled the Norwegian researcher, who does not speak Bosnian, to take active part in the interviews.

Our judgements are based on information given in the interviews (and documents). There was no possibility to verify the information by observation over a longer period or other methods. We cannot complete rule out the possibility that the information is biased, as the interviewed residents might want to appear more organised and motivated than the majority of residents really are. This could have been verified by a survey of all residents, but this would have been a very costly undertaking.

### *Organising the mission*

A period of twelve days is undoubtedly a short time to get familiar with the project and to understand the preconditions for the project. The team organised some days with intensive interviews (3 or 4 each day) and other days with work in the office so as to interpret the information given and discuss about the report. This was a good way of organising the data collection as it gave us an opportunity to discuss the information from the interviews according to the terms of reference for the evaluation. We made written summaries of all interviews and discussions for later purposes. The team made a brief presentation of their findings and preliminary conclusions for the project manager one of the last days, in order to get her comments. Before the team left Sarajevo we had made a framework for the evaluation report and discussed thoroughly all tasks.

### *Document survey*

In order to be prepared the team surveyed several documents before the interviews started. The team had received several documents:

- 4 Project proposals for the coming year (frame agreements plans)
- 3 Yearly reports (frame reports)<sup>1</sup>
- 9 internal quarterly reports
- Several formal agreements and letters of intents showing the contribution of different institutions
- Minutes/findings from seminars and meetings.

These documents were important in order to prepare for the interviews and to have both general pre-knowledge about the project and the problems, and some specific issues to elaborate further. In addition NPA and NBBL had developed terms of reference<sup>2</sup> in order to give the scope and the framework for the mission.

### *The documents as leading threads*

The task-list and the project documents clearly defined what should be the focuses of the evaluation. It is, however, not necessarily so that the tasks discussed in the documents always are the most important for the team.

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<sup>1</sup> The proposals and plans are external, directed towards NORAD.

<sup>2</sup> See appendix 6.

### **3. Sketch of the situation**

There are two different issues that have generated the need for a project like the one NPA runs in Sarajevo. The first issue is the huge damage to the housing stock during the war. Approximately 51 % of all apartments in Sarajevo were damaged. In addition to damaged buildings also technical infrastructure was damaged or completely destroyed (streets, bridges, water and sewage system, electricity supply, hospitals, schools, university...). The need for reconstruction and repair has been enormous. NPA has taken part in reconstruction all over Bosnia Herzegovina to a major extent. This leads to the second issue: To carry out reconstruction and repair is just partly solving the housing problems in Sarajevo (as in other cities in Bosnia), because of the ongoing privatisation process. Like Croatia, Slovenia and other states in East Europe the housing sector is to be privatised. There are huge organisational challenges, both on local levels (among the residents) as on central or institutional level.

#### **Laws on privatisation**

The laws on privatisation of the housing stock in South-East Europe are mainly meant to be a tool for promoting a more efficient society (Turner 1992). It probably also has an important symbolic value as it avoids the “culture of dependency” and encourages “the enterprise culture” with individuals who take more responsibility over their situation (Clapham and Kintrea 1996). The laws consist of four parts: the privatisation of big companies, small companies, pre-owner relationship<sup>3</sup> and housing. The law on housing privatisation was passed in April 1998 for the whole of Bosnia and Herzegovina. According to the law, the Cantons were supposed to pass a Cantonal law on *maintenance of jointly owned parts of buildings* (here called the Law of Maintenance) within two years<sup>4</sup>. In Sarajevo Canton, the law on maintenance has been delayed for many months. There is definitely an urgent need for the law to be passed, as well as proposals for other legislation that can support the new owners.

Privatisation of the public rented housing stock necessitates the creation of a legal framework that allows for ownership. Private ownership might be unproblematic in single-dwellings, but is quite complex for multi apartments blocks. In Western Europe, over the centuries, have developed their own system of apportioning rights and responsibilities between different interests involved. It might be unfair to expect Bosnia and in our case Sarajevo Canton, to develop such a system within two years. Nevertheless there is an urgent need for a system that not only apportions rights and responsibilities, but also avoids negative by-effects of privatisation, like speculation among well-off residents and increasingly divergent living standards within the cities, as other states in former Yugoslavia experience (Petrovic 2000).

#### **Financing reconstruction, upgrading and maintenance**

In Sarajevo, as in other cities of Bosnia, the international grants for reconstruction of damaged buildings have been enormous, but so were the damages too. From Office of the High

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<sup>3</sup> Ownership from before the Second World War

<sup>4</sup> Some Cantons have passed laws on maintenance. The law from Zenica-Doboj Canton is presented as an example in appendix 5.

Representative (OHR) we have information that the grants are decreasing rapidly and it has become very difficult to raise funds for repair work. Unfortunately the need is still huge. The housing privatisation takes place in a situation where several buildings are in need of costly repairs. The grants for reconstruction are decreasing - and the credit possibility is more or less absent. Mortgage is no realistic option. The local banks are reluctant to give long-term loans as the situation is still unstable and family incomes are low. These problems are unfortunately familiar for other states in former Yugoslavia (Croatia and Slovenia) (Petrovic 2000). There is indeed a need for micro-banks, revolving funds, reverse mortgage systems or other kinds of credit arrangements (Cirman 2000).

This was the background for NPA/NBBL to form a project that supported the new owners with some small grants for repair and with organisational know-how about management and maintenance. Necessary support should also be to the institutions in charge of forming and passing the legal framework for the privatisation process.

### The housing structure in Bosnia

In order to get a more complete picture of the housing situation in Sarajevo it is necessary to go all the way back to the end of the Second World War. Roughly the housing stock in Sarajevo, as in other cities in Bosnia, can be divided into two categories. On a country basis a large part of the dwellings are privately owned small houses built on self-help basis (by the owners themselves). The other main category is rented apartment. For the whole of former Yugoslavia, in 1990 nearly 11 % of the dwellings were rented apartments, the “public rented housing”. In the more developed parts of the country 33 % of the housing were “public, rented housing”. In the cities the share of the rental sector is higher: 51 % were “public rented” and 49 % were “in private hands” (Mandic 1996). A small part of the rented housing stock consists of housing estates that were nationalised after the Second World War, often city buildings from the beginning of the 19<sup>th</sup> century.

The apartments in the public rented housing system used to have a higher standard than the self-built houses. In 1990, 86 % of the rented houses but only 29 % of the self-built houses had basic amenities. The rented dwellings were also less crowded as the average floor-space per residents was 19,3 square metres, while the average in the private owned self-built houses were 10,0 square metres.

“Public rented housing” was institutionalised as a form of employment benefits, mainly for skilled workers and white collars/functionaries. These dwellings were a way to keep up the standard of living among employees. The tenants earned the right to tenure through their work and could pass the right on to their children. The rent was, and still is, political issue and has for a long time been at a subsidised rate (below cost). The apartments are in multi-dwellings, multi-storey buildings. Even though many young persons would like to have had their own house, an apartment in the rental sector was preferred by many, as it opened for housing rights without any own financial contribution (Mandic 1996).

### The “stan” companies

The rental housing system was in the beginning managed by the state, but a reform in 1965 changed the management into “self-managing companies”. These “stan” companies are enterprises with monopoly of allocation of apartments to tenants, as well as on management and maintenance. The allocations have been commissioned by the different state owned

companies/enterprises. Each city used to have a “stan” company in charge of the public rented housing stock. It seems to be a well-known fact that this arrangement has not succeeded in allocating enough apartments, and the “stan” companies have failed in transparency and are difficult to penetrate (Mandic 1992). The idea to change the monopolistic situation and to transform the rented sector into self-owned apartments started in the early nineties in all states in former Yugoslavia. Slovenia and Croatia have been in similar situation as Bosnia is in today, and they have gained experience that might be useful for Bosnia.

In Sarajevo the “Sarajevostan” is the company that has been allocating housing and been responsible for maintenance. Today it manages 70,000 apartments. The absolute majority of the apartments are located in high-rise blocks in the new parts of Sarajevo, but some are located in the nationalised buildings in the old city centre.

### The challenges

The project takes place in a situation where the residents have the right to buy their flat. According to Sarajevostan so far approximately 30 % of the residents have done so, and the rate is increasing. The new owners face a number of problems:

- *Rising funds for maintenance*: Many of the privatised buildings are still not properly repaired and several of them suffer from lack of maintenance over the last 10 years. Few residents, if any, have information about the real cost of maintenance. The residents are not used to taking an active part in maintenance, either as regards carrying out the physical work or in making decisions about what to prioritise and how to raise funds.

- *Change the attitude and increase knowledge among residents and owners*: As described the paid rent has been very low and few residents are familiar with the real cost of maintenance. During the war the residents helped each other in the every day struggle. But after the war interaction and co-operation have weakened. The many changes and uncertainties have been reflected in confusion about rights and especially the *obligations* of each resident. This is enhanced by the fact that some residents are staying on a temporary basis.

- *Displaced people*: During the war several residents fled and other were allowed to move into abandoned apartments, if their own were destroyed. After the war the policy is to make people return to their old homes. Several residents are internally displaced and does not know if they will be allowed to stay in their dwelling. Some of the buildings were nationalised after the Second World War and the former owners have a right to their old property, if they can provide another apartment for the present residents.

- *Lack of proper legal structure*: As mentioned earlier the legal structure to serve homeownerships in multi-dwelling buildings is not yet fully developed. This means that the owners in reality have no right to act as *a legal unit* and they have for instance no sanctions when they need to act against other owners who do not fulfil their obligations. The process of eviction is in general very long and difficult<sup>5</sup>. Eviction is of course no aim for the residents,

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<sup>5</sup> The process of eviction is indeed complicated and often leads to nothing. When residents, for several reasons, had to leave their own flats during the war they took another empty one. In most cases this was done with approval from the municipality, in “a legal way”. In order to get the flat back the former residents has to file a claim: (1) The Commission for Real Property Claims (CRPC) issues a document that proves they claim their old flat back. (2) If the present resident does not leave the apartment, the former owner or tenant can press charges and have the Court to decide who is entitled to the apartment. (3) If the decision is in favour of the applicant,

but they certainly need some authority to secure contributions from the co-owners and to stop antisocial or destructive behaviour. This is reflected in the fact that eviction is at the top at the agenda of Office of the High Representative (OHR), department of Refugees Return Task Force, as it gives people a legal framework to protect their rights. The evicted people have to look for their own property elsewhere. It certainly is a problem if the evicted persons have nowhere to go and no income. The municipality is obliged to care for them, but the capacity is low. However, for the whole of Bosnia, the budgets constraints for the social programmes of the municipalities are *not* a major obstacle in the process of eviction. As far as we can see the main problems are the low capacity of the court and that neither former tenants/owners nor the boards of residents dare to go into confrontation and manifest conflicts with other residents. It is important to take into consideration the harrowing ethnic dimension of the war and that the wounds will not be healed for long.

### Significant changes and improvements

In this difficult situation there are some significant improvements and signs that the situation will change to the better.

Firstly the law on maintenance is about to be passed, as the Canton parliament is already overdue (the law should have been passed in April 2000 at the latest). The preparation work is finished and the politicians have also finished their discussions. We especially asked people in Canton and Sarajevostan if there was good reason to believe in further delay, but everybody considered that the law would now be passed according to the new schedule, which means it will be passed in October 2000.

Secondly the number of displaced persons, and thereby residents on a temporary basis, is decreasing as return of minorities is gaining speed. This is important for a more stable housing situation. The return rate has been slow the first years, but the rate is now finally speeding up. The figures for first quarter of year 2000 are 4-5 times higher than previous years (see appendix 4). A high return speed would be good for Sarajevo, as it would relieve some of the pressure on the housing stock. Unfortunately the return speed is recognised to be slower for the public rented housing stock in the cities, than for private owned single dwellings. There is therefore reason to expect that the speed of return will be less high for the target group of this project.

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Sarajevo Canton can decide that the present resident has to leave. (4) Finally the Municipality has to sign the eviction paper and the eviction is carried out with police present. This is certainly a long way to go, especially as the capacity of the Court is far too small. In this chain the events depend on each other. If one applicant fails to get the right person in the municipality to sign, there will be no eviction. Despite the long process, there have been several evictions, which are interpreted as a big step towards "right and order".

## 4. The different actors

The project involves several actors and several levels. In this chapter we will give a brief presentation of the actors and their roles and responsibilities.

### Central level

*The Canton:* Sarajevo city consists of nine municipalities that are unified in the Sarajevo Canton. The whole of the Federation of Bosnia and Herzegovina is divided into Cantons, of which Sarajevo is one. As previously stated, the Canton is the body that issues the law on maintenance. The Law on privatisation is issued for the whole Federation, but the set ups, regulations and the law on maintenance are the responsibility of the Cantons. Sarajevo Canton faces many challenges: There are approximately 80,000 apartments in the “public rented sector” in Sarajevo. 6,700 apartments are totally destroyed and approximately 22,000 apartments are abandoned (Canton estimation).

There are many issues still to solve. One of them is the relation between tenants of apartments and owner-occupiers in the same staircase or in the same building. The Canton is working hard to solve all the problems with destroyed and abandoned flats, and to organise the process of privatisation, but expertise is lacking. For this reason the Canton has decided not to peruse the definition of what land belongs to each building and how to organise ownership for communal land around the buildings.

Both politicians and civil servants in the Canton have taken an active part in the project. (See part 6 for more details). Unfortunately there have been several changes in personnel and the Ministry of Housing has had three different ministers during the project period.

When the law on maintenance is passed, the Canton will be in charge of the implementation of it. Officials see a need to explain the consequences of it, and to assist the residents to work out a good co-operation between tenants and owner-occupiers.

*Sarajevostan:* Sarajevostan has played a central role in the draft of the law as they have given technical expertise to the Canton. The enterprise is owned by the state and the Canton Government appoints the managing board of Sarajevostan and supervises the work of the enterprise. There are about 120 employees in the enterprise today. This is less than the half of what they had before the war. The enterprise manages approximately 80,000 public rented apartments in Sarajevo. A lot of the buildings are in need of repair (approximately 54 %). There have been some donor conferences where Sarajevostan put forward a list of 1500 buildings that needed repair, but only 219 buildings have been part of the reconstruction programme.

Sarajevostan has been collecting the rent, has made all management decisions and carried out the maintenance of the whole public rented housing stock. Before the war 12 % of the rent was distributed back to the residents for daily upkeep. All together 38 % of the rent was used for administration and maintenance for the installations, and 62 % for amortisation and other expenses.



Sarajevostan has filed all information about the buildings (foundation, design, construction etc) that is necessary for maintenance. Until the law on maintenance is passed, Sarajevostan is the only agency in charge of maintenance and is in a monopolistic situation. After the law is passed Sarajevostan will pass the technical information on to other agencies<sup>6</sup>. As Sarajevostan has also filed all information about tenure relationships, they are also the body that issues the documents certifying the tenant's right to buy, and thereby also the price they have to pay<sup>7</sup>.

*Park Company:* Park Company maintains all parks and green areas in the whole of Sarajevo, in the centre of the city as well as in the residential areas in the outskirts. As there is no formal connection between the management of the buildings and the management of the green areas that surround the buildings. Park Company has been responsible even for front gardens and greens between buildings. After the war the Park Company has been very busy planting trees, as many were cut down during the war. As funding is decreasing for this enterprise as well, it is looking for new relations and new methods. Park Company took part in the upgrading-project in Hranso green area, and co-operated with the residents in planning and implementation.

*The Municipality:* Sarajevo is divided into nine municipalities. Each has its own elected board and is in charge of schools, some parts of medical and health care (policlinic care) technical infrastructure, etc. The municipality is responsible for residents with no means and is obliged to help evicted residents, if they have no means. The municipality have a wide range of tasks, and has not been very active when it comes to housing issues.

#### Local level

*Mjesna Zajednica:* As the municipalities cover big areas and a lot of residents, a link has been established between local levels and the municipality. Mjesna Zajednica is what one might call the extended arm of the municipalities, as it is a small administrative body. It's role is very much to give advice to the municipality and to pass on complaints and investigations from the residents.

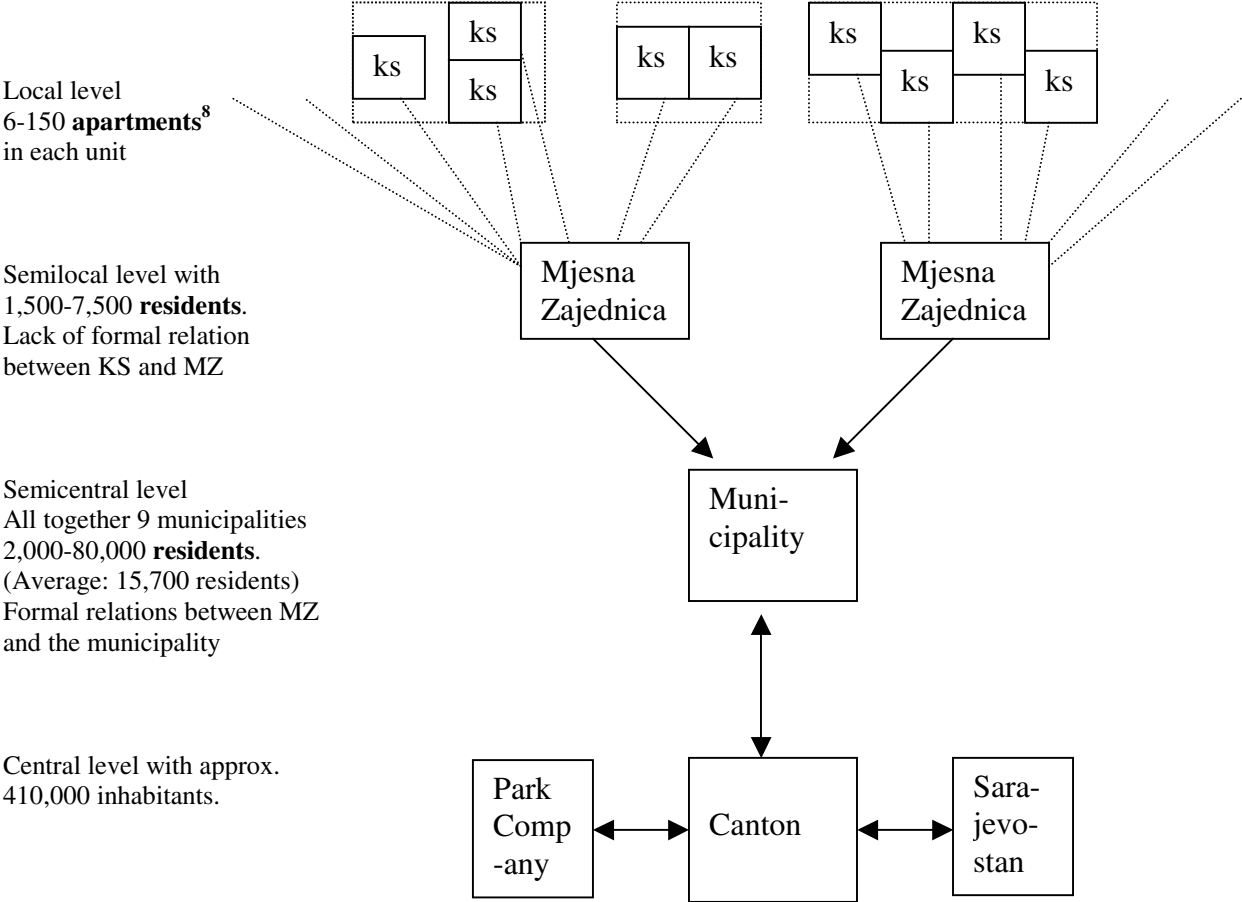
*Kuzni Savjet:* In the "public rented houses" there used to be an arrangement with Kuzni Savjets. The residents in each entrance had to form a board and elect a chairman, called "president". This board is called "Kuzni Savjet". This arrangement has been revitalised within the project. The arrangement is familiar to the residents - at least for the residents who lived in that kind of building before the war. There will certainly be a need for residential organisations as the privatisation process goes on.

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<sup>6</sup> Information given in the interviews.

<sup>7</sup> The price is set according to length of tenure and other specifications. In many cases the price is very low, almost symbolic.

Visualisation of the structure



All the actors have co-operated with the project. The very local levels, the residents and Kucni Savjets, and the very central level (the Canton and especially Sarajevostan) have been the target actors. The municipality and Mjesna Zajednica have not been very active in the project, as they have been occupied with other tasks. However they have been informed about the project and about the plans of the residents in the pilot areas.

<sup>8</sup> The figures are given by Sarajevo Canton (Mrs. Alma Pasalic). The number of inhabitants are estimated, 3 inhabitants pro apartment.

## **5. The project and its goals – expected results**

### **The goals and the intentions**

The project is designed to assist Sarajevostan and the residents in their preparation for a privatised housing system. The scope of this project is threefold:

- To assist Sarajevostan concerning organisational set ups like standard contracts and directives and any other legal documents appropriate for the privatisation process.
- To assist in the formation of democratically elected decision-making organs and assist the residents in effectively implementing the relevant standards, training and other means of guidance.
- To assist and guide in the participatory planning and implementation process concerning the upgrading of the common areas and facilities, and in the process of promoting community development and residential organisation.

The threefold scope is reflected in the immediate development objective, the concrete project outputs: One aim is to have residents in two or more estates “well organised and capable of running their own common matters”. A second aim is to promote social networks and good relationships among the residents in these estates. A third aim is to ensure that Sarajevostan has a set of bylaws and standard contracts for implementation of the privatisation process.

It is clear that the project had to work on two levels, both with the residents at the local level, and with Sarajevostan and the Canton on the central level<sup>9</sup>.

### **The organisation of the project**

The project is a co-operation between Norwegian Peoples Aid (NPA) and The Norwegian Federation of Housing Association (NBBL)<sup>10</sup>. NPA is a non-governmental organisation. They have been working in Sarajevo and other areas in Bosnia and Herzegovina, and former Yugoslavia since 1992. NPA have an office in Sarajevo and are for the time being managing three different programmes: Mine Action, Shelter and Community Development. This project is a part of the Community Development programme. In addition to this housing project the programme includes projects for education, and for children, youth and women. NPA has provided the project with office, staff and a budget.

NBBL represents the expertise on housing issues and has the professional responsibility for the project. According to the agreement between the parties, NBBL shall assist the project both on the local level (mobilising and organising the residents and forming democratic

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<sup>9</sup> The immediate aims of the project have, however, changed a little compared to the initial project documents, as the Canton has been in charge seeing that the law on maintenance, not Sarajevostan. Even though Sarajevostan has contributed to drafting the law, the Canton has set the agenda and the time schedule. This is reflected in the “letter of intent” with Sarajevostan.

<sup>10</sup> NBBL stands for ”A/L Norske Boligbyggelags Landsforbund” and is, as the English translation indicates, a federation of all housing associations in Norway. It is a non-governmental organisation working for the interest of the housing associations and their co-operative members (both residents and non residents).

residential boards) and on the central level (assist Sarajevostan and others and transfer know-how on housing privatisation issues in general and the experience from the Norwegian Model.

The project has its own office in Sarajevo, close to the NPA office. The project manager is highly qualified as she is trained as an architect and has long experience from the city planning office in Zenica. The project assistant is qualified as a teacher and together they have built a good team. According to the project manager and NBBL there has been regular contact between NBBL and the project.

### The budget

The project is quite small in terms of grants, and the budget reflects the pilot character. The grants have been decreasing the last two years. As NPA is a non-governmental organisation they depend on volunteer contribution, membership fees and grants.

	1997	1998	1999	2000
<b>1. Capital expenditure</b>				
Equipment	15,000	10,000	-	
Transport	50,000	-	-	
Buildings	350,000	425,000	-	
Other infrastructure	50,000	-	150,000	20,000
<b>2. Recurrent expenditures</b>				
Expatriate staff	350,000	450,000	188,000	220,000
Local staff	125,000	167,000	200,000	200,000
Consultant/Auditors	50,000	9,950	7,000	155,000
Transport/travel cost	5,000	114,050	10,000	50,000
Supplies	5,000	7,303	3,000	3,566
Other operational exp.	15,000	95,600	137,563	89,000
RRO cost	-	94,557	45,363	52,088
<b>3. Other project costs</b>				
Adm./gen./PRFU	-	170,976	82,405	87,666
Competence building	-	31,519	15,121	7,774
<b>Sum</b>	<b>1,015,000</b>	<b>1,575,995</b>	<b>838,452</b>	<b>865,094</b>
NORAD <sup>11</sup> funding	100 %	80 %	80 %	80 %

The evaluation team has not carried out any financial review of the project as this is taken care of by NPA and their auditing system. The budget is presented here so that we can identify the size of the different activities in the project.

1: The first part of the budgets reflects that the project had to establish its own office, with desks, computers etc. In the first year (1997) the office was equipped for project manager and next year a desk and computer were added for project assistant. Purchase of a second hand car was planned, but unnecessary.

<sup>11</sup> In 1997 100 % of the project was funded by NORAD (Norwegian Agency for Development Co-operation). In 1998, 1999 and 2000 80 % was funded by NORAD and 20 % by NPA.

This part of the budget also reflects the focus on repair and maintenance during 1997 and 1998. According to the project manager all the money spent on buildings in these two years was payment for heavy repairing, such as mending roof and sewage systems. In 1999 the budget for these kinds of expenditures decreased and since then the money has been spent as “seed money<sup>12</sup>” (for encouraging the residents in their self-help endeavours). A more detailed account over the capital expenditures is to be found in appendix 2. It shows that the investments differ between the different pilot areas.

2: The current expenditure part reflects the salary for the local staff (PM from first year and PM and Project Assistant from Mars 1998). The project has also used consultants. The first year consultants were used in order to get proper plans of a green area, which was to be upgraded. In the following years consultants were used occasionally as lecturers for groups of residents (Eco-group and several other occasions). The budget for recurrent expenditures reflects the aim to make the project sustainable, as the cost of expatriate staff decreased the last year. In 1998 the advise to central level is shown both in the figures for travel cost (visit to Oslo) and in the figures for expatriate staff.

3: Other operational expenditures cover for instance office rent and material an eco-group the project has established for children in one of the housing areas in the project. The last two items in the budgets reflects cost for NPA in Norway and do not concern the project activities.

#### *Other comments*

The project manager states that the late appearance of the budget for the working year has been a problem for the planning activities of the project. According to the staff at the project, the normal situation is that the budget is not clear before June. This obviously makes it difficult to plan activities for the first five months of the year, since nobody knows what money will be forthcoming. This has caused some problems for repairing and reconstruction, as it takes time to contract entrepreneurs to do the work.

### **What has been done in the residential areas**

As the budget reflects, the main efforts in this project have been connected to human resources. At the local level this means working with the residents, giving information and stimulating to organise themselves.

In all areas there have been several meetings with the residents. The purpose of the first meeting was to make them organise themselves. When the residents have formed residential boards the next meeting has discussed been about prioritising and organising different kinds of maintenance (from cleaning and daily upkeep to heavy repair and “akcija” (dugnad<sup>13</sup>)). There have also been seminars where the residents have met Sarajevostan for information about the law to come and for exchange of views on maintenance issues. One important task in these seminars has been to inform the residents about the Norwegian model. They have

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<sup>12</sup> The term “seed money” reflects smaller amounts of money to be spent by residents on communal purposes. The money is a tool to mobilise for volunteer work and the contribution of free labour. Within community work seed money is one of several tool to change the attitude among the residents from passivity to activity.

<sup>13</sup> Akcija (“dugnad” in Norwegian) has no tradition as a concept in English. It means when residents come together and give their free labour on common (public) areas, i.e. voluntary communal work.

been informed about the rights and responsibilities of the residents, how the housing boards in Norway work and how they co-operate with the maintenance company.

Even though organisational help and advice have been an important part of the project, some investments (basic repair and upgrading) have been made. Hrasno area in the outskirts of Sarajevo has received most money, but if one looks at money invested per apartments, the picture is different:

Area	Contribution in NOK 1997-1999	Number of apartments	Number of residents	NOK per apartment	NOK per residents
<b>Hrasno</b>	473,228	734	1882	645	251
<b>Presernev Park</b>	198,546	80	280	2,482	709
<b>Mak Dizdar</b>	47,120	14	35	3,366	1,346
<b>Ceckalusa</b>	60,927	19	66	3,207	923

### Hrasno

Hrasno area was chosen because NPA had already done some work there and Sarajevostan wanted them in the project. The area is in the new part of Sarajevo. It consists of three long blocks and three tower blocks, all built in the seventies. When the project started the residents were invited to a meeting, to get information about the project and to start the process of forming residential boards. It was very soon clear that the residents wanted to improve the “green” area in the middle of the blocks. It had been used as a parking plot during the war, as there was no electricity in the main parking area further away and the residents feared for their vehicles. The residents were to prioritise how to improve the area, and the project involved some architect students who were asked to make a proper plan and time schedule. After several meetings the residents and the students agreed upon the plan. The Park Company and the residents carried out the work together. The residents have contributed by giving their free labour. They have also established a group of volunteers to be in charge of the outdoor areas.

Other improvements were also carried out: In one of the buildings the residents collected private money in order to install door-phone and to upgrade the front door garden. The residents also used the opportunity to request that the rooms in the basement should be given back to the residents. The Mjesna Zajednica at present rents out these rooms for business purposes.

In one of the buildings in Hrasno area the residents have not managed to organise a residential board (Kucni Savjet), but some residents succeeded in organising residents to paint the entrance and repair the door with “seed money” contributed by the project.

In the tower blocks, the Kucni Savjets were organised and gave priority to urgent repairs: there were leaking roofs, damaged water pumps and no walls in the stairways<sup>14</sup>. Based on

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<sup>14</sup> The walls were originally made of reinforced glass, and they were all broken during the war. As they expressed it: “There was not a single whole piece of glass in the building”.

their own money they repaired lights on the staircases, got themselves new locks and repaired the entrance doors.

Hranso area did not have any streetlight as the previous lights were damaged during the war. The project made arrangements with other donor about streetlights, but this attempt failed and in the end Sarajevo Canton provided streetlights. According to the project advisor Sarajevostan contributed with water pumps for the three tower blocs and Park Company with “free” work and trees. All together the input from public sector is estimated to 100,000 Dem (NOK 430,000).

### Children’s Eco-group

In Hranso the project took the initiative to build an eco-group for children. The idea was to encourage children to take care of the outdoor area and teach the grownups “environment friendly” behaviour. This was done after a visit to Norway (see next part) where the project staff visited an area on the outskirts of Oslo where residents are made up of different ethnic groups. In this district in Oslo a similar children’s group has been an inspiration for upkeep of green areas and they have acted as a bridge-builder between ethnic groups<sup>15</sup>.

In Hrasno the children from the Eco group have contributed to the work with the green area. They have planted bushes and flowers, and are in charge of watering them. The group has also arranged picnic outing in the mountain together with The Ecological Foundation. In the second part of -99 they started to co-operate with Gorani, a scout-organisation focusing on environmental issues. The co-operation was formalised in year 2000 in order to help the Eco-group continue its activities after the phasing out of the project. The Eco-group now has two local volunteers as daily contact persons, and a teacher from the local school, living in Hranso, to inspire and lead the children. The group is now formally a part of The Gorani movement in Sarajevo/BiH.

### Presernev Park

Presernev Park is located in the centre of Sarajevo. Sarajevostan proposed the building for the project, as the residents had expressed the need for assistance in physical improvement. The project initiated a meeting with the residents and each entrance formed two residential boards (Kuzni Savjet) (one for each staircase) and elected one “president” (chairman) for each board. The residents gave priority to improvement works and the project installed door-phones in order to keep the entrance doors shut during the day and prevent intruders (the estate is in the middle of the city). The project also helped with repairing the sewage system and the roof. The residents also prioritised the painting of the entrances and setting up light in the communal areas of the building.

The residents organised akcija and cleaned the basement and backyard, removing garbage. They also started to improve the small green area in front of the building, trying to prevent it from being used as a common parking plot. A gate was installed in order to prevent non-residents from parking there. At a meeting in February 99 the Kuzni Savjet in one of the staircases stated the following problems to the project staff: The improvements were constantly being damaged as some residents were throwing their garbage in the backyard and braking the lock on the entrance door. In addition some residents had stopped paying for

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<sup>15</sup> The area is called Holmlia, and the group is called “Miljø-patroljen” (The Environmental Patrol).

cleaning. When we interviewed them the “presidents” of Kuzni Savjets wanted to arrange a big meeting for all residents to deal with the problems. They had earlier had a meeting with children in order to start children’s Eco group.

### **Mak Dizdar**

This is a smaller city block from the late 50-ies, located in Sarajevo City next to the river. In 1998 the residents contacted the project for some help. They had already organised themselves in Kuzni Savjet and had repaired a lot of things by themselves (half of the roof, some of the apartments destroyed by the shells, and had painted staircases, installed gas system etc). They had made a plan for further repair. They were however in need of funds in order to repair the other a part of the roof, and wanted help from the project. The work was carried out as planned, with a lot of contributions from the residents (pavement in front of the building, light installed in the courtyard, two benches etc.) The Kuzni Savjet have now opened a communal bank account in order to prepare themselves for future maintenance, as some of the residents managed to raise some funds from their present employer. Each month the residents pay 10 DM to the fund and 5 DM for cleaning.

### **Cekalusa**

This is a 100-year-old city estate located in a quiet part of the old city. The building suffers from longterm lack of maintenance. Also here the residents contacted the project after they had seen the improvement in Presernev Park. After the first meeting with the project they organised Kuzni Savjets and made a list of necessary improvements. In October 1998 the project contributed with funds for repair of the sewage system and materials for refurbishment of the entrance hall (new door and repair of a concrete baldachin over two entrances) and some installations for children in the backyard, including benches and fences. The residents carried out the work, and the project manager helped with the contract between the residents and the entrepreneur.

In Cekalusa some problems have arisen. The residents state that their economic situation is very bad and many residents have no contract that proves their right of tenancy. This creates problems when organising improvements, like when some residents have refused to pay for calling systems/bells. The calling system is important in order to keep the entrance locked during daytime. The Kuzni Savjets want to go on with the upgrading and to keep the entrance clean and nice. They want to continue with collecting a small amount of money from the residents. Despite the problems they have had some success. On inspection the estate appeared clean and tidy.

### **Central level**

On a central level the project has provided different kind of inputs. There have been several information meetings: informal meetings between the project and the municipality (including Mjesna Zajednica) and a formal meeting where the residents were invited together with the municipality and Sarajevostan. The project has also arranged an internal seminar for Bosnia and Herzegovina and study trips to Croatia and Slovenia and to Norway. On several occasions the project has informed about the “Norwegian Housing model”, translating the organisational



chart of OBOS<sup>16</sup> and contract documents NBBL use for property management services between the managing company and flat-owners.

### The Municipality and Mjesna Zajednica

In the beginning of the project arranged an information meeting with Mjesna Zajednica in Hranso area, and they had a follow up meeting in 1999. There have also been several meetings with the different municipalities. As mentioned above the Municipality of Novi Grad had rented out some of the rooms in the basement of one of the block in Hranso area, rooms that the residents want back. There have been meetings about this, in addition to the information meetings.

Even though the municipality has no funds for repair and cannot play any active role solving the problems of privatisation, the contact has proved to be important. The municipality has been delegated a certain planning authority and has the right to make decisions in land use matters. In Novi Grad the municipality received an application for renting the green area in Hranso for commercial use. Because of the project the municipality authorities were informed about the plans the residents had made together with the project, and they turned the application down. The municipalities however does not always agree with the residents, as they are in need of income and any rent will be welcomed.

In the beginning of the project period the project held a information meeting in municipality of Centar in order to discuss possible conflicts between rural and urban customs.

There have also been seminars arranged by the project, where the residents from all the project area came together and met representatives from Sarajevostan. The topic for the meeting was “changes in the future”.

### Sarajevostan and Canton: seminars and trips

There have been several seminars and they will be dealt with separately. The seminars represented a new way of working, as the main issue was to learn and search for models/solution.

#### *Residents and Sarajevostan*

The seminar to which both Sarajevostan and the residents in Hranso other area were invited produces a new experience as Sarajevostan realised the bitterness among the residents, and the residents (maybe) realised what kind of maintenance Sarajevostan are actually doing. For the residents this was one important step to get a more realistic knowledge about the cost of maintenance. For Sarajevostan it was important to see how the residents experienced the situation.

#### *The study trip to Oslo*

There has been a visit to Oslo. Representatives from the Canton, Sarajevostan and Park Company visited Oslo and the different institutions making up The Norwegian Model<sup>17</sup> (The

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<sup>16</sup> OBOS is an organisation for allocation, managing and maintaining the jointly owned apartments in Oslo, and manages approximately the same number of apartments as Sarajevostan. OBOS is the biggest Housing Association in Norway.

<sup>17</sup> Main input in this model is the State Housing Bank, municipalities in charge of providing affordable land and the use of Housing Co-operatives as supplement to Condominiums and private owned single dwellings.

State Housing Bank, OBOS and NBBL). Sarajevostan was able to visit OBOS and to experience maintenance routines and obligations and rights of co-operatives in Norway. All the visitors were also invited to an annual meeting in a Housing co-operative, in order to see what kind of issues they were discussing and how they made their decisions. There are written minutes or findings from the trips and the seminars. These have been distributed to all the participants and used for further discussions.

#### *Study trip to Croatia and Slovenia*

There was also a study tour to Croatia and Slovenia where “Stan” companies and other institutions and authorities could pass their experiences on to Bosnia and Herzegovina and give them advice. The project manager characterised this trip as the best seminar, where the input was the best and all participants learned a lot.

#### *“Stan-seminar”*

After the study trips the project arranged a follow up seminar in Sarajevo, to which representatives from all the different “Stan” companies in Bosnia and Herzegovina were invited. The law on privatisation and the present challenges were subjects of discussion. The companies are more or less in the same position and face similar challenges. The seminar is reported to be an important step towards a network between the different Stan-companies and the initiative was welcomed.

### **Other inputs**

#### *Informal meetings*

The seminars and trips have generated a lot of other activities and contact between the project, the Canton and Sarajevostan. Organisation of new homeowners in co-operatives or condominiums, the set ups of an institution like the Norwegian State Housing Bank, the real cost of maintenance are reported to be central issues in this contact. There has also been some expert-to-expert exchange as the legal experts in NBBL have given comments on drafts of the law to come.

#### *Translation of documents*

The project has also translated some materials in order to visualise how things could be organised. Two booklets about methods in “participative planning” and “local mobilising” have been translated, together with a set of “house rules” from the Norwegian Housing Associations that defines some rights and responsibilities for residents, and a maintenance contract between OBOS and a Housing Co-operative.

#### *Letter of intent*

The project has also produced a document that outlines the mutual co-operation of Sarajevostan and the project. As Sarajevostan has no formal authority in the process of passing the law, they were very eager to get the Canton committed as well. There is at present no such letter between the Canton and the project.

#### *Advices*

As expressed earlier, NBBL is responsible for the professional part of the project and there has been regular contact between NBBL and the project. In the institutional co-operation between the project manager and the Canton/Sarajevostan, NBBL has played a very central role, writing the yearly plans and reports in co-operation with project manager. NBBL has

also played a key role in organising the seminars and the study trips, in addition to advising about methods in participative planning and in how to mobilise residents.

*Video*

The project has also produced a video where the privatisation issues are explained, and where the process of organisation and upgrading in Hrasno area is presented.

## **6. Achieved results**

### **Kucni Savjets revitalised**

One of the main aims of the project has been to assist in the formation of democratically elected decision-making organs for the housing units and to guide them in their every day work. Before the war there used to be so-called “Kucni Savjets” at every staircase. They were in charge of minor daily upkeep and 12 % of the rent was canalised back to them, for purposes decided upon by the residents.

In the pilot areas there are Kucni Savjets in almost every staircase. They are democratically elected and the members choose a chairman, called “the president”. In bigger housing estates there is a need for co-operation between the Kucni Savjets, or a need to form a housing board for the whole building as there are issues that have to be dealt with on behalf of the whole building not only by staircase. In Hranso area and in Presernev Park there are annual meetings for every building; all the boards of “Kuzni Savjets” meet to present the activity last year and to discuss future activities. In Hrasno Kuzni Savjets representing several buildings meets in order to discuss maintenance and improvement of the outdoor area.

### **The tasks of Kucni Savjets/Housing boards**

It is voluntary for the residents to organise themselves in Kucni Savjets, but this kind of co-operation has been revitalised because of the need to carry out certain common tasks. One example is the need to pay for communal expenses; electricity in the entrance/staircase and water supply are charged on a communal basis. Kucni Savjets collects money from each apartment in order to pay these bills. On each staircase the residents have appointed a person as money-collector and have engaged one of the residents to do the cleaning.<sup>18</sup> The collection of money is on a rotating basis; so all residents have to do their share. It is advantageous that all the residents take part in the collection of money in order to avoid suspicion. In one entrance a lady claimed the money collector was stealing the money. In order to inform about how the money is spent, Kucni Savjets chose here to do the bookkeeping. There is an overall satisfaction with this arrangement, as all residents know what to pay and for what purpose the money is used. Despite some problems with residents who do not want to pay, the main rule is that permanent as well as temporary tenants are paying.

The residents said that the collecting of money is a good way to meet other residents and share concerns about maintenance and care taking.

### **Social relationships**

The residents we met all underlined that due to the project they have developed personal relationships with other residents, and they have got to know neighbours from other buildings. They stated that before the war there used to be more activity in the neighbourhood. After the

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<sup>18</sup> The monthly fee for these kind of expenses differs from 3 DEM up to 15 DEM pro apartment pro month, according to what kind of up-keeping and maintenance they are doing.

war the residents have been preoccupied with what they called “humanitarian needs”. In Hranso the residents stated that the green area between the blocks were very important for socialising, especially among women with children. They also wanted men to have a chance to socialise, and suggested that it would be a good idea to equip a small workshop so they could do small repair work and meet for chatting.

In all the pilot areas the residents are well aware of their neighbours living in the same building and can easily recognise strangers or people who do not belong there. From time to time they socialise and visit each other, and neighbours pay attention if anybody needs help, in the smaller estates as well as in the bigger estates. During the war it was common that younger people helped the old residents with food and other supplies. Now they hesitate to ask if this kind of service is still wanted, in order not to offend them. As the war is over, relatives are mostly expected to visit and visit and look after the old people.

### **Knowledge about upgrading and maintenance of buildings**

Despite the small budget for capital expenditure there have indeed been carried out significant improvements on the housing stock (see part 5). This was done in close co-operation with the residents and they made the decisions about what to prioritise, as the need is surely bigger than the grant. The plans for the upgrading/repair were developed together by the residents alongside with plans for upkeep. The residents state that this experience certainly encouraged people and “*opened their eyes to the need of taking care of the buildings and how to organise it*” as one resident in Hranso expressed it. In Hraso they also stated that planning of the green area and how it was implemented had been a good experience. The residents were in active dialogue with the experts (students and the professor) and the experts paid attention to the residents’ wishes. Even the physical work was a good experience, with very good participation.

### **The project as a turning point**

In the interview the residents expressed their gratitude to NPA who had made it possible not only to improve the buildings, but to change residents’ attitudes toward the area. They stated that because of the project the residents had experienced a turning point; and there is a growing interest among the majority of the residents.

In the second phase of the project the residents received “seedmoney” for minor improvements. The “seedmoney” was used to buy materials and the work was carried out on voluntary basis. With this small grant the residents painted the staircases, for the first time since 1992, and made small gardens in front of each entrance. As a result awareness of their common responsibility has increased among the majority of residents.

In the interview the residents stated that as there were no money for big project, a small project could do good. They see the project as “*a nice and sweet human action*” as one lady expressed it, and they are indeed grateful.

## Bitterness toward Sarajevostan

The very positive attitude among the residents towards the way the money from the project has been spent can to some extent be explained by their former experience. The residents underline the unusual transparency of how the funds were used. They are not used to this transparency and the fact that “*every penny is accounted for*”, as a lady in Hranso expressed it.

In the interviews residents expressed a very clear bitterness towards Sarajevostan and frustration about not knowing how the rent that they pay is spent and why it does not qualify for refurbishment and maintenance. Residents in several areas stated that they “*did not get any support from Sarajevostan*”.

However, this statement does not cover the whole truth. For all the public housing the rent is set by the politicians, and has been kept at a “below cost rate”. The policy of Sarajevostan is to work on a solidarity basis, and the organisation is entitled to prioritise urgent repairs. This means that despite the fact that the residents have paid their rent regularly, they may experience that there is no money for maintenance on their building, as there are more urgent needs elsewhere.

In addition the residents are often not aware of the maintenance work Sarajevostan actually is carrying out on their building. For example few residents seem to be aware that the elevators are checked every second month and all chimneys are cleaned on a regular basis.

The lack of communication between the residents and Sarajevostan is regrettable. This could be illustrated by one example from one of the pilot areas. The building had a heavy leakage on the roof. “Somehow” it was repaired, but not by the project. The residents’ board does not know who did the repairing, but it is likely that Sarajevostan did it. This illustrates the relation (or non-relation) between Sarajevostan and the residents, as Sarajevostan does not inform properly about the repairing/maintenance they are carrying out and the residents are frustrated about paying rent when “nothing is done”.

As mentioned the project have arranged several meetings and seminars with Sarajevostan where Sarajevostan was able to explain the situation they were in and how they were prioritising their efforts. The residents have, to some extent, realised that Sarajevostan does not have the capacity to maintain their buildings and that the residents has to look for ways to organise repairs by them selves.

## Lack of legal regulations makes responsibility a burden

In the task for the evaluation the question was raised whether the fact that a lot of the residents are displaced people and returnees was hampering the work of Kuzni Savjets and the interest for daily upkeep. On almost every staircase in the pilot areas there are displaced people. These residents do not know themselves how long they can stay in the apartment. A common situation is that they are *not illegal tenants* as during the war they were given the right to live in the apartment. But they are now supposed to return to their old place. The tenants who lived in the apartment before the war might claim the apartment back. In some cases it is problematic to get those residents to contribute with money for communal purposes. But there are also several stories about them participating in upgrading work. The

main reason for residents not to pay is either totally lack of money or that they do not care. In the last category the residents stated it would be just as likely to find a resident with a full right to tenure or a owner occupier as a displaced person.

In general the Kucni Savjets/House Councils try very hard to enable residents with low income to pay. If people cannot afford to pay, the other residents try to offer them small jobs (cleaning, be in charge of out-door maintenance etc). In several situations the other residents are paying for ones who absolutely cannot afford to pay.

Through the interviews it became clear that the main problem for the residential boards is their lack of authority. There are no legal regulations to support the residents in their efforts to keep up the buildings and the outdoor areas. If a resident refuses to pay, the others have no sanctions. One House Council decided to press charges against residents who did not pay<sup>19</sup>. In the present situation, after the psychosocial wounds from the war, it is extremely difficult to carry out such personal confrontations. The residents in this council were exhausted after a period of 2 years and they have not found anyone to take over. They expressed their frustration and pleaded for some one from outside to come and help.

Unfortunately there are quite a few who try to take advantage and accrue personal gain from the unstable housing situation in present Sarajevo. The very unclear situation about ownership and right to tenure creates confusions for the residents who want to keep up the buildings. The two following examples illustrate this:

- In one of the pilot areas the son of some resident occupied one flat and the whole basement, and turned it into a bar. This causes problems as the bar produces a lot of garbage. The garbage is put out in the backyard and not removed. The residents once organised *actija moba* and cleaned the backyard, but now it is full again. The residents reported this to the Eco-police, but they did not interfere. They also tried to confront municipality about this but according to the residents the municipality said he was renting the place and had the necessary permission and papers. The other residents wonder who has given the necessary approval, as they have not signed any paper that allows him to use their basement.

- In one pilot area the residents tell about some technicians who came and inspected the building in order to check the feasibility of heightening the building with two new floors. The residents are worried about this as the foundations might be too weak. The building is old and according to them two extra floors was added 20 years ago. They do not know who these technicians were and where they came from. They also do not know whom to turn to about their concerns.

The evaluation team cannot confirm these examples. They are presented in order to illustrate the confusions among the owners about their rights, obligations and concerns. These two examples illustrate the unclear situation and the problems that occur when house-boards have no formal authority. Such situation creates insecurity and alienation among the residents.

The residential boards have to be given formal authority and the need for regulations of rights and responsibilities for the owners are urgent. In the mean time the project represents an important contact and a channel to the Canton and to Sarajevostan. The problems of the owners must be interpreted as an illustration of the many difficulties connected to the whole

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<sup>19</sup> Before such a serious step, there have been several warnings and the names of those who have not paid are put on the board in the entrance.

privatisation process and not as a failure of this project. There is no doubt that the project has given very positive results both for the residents and the co-operative institutions.

### **The unclear status of outdoor areas**

In all the pilot areas the residents are taking care of the green areas around the building, but some are better maintained than others. In Hranso area the Kuzni Savjets have engaged two persons (part time) for out door work and upkeep of the green areas. It was not possible to recruit anyone from the area, so these two workers live in other part of the city. The Kucni Savjets have also chosen a small group of residents to be in charge of the activities in the green area. They are co-operating with the Children's Eco-group, as the latter also takes care flowers and bushes. Also Presernev Park has residents in charge of the green area, even though it has not been upgraded as they wish.

This is done despite the unclear status of the land. In Sarajevo the land codes have not been in use for 50 years and the land will not (yet) be attached to the buildings. In the law on maintenance, which will be passed, the residents' responsibility will be limited to one metre around the building. In Presernev Park the residents wanted to improve the front yard, but due to unclear ownership they had to postpone their scheme. The area (Presernev Park) is named after a Slovenian poet and the Slovenian embassy got interested and planned to contribute to the upgrading. Their plan is ambiguous and it will take time to raise funds. The main obstacle, however, is that the ownership of the land is not clear. It certainly does not belong to the residents, but also neither to the City or the Canton. The latest news about the plot is that it belongs to an Islamic Trust Fund.

The unclear ownership causes problems, as the formal authority in land use decisions is unclear as well. This jeopardises the attempt to create a good environment, and the density in the housing areas in the outskirts might rise dramatically if the land use policy is not strengthened. In this matter there is one lesson to be learned from the project activity in Hranso area. As presented in part 5 the municipality in Novi Grad received an application to allow to use the land in the middle of the buildings (the green area) for commercial purposes. This means that if the residents had not been organised, concerned about their environment and in (some) contact with the municipality, the green area might have been taken for other purposes than the good of the residents. Due to inspection in the areas surrounding Hranso, there obviously must have been several decisions about land use lately, decisions that do not favour the residents - especially not the children. Through the project the example on participatory land use decision is established, which has benefited the residents.

### **Children's Eco-group and Eco-police**

The Childrens Eco-group in Hrasno is an important arrangement in order to keep up the environment in the housing areas. The group is open for all children in Hrasno, and their aim is to protect the environment. They have their own logo, t-shirts with the logo on and a membership card. The leader of the Eco-group is an elderly, retired man who likes nature and kids. In his work with the kids he experiences that the parents are very concerned about their children's safety, but that few parents are used to walking with their kids and teaching them about nature. The Eco-group is both a task force in environmental issues and a kind of watch dog for the residents. The children also try to influence grownups to take care of the



environment. In the interview the children themselves explained about their prioritised activities for the next weeks: to pick up stones from the grass plant some more flowers and pick garbage.

The other pilot area does not have any eco group, but Park Company has established “Eco-police” in order to prevent environmental violation. Twenty “policemen” are patrolling different parts of the city. In Novi Grad they co-operate with the Eco-group in Hrasno. Eco-police are entitled to give a ticket of fine if they can document vandalism (between 30 Dem and 3000 Dem).

## **Sarajevostan and Canton – several benefits but still a long way to go**

The project was given positive evaluation from all the employees and leaders in the co-operating institutions. Both Sarajevostan and the Canton are familiar with the Norwegian model of housing associations and the legal structure connected to this kind of private co-ownership. They found the visit to Oslo very useful as the situation of Sarajevostan and OBOS has a lot of similarities. One of their greatest impressions from the visit to Norway was the annual meeting in one housing co-operative. They were especially impressed about the mutual understanding between the residents that all had to make their contribution for maintenance of the communal parts of the building (and land) – in money as well as in labour/organising activities.

Sarajevostan is of course concerned about their future and the competition that they are about to meet. The visit to Slovenia and Croatia by project members and representatives from the Canton and Sarajevostan, was very useful in order to experience how the “Stan-companies” are doing there, as they are some years ahead in the privatisation process. It must be noted that there probably would not have been any contact between the countries if the project had not made the initiative. Also the ”Stan-seminar” (see part 5) was a very appreciated initiative to re-establish the contact between the Stan-companies within BiH.

From Sarajevostan as well as from the Canton the leaders expressed a wish to learn more about how to raise credit to build new houses in large orders, as BiH have no credit institutions with special interest for housing.

### **The law on maintenance**

As discussed earlier the Canton has been in charge of the elaboration of the law on maintenance, and there has been close co-operation between the Canton and Sarajevostan about the content of the law. They stated that the Norwegian model had been useful for them. Due to information from the Canton the new law will:

- Define categories of repairs/maintenance.
- Defines the procedures for payment and accounting: the fee will have to be paid on a communal account held by the residents, and the maintenance company will have to service the residents according to what they have paid.
- It states that if more than 51 % of the residents in one staircase have bought their apartment, they have to choose representatives and make a contract with a registered maintenance company within 3 months.

- The law also states that 75 % of the owners have to agree if they want to take a credit and each owner has to sign a mortgage loan.

The law will be an important frame for organising the maintenance, as it defines what to include and how to go about it. It definitely is a step forward in defining rights and responsibilities for the owners.

### **One building, one economic unit**

Privatisations of apartments require an arrangement whereby the buildings are accounted for as one economic unit. Like all other Stan-companies Sarajevostan has run the maintenance on what it calls “a solidarity basis”. This means that the rents have been collected in funds and priority given to maintenance are done according to needs, not available funds per building. When the law on maintenance is passed, it will be necessary to reorganise this into the principle “one building one economic unit”. The enterprise has been preparing for this change, and has done some pilot projects in order to test this feasibility. They have organised all buildings by addresses and have also started some internal projects where they compare the amount of money paid in by the residents on maintenance in one building and the expenses they have had on maintenance on that particular building. The conclusion is that the rents far from cover the cost of maintenance. Unfortunately Sarajevostan has not been able to go public with this experience. It might have been useful for the residents, as they do not always have a realistic picture of the maintenance costs. Non-payment is also a serious problem and Sarajevostan highly regrets that the Court is of little help in this issue.

### **New methods for Park Company**

Park Company has been a main co-operator in the upgrading of the outdoor areas in Hrasno, in the planning and implementation of the green area, the playground, the basketball area, the “chat-circle” and the “chess-ground”.

At the start of the project the intention was to include the outdoor areas between the buildings in the project, and to see the front- and backyards as part of the maintenance responsibilities for the residents. However during the project it became clear that the ownership of the land is not properly defined, as it has not been in use the last for 50 years. There is still a lot of land measure and legislative work to be done, in order to prepare for the incorporation of the land to the buildings. So far there is defined a stripe of one metre around the building that is a part of the communal premises of the residents. The rest is still to be the responsibility of Park Company.

The leaders of Park Company are facing challenges far beyond their capacity<sup>20</sup>. They are in need of huge grants in order to reconstruct the green areas of the City. They have undertaken several projects/activities in order to raise funds, and despite a lot of success the income does not cover the needed output. The co-operation with the project was very useful for them, as they have realised that they have to search for new ways of working. In Hrasno area they achieved some experience in co-operating with the residents. The Company provided

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<sup>20</sup> They have estimated that 4,5-million square metres of green areas in the city were destroyed during the war, 40,000 trees were cut down during the war and about 15,000 ha. with special installations were totally destroyed.

equipment and expertise and the residents took part in the planning and provided a work force. This made them realise that they might develop this kind of co-operation as an enterprise idea for the future.

Another important experience is that the residents are more likely to take care of the installations (like benches and play equipments) if they take part in planning and implementation. According to the manager of the Company he had seen several playgrounds “given to the residents as a present” (by other donors) that are already destroyed. In Hranso area there has been little damage and the residents are very concerned when it happens. This has taught the Company an important lesson: in order to secure good upkeep of common outdoor areas the residents must take an active part in planning as well as implementing the plans.

#### *The physical achievements in Hranso*

The green area in front of the building used to be a parking plot. Now it is a nice green plot with bushes and with small slopes. The slopes make the area unattractive for football and most of it is left in peace for the players. The playground is located a bit off the main “entrance” to the area. It is well sheltered from traffic and gets a breeze from the river nearby. The playground is nicely equipped, but the swings need better foundation in order to be safe. The basket area, chess area and “the chat-circle” also have very good locations: they are sheltered but next to each other so that the residents who prefer to sit in the chat-circle can enjoy the sight of the activity on the playground, the baseball area or people playing chess the chess-ground. As the team visited the area, there was a lot of activity. Residents in all ages were outdoor, enjoying different parts of the area.

### **Municipality and Mjesna Zajednica**

The role of the municipalities and the Mjesna Zajednica in housing issues is in practice limited to supporting residents with no income/no means. Neither the municipality nor the Mjesna Zajednica has played any important role in the project but the municipalities are important in land use issues and we have shown some situations where they were about to make decisions about land use that would affect the areas between the housing blocks, without asking the residents.

One project objective is connected to participatory planning, and there is still a lot to do in order to establish a practice where land use decisions are made on the basis of residential participation. To stimulate the residents to get organised and increase their concern about their environment is surely a very good basis for participatory planning. The experience from the project is, however, that communication between the residents and the municipality must increase. The communication must be two-way or mutual: The residents must be informed about plans and request concerning their areas, and the municipality must be aware of the wishes and plans of the residents.

## **Conclusions - achieved results**

There should be no doubt that this is indeed a successful project. In all pilot areas there are established residential boards that work for the communal parts of the building, using democratic methods. The project management has developed methods for mobilising and organising the residents and knowledge about which characteristics a residential area should have, in order to take advantage from this kind of project. The evaluation team will characterise the project as fully professional in working with the residents. Embedded in this is also the recognition of the very good economy as the invested money is relatively small and the output in terms of physical upgrading is quite impressive (see appendix 4).

The institutional co-operation must also be characterised as successful as both Sarajevostan and the Canton have benefited from the project. The project is certainly not to be blamed for the delay in necessary legislation. However the delay and the lack of legislative set-ups for homeownership cause serious problems to the new owners and they are vulnerable for persons who want to take advantage of the unstable situation. There is an urgent need to strengthen the legislative framework for new owners, and to regulate the relationship between owner-occupiers and tenants in the same building.

There is also a need to increase the awareness of the municipality in several issues: in land use matters they must practise participatory methods and communicate with the new owners. There is also urgent need to strengthen their ability to be a task force in funding social programs for evicted residents, and to play their part in giving the residential boards authority.

## 7. Evaluation of methods

### **The benefits from working on two levels**

The very special approach in this project has been to work both at a local level, with the residents, and at a central level with the institutions that are forming the frame for residential activity and homeownership. This seems to be a good approach. The privatisation process is new for the residents as well as for the institutions. It is of great importance that those in a position to form the frames for the privatisation learn about the needs and concerns of the residents, just as it is of importance that the residents get information about Sarajevostan and the Canton. This project has strengthened the contact between actors at the different levels and is a contribution to make the law development process more in harmony with the practical needs.

The maintenance of the privatised housing stock has several different aspects:

- to break a monopolistic situation where the “Stan-companies” have had monopoly on all kind of maintenance
- to separate maintenance of the privately owned apartments (which are the responsibility of the private owner), and maintenance of common parts of the building (which are the responsibility of all owners together).
- to change the basis of organising maintenance from being “solidarity” based to be “unit/building” based
- to put the residents in charge of the maintenance of the common premises: to decide what to maintain, how to go about it and which company to use
- to ensure that these decisions are made in a democratic way

It is obvious that the interest of the residents, Sarajevostan and the Canton are formed by different considerations. Sarajevostan is an enterprise that has to prepare for its future role and is of course concerned about the change from monopoly to competition. The residents main concern is mainly what to maintain *in common* and how to make decisions about maintenance. The Canton is supposed to have all aspects in mind. As noted there is close co-operation between Canton and Sarajevostan. The project is a way to mediate the concerns of the residents to the lawmakers and to reduce the gap between intentions and practical implementation, which always exists when new laws are developed.

### **Residential work**

The project has developed a quite specific method for its work with the residents.

- *The first* step has always been to make a brief survey about the residents (age, social situation etc.) and to recognise improvement needs: cleaning, door-phones, painting, upgrade the green area and urgent repair (roof, sewage, lights in the corridors and glass work). This is always carried out in close co-operation with the residents, and one condition has been that the residents must organise themselves in some kind of democratic residential boards or councils.

- *The second step* is to make the residents decide what to do by themselves and what to prioritise for the project money that they would receive.
- *The third step* is to assist the residents in planning and carrying out the actions agreed upon.
- *The fourth step* is to ensure that there will be continued upkeep of the improvements made and that the residential boards continue to work in a democratic and transparent way.

This co-operation with the residents represents a new method for the project staff. Urban planning used to be about deciding on infrastructure needs. The needs relied on specific norms for schools, nursery, playgrounds, polyclinic medical care, ambulance etc. The suggestions for investments came from Mjesna Zajedniza and together with the Urban Planning Office they used to hold meetings with the residents in order to discuss the needs. Meetings with the residents were a familiar method, but to work at this very local level and to work so close with the residents and help them to mobilise and organise practical improvements was new. It certainly also was new for the staff to enable the residents to fulfil some of their needs by themselves, despite the difficult private situation of the residents. There should be no doubt that the project has succeeded very well in this matter.

It is also clear that through the mobilising and organising of the residents the project has contributed to strengthening the social relationships between the residents. The close interplay between residential organisation and social network has also been found in other high dense urban areas (Nordahl 1996). It is also proven that these social networks might be rather useful for the residents as they exchange information and get better orientation about society (1991). In some cases local social network has also opened provided job opportunities for the residents (Granowetter 1973).

## **Institutional co-operation**

At what we have called the central level the project has used different methods. The approach has been *open* in the sense that the project has been a task force in the search for models. The project manager and the advisor have not defined one specific model that they wanted to impose or implement. One aim has surely been to inform about models in other countries, especially the Norwegian model. As reviewed in part five there have been several seminars and visits. All seminars presented a new way of working, as the main issue was to learn and search for models/solution. This open attitude requires a great sense of confidence for the seminar leaders, as they expose themselves as “catalysation tools” rather than “experts”. The main issue has been to help the employees in the co-operating institutions to find models for their future activities.

Just as there is no doubt that the project has succeeded in its work with the residents there is also no doubt that the seminars and the study trips were successful. It is, however, a lot more difficult to change institutions than to organise residents. The project has been a small task force in the process of drafting, passing and implementing the privatisation of the rental-housing sector. The evaluation has shown that very important parts are still not in place:

- The regulation of rights and responsibilities of owner-occupiers and tenants and access real sanctions for residential board.
- The need for a more realistic knowledge of the cost of maintenance among the residents.

These are two very central issues for owners and owners to be. To inform about cost and especially to identify and promote the need of legal framework are both difficult and very time-consuming tasks.

Despite the letter of intent between Sarajevostan and the project, no formal agreement and no time-schedule have been made for the co-operation between the project and the institutions. This is regrettable as this might have been a help to put these issues on the agenda. The evaluation team also miss formal agreement and time-schedule for the co-operation with the institutions. As mentioned the Minister of Housing have been exchanged three times during the project period. In an unstable situation formal agreements and time-schedule is of great importance in order to ensure continuity despite exchange of persons.

The co-operation between the municipalities and the project has been limited as the municipalities have been busy with other concerns. It might not have been possible to involve the municipalities as they have too little recourse for their tasks. The municipalities are however of great importance both in land use issues and, for the time being, also in the process of evictions. Also between the project and the municipalities, formal agreement might have put “how to co-operate with the residents in the future” on the agenda of the municipalities. If the project is prolonged, we recommend to increase the task force on institutional op-operation and to use formal agreement as one tool.

The team also want to underline that the resources for institutional co-operation have been limited and that formal agreements do not solve these issues alone, a work force is also needed. The economic frames, as well as the time frames, in this project have been rather limited compared to the difficulty and complexity of these tasks.

## **8. Need to continue?**

### **Good model and good relations**

The evaluation team hopes that this report has shown that the project has succeeded on several issues. In our view the project has been well suited to deal with the main challenges of privatisation of the rental-housing sector. The residents, as well as the employees and the politicians in Sarajevostan and the Canton, are facing several challenges at the same time. On the one hand they are to put through the privatisation of the formal rented housing stock and develop the legal frames required for homeownership. At the same time they are to maintain and refurbish a housing stock that has been heavily damaged in the war, in a situation where the international grants for reconstruction are decreasing and there are very limited credit possibilities.

The project has developed methods to enable the residents to organise themselves and start the maintenance process, and this model is so well established and tested that it could easily be extended to several other housing areas/residential units. With little money they have achieved a lot in the different areas. For many residents the project has been the turning point and changed the attitude from carelessness and frustration to action and some hope for a good and safe housing situation. Through the pilot areas the project has developed a model that has proved to be adequate and there is a very good foundation for spreading the model.

Despite the critical remarks about the institutional co-operation the project has created very good relations with the Canton and with Sarajevostan. Both institutions have expressed interest in further co-operation. Their challenges are certainly not over when the law on maintenance is passed. The Canton has recognised a need to inform about the law conditions and need help to do this.

### **Increasing needs**

There are several changes going on which indicate that the need for professional support at both a local and central level will increase. One change is that the privatisation process has speeded up. According to Sarajevostan 30 % of the apartments are now bought by the residents and for another 20 % they are preparing the necessary documents - the apartments are in the state of being bought. Within a short time 50 % of all apartments will have been handed over to the residents. According to the law, when 51 % of the apartments in one building are in private hands, the residents are obliged to choose a maintenance firm within three months. This means that in quite a short time many groups of residents will have to form boards and discuss maintenance.

According to figures from Sarajevostan, residents who are not in a financial state to buy are occupying 20% of the apartments of the housing stock. 10 % of the apartments are total destroyed/do not qualify for sale and for the rest of the apartments (ca. 20 %) the situation is still unclear. There is reason to believe that the return of refugees and displaced people will



affect the privatisation rate, but first after two years<sup>21</sup>. This means that the process of new owners establishing residential boards and starting to deal with maintenance issues will start for full in year 2001 and go on for the next 2-4 years.

There is clear evidence that more and more refugees and displaced people are coming back. A report from Office of the High Representative (OHR) shows that the return rate has been slow the first years, but is now speeding up. The figures for first quarter of year 2000 are 4-5 times higher than previous years (see appendix 4). It is obvious for OHR that year 2000 is going to be the year of breakthrough as regards returnees.

The minority return issue is recognised to be more complicated in the cities - for several reasons. Despite the fact that the rate of returnees also includes return of internally displaced people within Bosnia, and thereby relieves the pressure on the housing stock in the cities, many internally displaced people want to stay in the city. It is expected that the percentage of those that wants to stay in Sarajevo will be higher than the average percentages of refugees that never return. In addition Sarajevo also has several residents that are displaced within the city. Their former apartments might have been destroyed or inhabitable, children grow up and might have been given the right to live in an abandoned apartment etc. For Sarajevo the return of displaced people is a huge jigsaw puzzle, and the right to tenure complicates it further.

However the increasing rate of returnees is indeed positive and a very important step towards normalisation and reconciliation. Well functioning residential boards and well-developed legal structure for homeownership will help the residents to get started and to avoid costly delay of urgent repairs. Well functional residential boards also increase transparency and reduce the possibility for those who want to take personal advantage of the turbulent situation.

There is still a big need for advice and support, as the law on maintenance will be adopted for the first time and none of the key actors have any proper experience of its workings. It is also evident that there will still be serious gaps in the legal structure; the law does not give the owners any sanctions. A "law on condominium" is not prepared even in first draft, but everyone we have spoken to think this is a urgent need. Until there is a law that defines the rights and responsibilities of the owners and allows the residents in one building to act as one legal body, the housing boards/board of residents will need to get their authority other ways.

### **Still huge challenges for the Canton, Sarajevostan and the Municipalities**

The number of buildings in need of comprehensive reconstruction and basic refurbishment is still very big. This is a serious situation as the donor money for reconstruction is decreasing drastically. The reconstruction programme will slow down and the Canton as well as Sarajevostan will have to find ways to do reconstruction by credit. This is certainly a difficult task as the credit possibilities are low.

For individuals to get a mortgage is also difficult<sup>22</sup>. The private situation for the residents are is still extremely difficult, as there is very difficult to find a job in Sarajevo. A lot of

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<sup>21</sup> In the Federation returned refugees are not allowed to buy the apartment where they have a right of tenancy until two years have elapsed. This is not the case in Republica Serbska.

households experience serious lack of income. As the law is drafted, each individual owner has to sign for their share of the loan even if the loan is to cover repair or refurbishment of jointly owned parts of the building.

## Conclusions

The evaluation team recommend continuing this project. The main reasons are

- The fact that the law is still to be passed and that none of the key actors have any experience with its probable consequences. All the affected institutions need further support and would gain from further co-operation, be it the Canton, the municipalities, Sarajevostan or Park Company.
- The fact that grants for repair are decreasing when the need is still very big. Further support is needed to raise funds or establish credit possibilities
- The fact that the rate of returnees is speeding up requires more efforts for protection of civil rights and responsibilities, also in housing issues.

It is of overall importance to avoid a dead lock situation: the new owners are unable to act because of no formal authority and no external support. Because they are not able to act they are not creditable and fail to raise funds and for urgent repair and maintenance. If such a situation deteriorates and spreads, the privatisation process might stop and it will be less attractive for the refugees to return to the city. Sarajevo has in many ways had a positive development the last three or four years, and despite its small size, this project has helped to push the development in the right direction.

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<sup>22</sup> Among others KFW (Kreditanstalt für Wiederaufbau) might be able to give mortgage. They co-operate with the domestic banks. The interest is 12-18 %, and the amount differs between 2000 – 20,000 DEM. Care International (Quick Impact Facility) is also dealing with loans, mainly for business.

## **9. Recommendations**

### **Expand activities to new residential areas**

There surely is need for this kind of projects in other areas, and the project staff has frequently been asked if they could involve more areas in their activities. As the project has developed methods to help residents get started, the evaluation team would recommend the project to expand to other areas. The economic situation is very difficult for most of the residents. There is still need for some "seed money" (money incentives) in order to inspire and get started. "Seed money" often accomplishes a lot of voluntary efforts and in some cases additional funds from other institutions. In addition seed money might support the development of democracy on the local level, as the residents have to prioritise on a democratic basis and keep a record of the money and ensure transparency.

At the same time as the project work expands to new areas, it must also phase out and withdraw from the old ones. When the residents are well organised and have proved capable of dealing with maintenance issues it is time to focus on the new areas.

The residents might be in need of external expertise in order to assess the needs for maintenance and reconstruction, to estimate costs and to learn about property management. The law on maintenance to come will require some kind of certificate for the firms that offer services, but it is not unlikely that some firms will try to take advantage of the inexperience of the new owners. In order to prevent this it might be useful to establish a kind of unbiased expert team where the residents can get advice about what to maintain and repair, how to go about it and what it would cost. This could be a time-limited project suitable for technical advisors. There will also be need for advice in several practical issues, like how to set up a management contract and how to establish sustainable maintenance systems, where the residents also care for amortisation and long-term maintenance.

The Canton has recognised the need for a task force to inform residents about the law and to produce a booklet or video etc. about the law and the new roles of the residents. The project might very well be a part of this force, as they are indeed familiar with the situation of the residents. The team underlines, however, that the main responsibility for information to the residents must remain with the Canton.

### **Credit**

As mentioned earlier the residents are facing problems as the grants for reconstruction are decreasing and the access to credit is very limited. There are some donors that are funding different micro credit institutions, but not for housing purposes. The project has done some research in credit possibilities. The evaluation team recommend the project to look for ways to increase credit possibilities for refurbishment and repair of the buildings. It is necessary that the residents are able to raise funds for urgent repair.

## Increase the institutional co-operation

Despite the fact that the project has achieved several of the outset goals, the residents are facing serious problems when it comes to “*running their common matters in accordance with the new law on maintenance*”<sup>23</sup>. This is not only because the law of maintenance is not yet adapted. In order to run common matters it is not enough to have well functioning residential boards. All residents have to contribute, and the board needs authority. As shown in the report, the residential boards still lack this formal authority, and it is not expected that the new law of maintenance will give them sufficient authority, as the boards will have no sanctions.

The long term objective for the privatised public housing in Sarajevo is to be “*well operated and managed by democratically elected resident board capable of proper maintenance and operation of common areas.....*”. In order to achieve this goal, the legal framework for co-operative homeownership needs to be developed further. Therefore we suggest that this should be a separate topic in the continuation of the institutional co-operation.

The evaluation has clearly shown the need for further institutional co-operation and support to the affected institutions. One main effort is to build proper legal frames for the new owners. There is urgent need to define the rights and responsibilities of the new owners and to define the relationship between owner-occupiers and tenants. Norway has long experience with different systems: law on condominium and law of housing associations and co-operatives, and might be in a position to lead a task force for these issues.

Sarajevostan is one of the key actors and any extension of the institutional co-operation must also include Sarajevostan, to ensure that this body’s experience and knowledge is used for the best of the residents. As Sarajevostan will have to develop new methods and new tasks, they might find it useful to define their own project group. This group could act as an innovative unit and could represent Sarajevostan in the institutional co-operation.

The municipalities are important both in land use issues and in social issues; they should be part of the project, as they must realise that participatory planning and decision-making are needed in land use issues. Even though the responsibility of the residents does not yet cover the land between the buildings, the residents are both concerned and interested in proper upkeep of these areas. By listening to residents on land use issues, the municipalities could contribute to the development of the authority of the residential boards.

The evaluation team suggests increasing the task force in institutional co-operation in order to protect and empower the residents. We suggest expanding the input at central level and we recommend a co-operative team should be established to include the Canton, Sarajevostan (through a kind of “innovative unit”), representatives from the municipality and the project. This part of the project will require formal agreements between all parties and there must be developed a time schedule identifying the tasks and required progress. The team suggests establishing an active reference group in Norway in order to support the project on these issues.

### Final conclusions:

To summarise, the evaluation team has two main recommendations for future activities:

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<sup>23</sup> Quoted from ”terms of reference, project results, local level.

The first recommendation is to extend the activities at the local level to include:

- expanding to new areas
- access to a technical expert team
- an expert team for the Canton as it is the Canton which has to inform about the law.

There is also a big need for credits and the team suggest that the project comes up with suggestion about credit possibilities for the residents.

The second recommendation is to extend the institutional co-operation at the central level and increase the task force on these issues. The aim of the co-operation must be to establish proper legal framework for the new owners. In order to be an effective task force the parties have to commit themselves to this task and there has to be a competent and active advisory group with experts familiar with different aspects of the Norwegian Housing models.

## **Appendix 1: Interviews**

### **Hrasno 1 and 2**

Interview 1 by Mrs Dorotic, Mr Kulenovic, and Mr. Kovac who are the body of “outdoor-affairs”.

Mrs. Aida Poricanin who are collecting money among he residents, for communal purposes. Mr. Himzo Civkusic, resident who does some outdoor repair and receives some grants when his help is wanted.

Interview 2 by Mr. Remza, Mr Bankovic and Mrs Bavic and Mr. Galijasevic from Kunzni Savjets in different buildings in Hrasno

Both interviews took place 10<sup>th</sup> of June 2000 in the common room Mjesna Zajednica has provided for the residents.

Keywords from the discussions/interviews

- The state of the area and the building as the project started.
- The improvements done by the project
- The methods: meetings and seminars
- How they deal with repairmen today
- Their co-operation with Sarajevostan
- Their co-operation with NPA ans the project in planning and executing upgrading of the green area.
- How they have used the seedmoney
- The election of Kuzni Savjets ans Housing Boards.
- The problems they face today in order to pay communal bills and the need of external support.
- Social relationships between the residents now and before the project.

### **Presernev Park**

Mrs Nidzara Mehic and Mrs Sabina Ibisevic in the apartment of Mrs Mehic, Presernev Park 13<sup>th</sup> of June

Keywords from the discussion

- Improvements, repairs and how the work were carried out
- Residential organisation and how they went through with the project
- Social relations among the neighbours
- The daily up-keeping
- The problems with lack of information and influence over the building
- The co-operation with Sarajevostan

### **Mak Dizdar**

Mr. Marko Pelic and Mr Savo Blagojevic in the front yard 13<sup>th</sup> June 2000-07-11

Keywords from the discussion/interview

- Contact with the project
- Organisation and elections
- Budget and income for communal proposes
- Experiences about Sarajevostan and NPA
- Self organised activities
- Needs for repairman and maintaining

## **Ceckalusa**

Mr. Hadrović Avdo (president for Kuzni Savjet) 13<sup>th</sup> June 2000. The interview took place in the back yard of the building

- Contact with the project
- Organisation and elections
- Budget and income for communal proposes
- Experiences about Sarajevostan and NPA
- Self organised activities
- Needs for repairman and maintaining

## **PM – methods used**

Interview with Project manager Mersija Pirck, in NPA office 19<sup>th</sup> of June.

Keywords from the discussion were the methods used in the work on local and central level:

- Mobilisation and meeting with the residents
- The seminars
- Dugnad/Akcija moba
- The enquete
- Information about different models
- Land visits
- Oslo visit

## **NPA**

Interview with Program Officer for Community Development Program MR. Ranko Milanovic-Blank

- Other projects in the Community development program
- The process of facing out

## **Sarajevostan 1**

Interview with Mr. Fevzida Karahasanovic, deputy director, at the office of Sarajevostan 12<sup>th</sup> of June 2000.

Keywords for discussion/interview

- The principle building = economy unit
- The problems with the land around the buildings
- Information to residences and representatives - complains
- Preparing for competition/free choice of maintenance-agency
- The rate of owners
- The Norwegian model – information and usefulness
- Contact with companies in other states – information and usefulness

## **Sarajevostan 2**

Alma Zbanic, at the office of Sarajevostan 19<sup>th</sup> of June 2000

Keywords form the discussion

- Models from Norway
- The law in Sarajevo
- The relationship between Sarajevostan and the residents
- The Law and the competition

## **The Canton**

Interview with Mr. Suad Dzindo 12<sup>th</sup> of June 2000 in the office of Sarajevo Canton

Keywords form the discussion/interview

- The role of the Ministry of Housing
- The relation between Sarajevostan and the Ministry
- The preparations for the Law on maintenance
- The NPA-project: participation and usefulness
- The needs for support and co-operation for the near future

### **Park Company**

Mr. Harbinja Safet 12<sup>th</sup> of June 2000 in the office of Park Company in Sarajevo.

Keywords for discussion / interview

- Income of Company
- Their co-operation with NPA/the project
- Co-operation with residences in Hrasno area
- Future role

### **Mjesna Zajedniza**

Mrs. Nerma Drugović, secretary employed by Municipality  
13<sup>th</sup> of July 2000 in the office in Hrasno

Keywords from discussions/interview:

- The role in the co-operation with the project
- The residential requests
- Influence on outdoor area maintenance and on building maintenance
- Improvements (change behaviour) after common activities
- The Authority of Mjesna Zajedniza

### **Embassey – 1**

Miss Therese Vagle, Second Secretary 15<sup>th</sup> of June in the Norwegian Embassy

Keywords form the discussion/interview:

- The internal displaced persons in Sarajevo
- The process of getting your own apartment back, if others occupy it
- Eviction: priority by OHR/RRTF.

### **Embassey – 2**

Oddbjørn Pettersen 20<sup>th</sup> of June 2000 in the Norwegian Embassy in Sarajevo.

Keywords form the discussion/interview

- Housing issues and institutional co-operation
- Ethnic dimensions in all institutional co-operation

### **ORH - 1:RRTF**

Miss Jasmin Mazhari Donor Relation Officer. 15<sup>th</sup> of June 2000 in the Office of OHR,  
Sarajevo

Keywords form the discussion/interview

- The minority return, historical and present figures for Bosnia
- The obstacles in return issues and how they deal with them, for Bosnia
- Special problems in Sarajevo: Irreparable buildings, decreasing donations for reconstruction and lack of credit possibilities



## **OHR - 2**

Interview with David Steward-Howitt, PLIP Co-ordinator 20<sup>th</sup> of Juni

Keywords form the discussion/interview

- The process of passing a law
- The division of power and labour OHR and the Canton Sarajevostan
- Housing legislation

## **Children's Eco-group**

Interview by volunteer leader: Mr Zagorka and Mrs. Drago.

Children from the Eco-group: Kerim catoyic (10 ), Admir Skeba Dzik (9), Adin Gregic (10,5), Stojan Miucevic (11) and Adin Hadzi Music (13). The interview took place in Eco-groups own meeting room in Hranso 10<sup>th</sup> of June 2000.

Keywords form the interview/discussion

- Some of their activities last month
- Membership and recruitment

## **Gorani**

Interview with Mr. Fadil Avdic (secretary for Pocreta Goranii Sarajevo canton) and Mr. Izudin Hadzic (teamleader) and Mrs. Leakata (activity leader) 19<sup>th</sup> of June in the office of Gorani, Sarajevo

Keywords form the discussion/interview

- About Gorani movement
- The main topics for Gorani
- The plans for the Eco-group in the nearest future
- The organisational set up for co-operation between Gorani in Sarajevo, the local Gorani activist and the volunteer in Hrasno

## Appendix 2: The Capital expenditure and estimated value of voluntary work

Location/work	Year 1997
Hrasno-interphon	86 048
Hrasno- Glazing in stairways	65 400
Prešern Park-interphone	88 296
Prešern Park-sanation works/sewage system, a part of roof,painting of entrances/	110 256
All together	350 000 NOK

Location /work	Year 1998
Hrasno- Open area	290 795
Equipment for children playground	39 588
Mak Dizdar / a part of roof	45 075
Čekaluša / sanation work inside building/	49 580
All together	425 038 NOK

Location /work	Year 1999
Hrasno-Material for entrances	20 311
Hrasno-Material for open area and care taker/	3 452
Cekalusa-building's entrance to coryard, material/	11 067
Hrasno-open area	39 412
Vrelo Bosne – people's participation projects /originally Credit/	107 478
All together	181 720 NOK

### Estimate value of voluntary work:

LOCATION	Donation	For what	Residents' contribution	Estimation
A.B.SIMIC OPEN AREA	822 DEM	-Tolls / stored in MZ/ -laths, paint -2 month's salaries for caretaker	-Action of cleaning central area and in front of entrances -Reparation of basketball panels	
A.B.SIMIC ENTRANCE 3.	811,92 DEM	Paint, different replacement parts for doors and electricity installation, looks, glass, automates for light	Painting, reparation of different things in entrance	300 DEM
A.B.SIMIC ENTR. 5.	710 DEM	Paint, different replacement parts	Painting, reparation of different things in entrance	380 DEM
A.B.SIMIC ENTR.7.	805 DEM	Paint, different replacement parts	Painting, reparation of different things in entrance	400 DEM
A.B.SIMIC ENTR. 9.	550 DEM	Paint, different replacement parts inside entrance	Painting, reparation of different things in entrance	400 DEM
A.B.SIMIC ENTR.11.	500 DEM	Paint, replace parts for doors and electricity installation	Painting (walls, fence, radiators), replace installations	300DEM
A.B.Simic 6	800 DEM	Paint, different replacement parts inside entrance	All things they did by themselves	
CEKALUSA, 2 courtyards and entrance	2634 DEM	Material for reconstruction of entrance and two courtyards	Did all by themselves Children playground, benches, fence, renewing of entrance	
PRELOGA 2	660 DEM	Paint, material for postbox, replaced of worn-out parts	All things they did by themselves	
Mak Dizdar			They made pathway round building and put 2 benches	Fond of Kucni savjet

### **Appendix 3: Main points in the draft of the Law on Maintenance from Sarajevo Canton**

Due to information from meeting with Canton on the 17<sup>th</sup> of May. Minutes by May Sommerfelt.

#### **The content of the law will be:**

- Decide on categories of repairs/maintenance;
  - urgent repairs, (will not wait until residents have collected money)
  - big repairs (roofs),
  - regular maintenance services
- The law or separate regulations/decision will state that the cost will be 0,35 DEM pr sq. meter pr. month, this to be paid to Sarajevostan or another Maintenance Company. Today they pay 12-pfennig pr sq. meter.
- Each building or each entrance will have their own account in the company and what they pay will be serviced them.
- If big repairs are needed (roofs) and the owners need to take credit, 75% have to agree.
- To get credit from a Bank, each owner has to sign a mortgage loan. Some Banks are interested in giving small credit from 2 –5000 DEM pr resident.
- When 51% of the flats in an entrance are privately owned, the owners have to choose representatives and make a contract with a registered Maintenance Company. After the law is put into force, the owners have to sign a management contract within 3 months.
- Maintenance Companies have to have a certificate. Sarajevostan will qualify without any changes.



UNHCR



## Minority Returns 2000

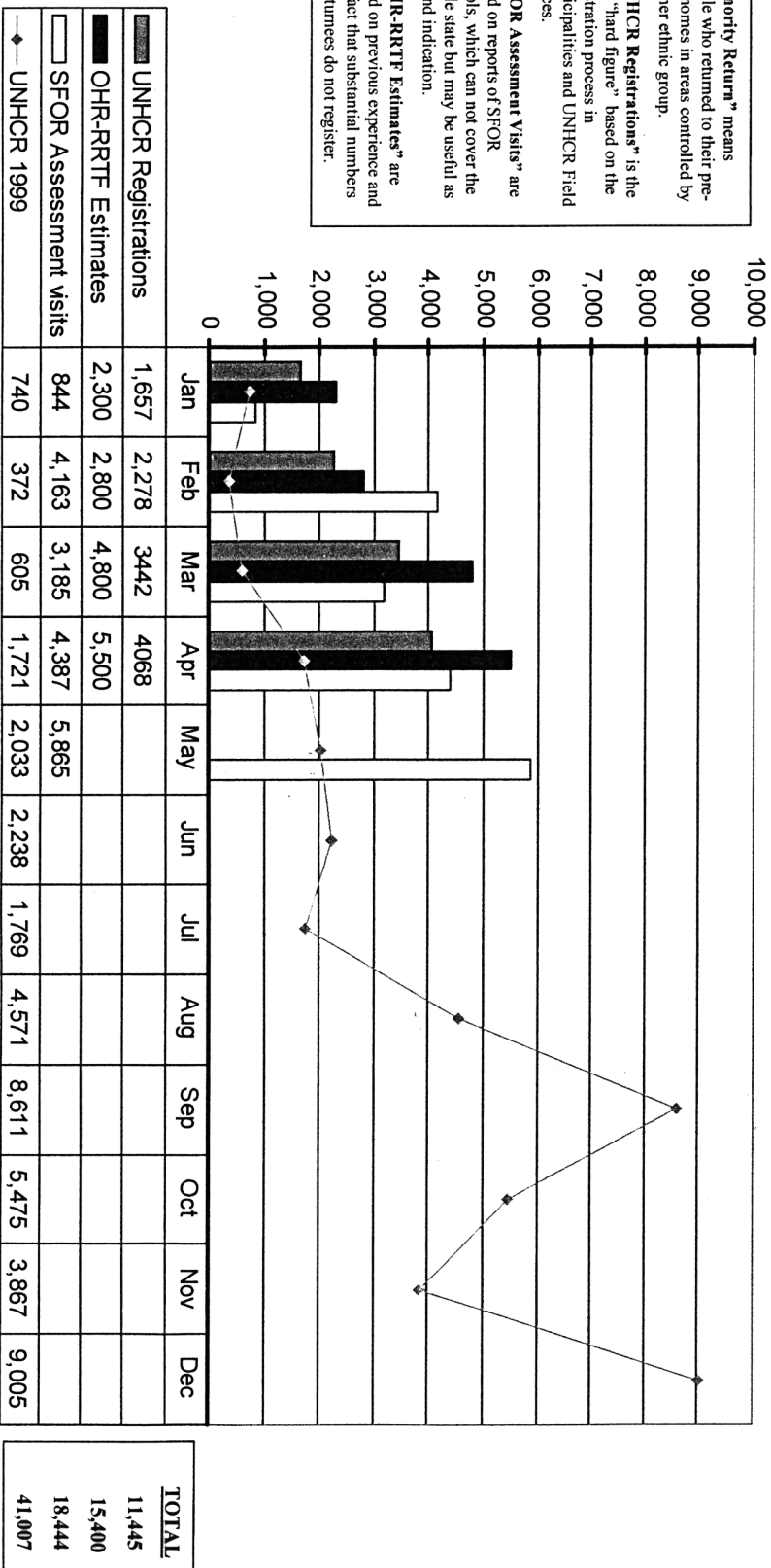


“Minority Return” means people who returned to their pre-war homes in areas controlled by another ethnic group.

“UNHCR Registrations” is the only “hard figure” based on the registration process in municipalities and UNHCR Field Offices.

“SFOR Assessment Visits” are based on reports of SFOR patrols, which can not cover the whole state but may be useful as a trend indication.

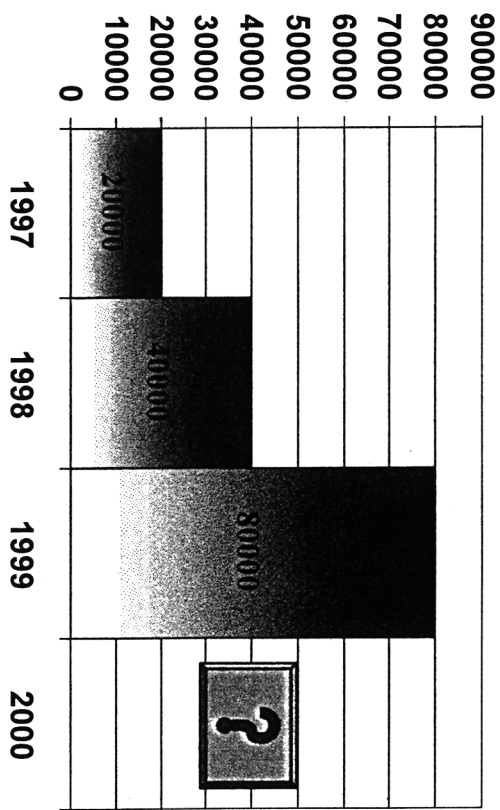
“OHR-RRTF Estimates” are based on previous experience and the fact that substantial numbers of returnees do not register.



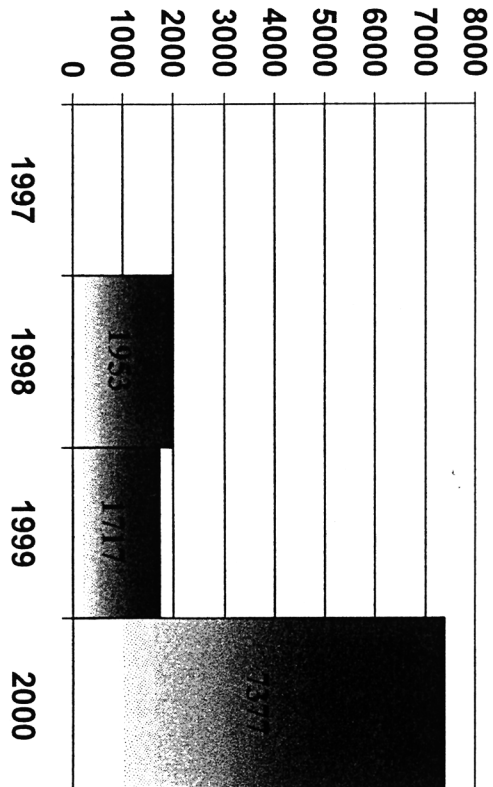
Update 05 June 2000

# OHR RRTF

## Total Annual Minority Returns



## Registered in First Quarter



## **Appendix 5: The law on maintenance in the Canton of Zenica-Dobaj**

On the basis of Chapter V, paragraph A) of the Article 37, item h. of the Constitution of Zenica-Doboj Canton and the Article 42 of the Law on Sale of the Apartments with the Tenancy Right (Official Gazette of the Federation of Bosnia and Herzegovina, Nr 27/97 and 11/98) the Assembly of Zenica-Doboj Canton, at its 14th session held on 30th December 1999, p a s s e s the

### **LAW on maintenance of the common parts and installations of the building**

#### **GENERAL PROVISIONS**

##### **Article 1**

This law stipulates the rights and obligations of the owners of the separately owned parts of the building (hereinafter referred to as the apartment owners) as regards to maintenance of the common parts and installations of the building.

In terms of this law, the apartment owner means the persons who gained their ownership in certain parts of the building by the date of passing this law as well as the persons that have gained their right to ownership of the parts of the building according to the provisions of the Law on Sales of Apartments with the Tenancy Rights, as well as legal entities whose apartments, according to that Law have not been the subject of sale or have not been purchased.

The separately owned parts of the building are understood to be the apartments, business premises and other space used for special purposes (transformer stations in the building; heating sub-stations in the building and the like.)

##### **Article 2**

The common parts and installations that serve the building as a whole are understood to be:

- supporting structure of the building: foundations, supporting walls, columns, structure between the storeys, roofing, inclined and flat roofs, insulations, roof and other sheet-metal parts (vertical outlets, gutters, linings and others.), chimneys, ventilation channels, passable and non-passable common terraces, attics, facades, common stairways, stairs handrails, fire accesses and the like, elevators with all the installations that provide normal and safe usage, electric power installations from the main fuses to the accessory switchboard in the apartment, water supply installations from the main consumer water-meter as well as all the installations in the wall and floor drainage installations, and the repairs after the intervention, sanitary devices, water supply and sewage system installations in the common rooms, electric power installations for stairway lighting (automatic equipment, lighting points and fittings, electric meter switch board and the integrating meter), common installations for remote heating finishing with the valve of the heating equipment, as well as the equipment for heating of the common rooms, telephone installations all the way to the distribution place for the separately owned parts of the building, installations of the electric locks, interphone of the call bells, bells, lighting arrester installations and the like, TV aerials, water supply devices (pneumatic pump station and hydro-flexes), garbage collecting rooms and other parts serving the common purpose.

Common parts of the building that serve only some and not all the separately owned parts of the building are understood to be:

Special entrance door, staircases, chimneys, elevators and other devices, attic and cellar rooms, terraces, partition walls between two apartments or rooms and the like, as well as other parts and devices that serve only some separately owned parts of the building.

## **II MAINTENANCE OF THE COMMON PARTS AND INSTALLATIONS OF THE BUILDING**

### **Article 3**

Apartment owners have the right and obligation to use and manage the maintenance of the common parts and installations of the building.

### **Article 4**

Apartment owners are obliged to participate in paying the costs of maintenance of the common parts of the building proportionally to the value of their parts compared to the total value of the entire building, and if the common parts serve only some separately owned parts of the building, then proportionally to their separately owned parts compared to the value of that part of the building in which these separately owned parts are located.

### **Article 5**

An apartment owner will, at his/her own expense, perform the repairs in order to maintain his/her separately owned part of the building in proper condition.

An apartment owner is obliged, at his/her own expense, to perform repairs in his/her separately owned part, if this is necessary in order to remove the damaged caused to the separately owned part belonging to another owner or to the common parts of the building serving only some, and not all the separately owned parts of the building.

### **Article 6**

Mutual relations of the apartment owners in using and managing the common parts and installations of the building as regards to maintenance are stipulated by the mutual inter-owner contracts of the apartment owners according to the provisions of this Law and other regulations.

The Contract stated under the paragraph 1 of this Article especially comprises:

- the parties to the contract;
- the name of the street and the number of the building where the owned parts are located and the data about them;
- the mode of managing and decision-making ;
- the list of the common parts and installations of the building;
- the mode of collecting, distribution and utilisation of the assets intended for maintenance of the building;
- authorised persons entitled to represent the apartment owners and other issues essential for utilisation, managing and maintenance of the common parts and installations of the building.

The inter-owner contract is concluded in writing.

The Contract that has not been concluded in writing is legally null and void.

### **Article 7**

The contract stated under the above Article, signed by the apartment owners whose total ownership share amounts to more than 50% of the value of all separately owned parts of the building and more than 50% of the total surface area of the building, obliges also those apartment owners who have gained their ownership after entering into this contract.

If the apartment owners fail to conclude the contract stated under the paragraph 1 of the above Article, upon the request of one or more apartment owners, their mutual relations shall be stipulated by the competent court of law.

### **Article 8**

The inter-owner contract can be changed with the consent of the apartment owners whose rights are affected by the amendment.

Upon the request of one or more apartment owners, the court of law shall stipulate whether the amendments in the contract are to be made even against the will of other apartment owners, if it finds these amendments necessary.

**Article 9**

The right to utilisation of the common parts and installations of the building by the apartment owners is deemed to be the undisturbed utilisation of those parts without affecting the rights of other owners.

**Article 10**

An apartment owner who, by his/her behaviour, causes damage to common parts and installations of the building shall be liable as per general regulations on indemnity.

**Article 11**

The decisions on managing the common parts and installations of the building for maintenance purposes are passed by the apartment owners at their meetings.

The apartment owners can stipulate in their inter-owner contract to establish the bodies that will make the decisions about the issues regarding current and investment maintenance as well as necessary and urgent repairs of the common parts and installations of the building.

**Article 12**

In managing the common parts and installations of the building, the apartment owners have the right and the obligation to decide on:

- the programme of maintenance of the common parts and installations of the building including also the construction changes necessary for maintenance
- the plan of income and expenditures of the building;
- annual balance sheet
- acceptance of the annual balance sheet;
- election of the representative of the apartment owners and his dismissal;
- election of the person registered to perform certain jobs regarding maintenance of the common parts and installations of the building;
- insurance of the apartment building;
- renting the common rooms;
- providing the common assets;
- other issues regarding maintenance of the parts and installations of the building.

**Article 13**

The common parts and installations of the building must be maintained on regular basis so as to ensure permanent correct order, usability and safety of all basic parts, devices, installations, equipment and the building as a whole that serve all the tenants of the building.

Maintenance of the common parts and installations of the building includes:

- investment maintenance
- current maintenance
- necessary repairs
- urgent repairs of the common parts and installations of the building.

**Article 14**

The investment maintenance of the apartment buildings and the apartments comprises all major repairs and the following works:

- replacement of the roof structure and other structural parts of the building
- replacement of the roofing tiles and other elements of the roof
- re-building of the chimneys
- replacement of the vertical and horizontal hydro-insulation to protect the building and the apartments against water and moisture
- replacement of the gutters, gutter pipes, sheet-metal linings and other elements for drainage of the water from the roof of the building
- replacement of the hydro-flex facilities
- replacement of the sewage pipe network all the way to the connecting point entering the sewage of the building
- replacement of the telephone and electric power installations in the building all the way to the connecting switch-gear box, i.e. switch-board
- replacement of the switchboard with the electric meters and fuses in the building and the telephone box with the installations
- repair and replacement of the ventilation pipes and heir heads on the roof of the building
- control and replacement of the installations of the lightening arrester, satellite aerials, aerial devices and their parts in the building



- replacement of the worn fire hydrants and equipment in the building
- replacement of the floors and ceilings in the common parts of the building
- replacement of the outer joinery of the building as well as outer parts and elements of the building
- painting and varnishing of the outer joinery and metal parts of the building with the protective agents
- replacement of the staircase in the building
- replacement of the damaged and worn facades with the priority to protect it against penetration of water and moisture
- replacement of the outlet pipes, drainage shafts and drainage channels and septic tanks belonging to the building
- replacement of the channels for the garbage in the building
- replacement of the water supply network from the water-meter to the point of connection with the outlet point in the apartment and common rooms
- replacement of the sewage pipe network from the point of connection with the street sewage system to the point of connection with the sanitary devices (sag pipe, water-basin, sink, WC pan and the like) in the building and the apartment
- replacement of the telephone and electric power installation in the building from the connecting crucible, i.e. switchboard to the connection point in the apartment
- replacement of the remote heating installations in the building, heating devices in the building and in the apartment with filling, exhausting and marking of the heating network.

### **Article 15**

Current maintenance and improvement of the common parts and installations of the building includes:

#### *1. works on the outer parts of the building*

- smaller repairs of the roof, single replacement of the cover and insulation, cleaning and welding of the gutters and other protection parts on the roof of the building
- maintenance and cleaning of the chimneys
- cleaning and removing the snow and ice from the roof and the cornice

#### *2. Works in common rooms of the apartment building:*

- smaller repairs of the inner and outer joinery
- repair and replacement of the locks and linings on the doors, windows and other openings
- maintenance and replacement of the boards with the call bells
- replacement of the glass and putty on the windows, doors and other glazed surfaces
- maintenance and repair of all types of stairs outside the apartments
- servicing, repairs and overhauls of the elevators with the belonging parts, installations and devices and bringing them into accord with the technical regulations
- painting of the common rooms, painting of the inside joinery, single replacement of the ceramic tiles and other linings
- painting of the pipeline network and other devices for heating
- maintenance of the installations of water supply and sewage system
- maintenance and repair of all types of floors
- de-blocking of the drainage channels, outlet drains, sag pipes and the like
- regular maintenance and replacement of: switches, fuses, electric bells, call bells, amplifiers, ceiling illumination, lamp holders and others
- repair and replacement of the automatic systems for stairway lighting
- placement of the advertisement boards in the stairways
- maintenance of the mail boxes
- insect extermination, disinfections and de-ratting of the cellars and other common rooms in the building.

### **Article 16**

The necessary repairs of the common parts and installations of the building includes undertaking the works especially in order to:

- repair the roof structure, supporting walls, columns, structures between the storey, foundations
- repairs of the chimneys and smoke exhausting channels
- repair of the flat and inclined roofs
- replacement of the installations in the common parts and facilities of the building (water supply, sewage, electric, machine, remote heating and other installations), repair of the facade of the building
- insulation of the walls, floors and foundations of the building

- replacement of the worn metal, glass and other fences and partitions on the roof, staircase, terrace, balcony, loggia and other common parts of the building
- all other works necessary to keep the apartment, i.e. the building protected against larger damage or to protect the life and the health of the people.

**Article 17**

The urgent repairs of the common parts and installations of the building means undertaking the works especially in case of:

- the defect in the system of remote heating
- cracks, damages and blockage of the water supply and sewage installations in order to prevent further damages
- malfunctions in electric installations
- larger damages in the chimneys and smoke exhausting channels
- penetration of the precipitation waters into the building, and repairing the consequential damages and larger damages on the roof
- de-blocking the sewage network in the building (vertical pipes and drainage shafts)
- defects of the elevator
- peeling off the parts of the facade

**Article 18**

All apartment owners are obliged to pay the fees for maintenance of the common parts and installations of the building.

The apartment owners are obliged to pay the fee stated under the above paragraph to the joint account of the building that will be opened for this purpose.

In case that the apartment owner fails to pay the fee three times consecutively, the signers of the inter-owner contract of the apartment owners, or their authorised representative has the right to take legal action for payment of the fee against the apartment owner at the competent court of law.

**Article 19**

The fee stated under the Article 18 of this Law will be borne by the apartment owners proportionally as to their separately owned parts, according to the following criteria:

- |   |             |      |
|---|-------------|------|
| - for the apartment surface area.....                             | coefficient | 1,00 |
| - for business premises.....                                      | "           | 1,25 |
| - for the apartment completely used as the business premises..... | "           | 1,40 |
| - for other independent space.....                                | "           | 1,00 |

**Article 20**

The amount of the annual fee of the apartment owners is stipulated at least in the amount that corresponds 0,54% of the value of their separate part of the building and is to be paid in 12 monthly instalments.

The value of the separately owned part of the building is stipulated in such a way that the surface area of that part is multiplied with the construction value of the apartment from the Article 18, paragraph 1 of the Law on Sale of the Apartments with tenancy rights.

**Article 21**

The assets for maintenance stated under the above Article are used separately for covering the following costs:

- investment maintenance of the common parts and installations of the building
- regular maintenance and improvement of the common parts and installations of the building
- urgent repairs of the common parts and installations of the building
- necessary repairs of the common parts and installations of the building
- insurance of the building at the insurance company
- replacement of the existing and installing the new common parts and devices of the building
- repayment of the loans for financing the costs of maintenance and improvement of the common parts of the building
- fire protection
- and other costs.

**Article 22**

In case that the costs stated under the Articles 13, 14, 15, 16 and 17 cannot be covered from the assets stipulated under the Article 18, then the assets will be provided by additional payment of the apartment owners.

### **Article 23**

The apartment owners can entrust the maintenance of the building to the person being registered for such works, for which they will sign the contract through their authorised representatives on maintenance of the common parts and installations of the building.

The contract stated under the above paragraph, the apartment owners can entitle the legal entity being entrusted the maintenance of the building, to act on behalf the apartment owners in obtaining the loans in order to ensure the additional assets for covering the costs of maintenance of the building, on the basis of the decision of the apartment owners.

The contract from the paragraph 1 of this Article is concluded in writing and it especially includes:

- parties to the contract
- rights and obligations of the parties to the contract
- mode of determining the amount of the assets stipulated under the annual program for covering the costs of maintenance and the mode of collecting and distributing the assets for maintenance of the common parts and installations of the building.
- other issues important for maintenance of the building.

### **Article 24**

Supervision of maintenance of the common parts and installations of the building is performed by the inspection in charge and the representative of the organization having been entrusted the maintenance.

## **III PENALTY CLAUSE**

### **Article 25**

The apartment owner - the legal entity shall be penalized by the fine in the amount of 50,00 to 5,000,00 KM if he:

- uses and manages the common parts and installations of the building for the purpose they have not been intended for and contrary to the regulations from this Law and those stipulated under the contract of the apartment owners
  - does not allow repairs or other works i.e. maintenance of the common parts and installations of the building
  - by his behaviour causes damage in the common parts and installations of the building
  - does not allow the person having been entrusted maintenance of the common parts and installations of the building to perform the inspection of the common parts and installations of the building from time to time.
- For the infringement stated under the paragraph 1 of this Article, the responsible person within the legal entity will be penalized by the fine amounting to 50,00 - 1,000,00 KM.

For the infringement stated under the paragraph 1 of this Article the apartment owner- the individual will be penalized by the fine amounting to 500,00 KM.

### **Article 26**

The legal entity, the owner of the shop, i.e. the performer of individual business activity with whom, as per the Article 23 of this Law the contract has been concluded on maintenance of the common parts and installations of the building will be penalized by the fine amounting to 1000,00 to 5,000,00 KM for the infringement, if:

- he fails to undertake the action, without delay, in order to remove the defects that can cause the damage in common parts and installations of the building
- he fails to undertake the action, without delay, in order to remove the defects that can endanger life and health of the apartment owners and other persons
- he fails to organize regular maintenance of the common parts and installations of the building and fails to maintain them in good functional order
- he fails to use the assets intended for maintenance of the building according to the program for covering the costs of maintenance of common parts and installations of the building.

For infringement stated under the paragraph 1 of this Article also the responsible person within the legal entity will be penalized by the fine amounting from 100,00 to 1,000,00 KM.

## **IV CONCLUDING AND FINAL PROVISIONS**

### **Article 27**

In order to continue with protection and maintenance of the common parts and installations of the building, so far existing organisations that have been entrusted the maintenance of the apartments and buildings shall

continue with these activities until concluding the contract stated under the Article 6, i.e. Article 23 of this Law, but not later than two years from the date of coming of this Law into force.

**Article 28**

For the interim period until concluding the contracts as stated under the Article 23 of this Law, each owner of the apartment or some other independent room will pay the amount of 0,22 KM per month, and each owner of business premises or some other rooms being used for special purposes or the apartment completely used as the business premises shall pay the amount of 0,30 KM per month for each square meter of the area.

**Article 29**

The organisations that continue the activities of maintenance as stated under the Article 27 of this law are obliged, within the period of three months from the date of coming of this Law into force, to make the draft plan of utilisation of the assets being collected from payment of the outstanding or regular apartment rent.

The draft plan of utilisation of the assets as stated under the above paragraph will be made for urgent and necessary repairs stipulated under this Law, and on the basis of so far performed inspection of the requests and the needs for maintenance of the buildings, and will publish them in the media.

After thorough discussion about the proposed plan (through tenants' councils or in some other way), the plan will be adopted by the management body of the organization stated under the paragraph 1 of this Article and will submit regular reports about its realization.

**Article 30**

On the day of enforcement of this Law, all municipal decisions on maintenance the apartment buildings and the apartments being applied on the territory of Zenica-Doboj Canton up to the date of enforcement of this Law will cease to be applied.

**Article 31**

This law shall come into force on the eighth day from its publication in the "Official gazette of Zenica-Doboj Canton".

Zenica NR 01-308/9930.12.1999

**CHAIRMAN OF THE ASSEMBLY**

## **Appendix 6: Term of Reference**

### **EVALUATION OF THE PROJECT OF INSTITUTIONAL AND LEGISLATIVE BUILDING, COMMUNITY PARTICIPATION AND ORGANIZATION AS A PART OF PRIVATISATION OF PUBLIC HOUSING IN SARAJEVO**

#### **Background**

The project started late September 1997. It was established by NPA and NBBL financed 100% by NORAD the first year and 80% by NORAD and 20% by NPA the following years.

NPA have contracted NBBL to take the professional responsibility for the implementation of the project. The terms are specified in a contract between NPA and NBBL signed in October 1997. NBBL wrote the project document approved by NORAD and is responsible to NPA for half-annual and annual reports.

NPA Sarajevo engaged Project Manager and Project Assistant in 1997 and early 1998. The project was for a short time part of the project portfolio of the Building Team in NPA's Sarajevo Office, but has later been part of the Community Development Program in the same office. The head of the program, which has been shifting through the years, has had the daily following up of the project.

NPA/NBBL signed a letter of Intent with Sarajevostan, the Public Housing Company of Sarajevo, when starting up the project. It was agreed that it was necessary to bring Sarajevo Canton into the co-operation as Canton was in charge of Sarajevostan and also the legislative body for the Law on Maintenance. As the outdoor areas up to the entrances in the housing blocks were public and administered by the Park Company, Park Company was also brought into the co-operation.

#### **The project**

##### **Long term development objective**

- The privatised public housing in Sarajevo are well operated and managed by democratically elected residents board capable of proper maintenance and operation of common areas in a well functioning environment, physically and socially, for the healthy upbringing of children.

##### **Immediate development objective**

- Some pilot, privatised, housing estates act as models for other housing areas. They are well managed by democratically elected residents' boards capable of proper maintenance and operation of common areas in a well functioning environment, physically and socially, for the healthy upbringing of children.
- Sarajevostan has been reorganised to meet the privatised housing market.

## Project results

### *Local level*

- the common areas in two or more housing areas are upgraded by way of peoples participation,
- the residents are satisfied with the improvement work, which has developed a stronger interest in and responsibility for the common areas,
- Peoples attitude have changed towards taking a bigger interest in and responsibility for common areas, “the common areas belongs to them”
- the residents are organised (into residents’ associations?) taking responsibility for common outdoor areas (new) in co-operation with Park Company and
- the residents are organised and running their common matters in accordance with the new law on maintenance of common parts of buildings
- the residents have developed social networks and good relationships
- the children, organised in Children’s Eco-groups, are taking part in protection and up-keeping of outdoor areas

### *Central level*

- Sarajevostan have utilised the Norwegian experiences, organisational set-ups, standard documents, by laws etc., in reorganising their company in order to meet the new privatised housing market offering services on a cost recovery base,
- Sarajevostan is keeping OBOS as an ideal for further changes.
- Canton Sarajevo has utilised the Norwegian experiences in their provision of legal measures for maintenance of common parts of buildings in privatised housing.

## Purpose of the evaluation

The project is in many ways a pilot one; as institutional building within the housing sector and as the first project of co-operation between NPA and NBBL. It combines community development, organisation, participation and democracy building at the local level with institutional development at the central level. It is the first project of this kind within the project portfolio of Norwegian Peoples Aid in Bosnia and anywhere else.

The purpose of the evaluation is to review the success of this pilot project in respect of the spelt out objectives, results and the methodology applied. It is in the interest of NPA, NBBL and NORAD to have a more confirmed knowledge about the learning experiences of this project, whether or not this type of project is to be applied elsewhere and what changes/redirections would then be recommendable. The purpose of the evaluation is also to review whether or not the project ought to continue for one or more years, and if to continue, what should then be the main focus.

## The tasks

### *In general:*

1. To what extent have the objectives and project results, as outlined above, been achieved?
2. To what extent have the project activities contributed to fulfilling the objectives?
3. If the achievements are not in line with, or far away from, the project objectives and results, what are the reasons?
4. How well has the co-operation been functioning between NBBL/NPA and the co-operative partners, Sarajevostan and Sarajevo Canton?

5. Assess the role of and consultancy given by NBBL in achieving the objectives of the project.
6. Describe the co-operation with public institutions like the Municipality, Mjesna Zajednica (local administration) and Park Company and in which way these authorities have contributed to the development of the project.
7. Describe the methodology applied in the various project objectives/project components. To what extent has the methodology for achieving the objectives been effective? What possible improvements might be recommendable if a similar project is to be implemented elsewhere?
8. If the evaluation team find that the project needs to be continued, what are the main reasons? How long should it then continue and in which way? Make brief recommendations!

*Gender component*

9. What are the roles and benefits of men, women and children in participating in the activities of the project?

*Local component:*

10. What are the main achievements in the pilot areas? Which ones could be useful as examples to other settlements in Sarajevo and may be also to other cities in Bosnia and Herzegovina?
11. A short-term objective has been to revitalise the Kucni Savjet (the residents' boards). To which extent has this taken place? What are the roles of the Kucni Savjet in the pilot areas and to which extent are they a useful tool/step in the privatisation process?
12. The work in the pilot areas has become known in the city and the project has noted a demand from residents in other areas for similar interventions. Does this tell anything about the project?
13. To what extent do the residents in the pilot locations consider the daily up-keeping (caretaker services) ("domar") and maintenance of common parts of buildings as their responsibility? (This will be their responsibility according to the new Law on Maintenance.)
14. To what extent do the residents in the pilot locations consider the daily up-keeping and maintenance of common outdoor areas as their responsibility and how well are they organised in order to take part in this? (This will not be their responsibility according to the new Law on Maintenance.)
15. To which extent are the objectives and results hampered by the fact that a lot of residents are still internally displaced people and refugees and that the flat-ownership problems are not solved?

*Environmental component*

16. How has the children Ecological-group in Hrasno contributed to fulfilling the objectives of the project?
17. What, if anything, remains to ensure the self-sustainability of the children's Ecological-group in Hrasno?
18. How has the development of the outdoor areas in Hrasno contributed to fulfilling the objectives of the project? How have the people participated? What remains to ensure the maintenance of the open areas in Hrasno?
19. Make a brief assessment of the children's playground in Hrasno, included the location. Make recommendations if any alterations/relocation ought to take place?

20. What are the differences, if any, (physically and organisationally) between the project's pilot areas and other housing areas in Sarajevo?

*Central component:*

21. What are the main learning experiences for Sarajevostan and Sarajevo Canton from their co-operation with NBBL and NPA? (This includes activities like visits to Norway, seminars and visit to Slovenia and Croatia.) What has been applied in their work so far, and what can be applied in the future?

22. What are the main areas where they could gain from further co-operation with NBBL/NPA in their process of privatisation?

### The Evaluation Team

The Evaluation Team is consisting of Mr. Omerspahic Irsam, the Director of Zeniza-stan and Berit Nordahl, researcher at the Norwegian Building Research Institute (NBI), supplemented by a translator for the interviews in Sarajevo and as a quality-controller of the English text in the Evaluation Report.

The members of the evaluation team have comprehensive experiences within the housing field, Mr. Omerspahic Irsam with housing in Bosnia and Berit Nordahl with housing and community development in Norway. None of the members have been directly involved with the implementation of the project.

### The report

The evaluation, including preparation and completion of the report, is expected to take a total of three weeks per consultant, each of five working days, altogether 6 working weeks.

A draft report shall be presented to NPA/NBBL by 30.07.2000, followed by the final report by 15.08.2000.

The report should be of maximum 30 pages and shall be written in English, in Word for Windows, on a 3,5'' diskette MSDOS, together with a printed paper.



## Literature:

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Huremović Mehmedalija (1998) *Today inhabitant ... tomorrow the owner of apartment* Official gazeta B and H Sarajevo.

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