REPLIES BY THE MINISTRY OF REGIONAL DEVELOPMENT AND EU FUNDS OF THE REPUBLIC OF CROATIA

The Ministry of Regional Development and EU Funds is mainly implementing the housing accommodation program in part of the Republic of Croatia, the areas of special government concern i.e. the war-ridden areas and the underdeveloped areas of the Republic of Croatia. A minor part of the housing program implemented by the Ministry is being conducted outside the areas of special government concern, but only for the refugees who, until 1991, lived in the government (then: socially owned) flats – the former tenancy right holders - who want to return to the Republic of Croatia. The funds for the implementation of the program have been secured in the state budget of the Republic of Croatia.

Within the scope of this Ministry, the reconstruction of the housing units destroyed in the war that began in 1995 has included 148,792 housing units to date.

The general housing policy that includes the entire territory of the Republic of Croatia is the responsibility of the Ministry of Construction and Physical Planning.

**1.** The Ministry of Regional Development and EU Funds is implementing the housing policy defined in the housing accommodation program for the war-ridden and underdeveloped areas of the Republic of Croatia, and – to a minor extent – outside the areas of special government concern in relation to the refugees returning to the Republic of Croatia. The mentioned program includes the most vulnerable groups of population: displaced persons, returnees and refugees, and other applicants lacking housing and living in the underdeveloped areas.

Specifically defined housing policy in relation to the mentioned areas was first implemented in 1995, when the Reconstruction Act was passed, starting to rebuild the housing units destroyed and damaged in the war. To date, 148,792 housing units have been reconstructed and the program is coming to a close. It has substantially raised the quality of the housing in war-ridden areas.

In addition, around the year 2000, the policy to provide housing accommodation was defined in order to provide housing to other refugees and returnees in the mentioned areas and substantially raise the quality of housing in those areas.

**a.** Reconstruction of the housing units destroyed and damaged in the war is taking place in then form of organised reconstruction of severely damaged buildings organised and funded by the state from the state budget for the beneficiaries who want to return to their property. In addition to the organised reconstruction of less severely damaged buildings, their owners also receive payments in support of the reconstruction, which is also funded from the state budget.

The housing accommodation is taking place through the models prescribed in the *Law on Areas of Special Government Concern (Official Gazette of the Republic of Croatia 86/08 and 57/11),* with the funds for its implementation secured in the state budget of the Republic of Croatia. The basic models for the housing accommodation include: giving free building materials for the construction or reconstruction of family houses on the building land owned by the applicant, giving free state-owned building land and building materials for the construction of a family house, and leasing a state-owned family house or a flat against the payment of a preferential lease. In those areas there are many flats in state-owned buildings that have been rebuilt by the Ministry with the funds from the state budget, as well as quite a number of state-owned family houses purchased by the Agency for the Management of State Property.

**b.** Presently, international financial institutions are not funding this program. The funds for its implementation have been secured in the state budget of the Republic of Croatia.

**c.** The reconstruction program has been in place since 1995, and the housing accommodation program has been in place since 2001.

**d.** The housing accommodation program was not developed with the recovery measures in relation to the global economic and financial crisis that broke out in 2008 in mind. In the meantime, the program was upgraded in terms of settling the issue of the return of refugees, and – during the corresponding period – particularly in regard of the process of accession of the Republic of Croatia to the European Union. Notably, the issue was linked to the benchmarks for closing Chapter 23 Justice and Basic Rights in the negotiations between Croatia and the EU and the monitoring until the accession to the EU. Consequently, in 2008, the Action Plan for the accelerated implementation of the measures for housing accommodation of refugees, former tenancy right holders, was adopted and revised again in 2010.

2. There are no accurate statistical data as to the effects of this policy, but in 2008, the Faculty of Economics in Split prepared a study titled „Evaluation and improvement of government support measures for assisted areas“, and it was found that the housing accommodation policy had had positive effects and should be carried on. Among other things, the study served to prepare the Regional Development Strategy 2011-2013 adopted by the Government of the Republic of Croatia in 2010.

**a.** In the year 2001, the housing accommodation program was launched at the centres i.e. informal settlements for 14,000 displaced persons/refugees. Presently, the last group of families (374 persons) from such settlements is being accommodated, and by the end of the year the remaining settlements are to be closed. Other settlements of such provisional type do not exist in the areas of special government concern.

**b.** No precise data is available. However, the reconstruction and housing accommodation have substantially raised the quality of housing for a great number of beneficiaries in the areas of special government concern, which includes modern home building and rebuilding and constructing utility service network. Consequently, most beneficiaries now enjoy better sanitary conditions in their households.

**c.** Prior to the implementation of the housing accommodation program, there were 500 distant settlements with about 4,500 homes without electricity, a consequence of the war. These included sparsely populated settlements where the mains network was demolished in the war. Today, 46 such settlements remain, with 219 housing units of which 123 households have applied for the reconstruction of service connections.

**d.** The Ministry of Regional Development and EU Funds manages 27,000 state-owned properties – 22,800 flats and houses in the areas of special government concern, 2,800 building land plots, and 1,400 flats outside such areas. The ownership title to the properties mentioned has been clearly established from the land register, except for about 4,000 properties whose registration in under way. In the process of housing accommodation, the property status has been clarified and legally established for the properties for which it had not been clear from the land registry records.

Additionally, ownership title has been clarified for 10,500 building land plots and family homes built or reconstructed within the framework of the housing accommodation program since 2001, and for another 5,000 private properties included in the housing accommodation program and awaiting building material delivery.

Ownership title for the properties included in the housing accommodation program has mostly been regulated in the land register. There remain about 4,000 state-owned properties to which the ownership title has not been resolved yet and where the appropriate procedure is under way.

**3.**In regard of the requested information, the housing accommodation program is being implemented by:

- Allocating the basic building materials for the reconstruction or building of family houses on the building land owned by the beneficiaries. The Ministry supplies the basic building materials to the beneficiaries to build homes (the beneficiaries themselves organise the building of their houses), prepares the project documents and secures the building permit, whereas the beneficiary is responsible for property compliance and payment for service connections.

- Leasing a state-owned family house or a flat to a beneficiary against the payment of preferential rent of HRK 2.61/m2 according to Article 11 of the *Law on Areas of Special Government Concern (Official Gazette 86/08 and 57/11).* The beneficiaries can purchase such properties under favourable terms defined in the following laws and regulations: *Ordinance on Terms for Purchase of State-owned Family House or Flat in Areas of Special Government Concern (Official Gazette of the Republic of Croatia 19/11 and 56/11)*, and the Decision on Sale of Flats Owned by the Republic of Croatia *(Official Gazette of the Republic of Croatia 109/11). Under special terms and entitlement it is even possible to have such properties given for free in war-ridden rural areas according to Article* 10 of the *Law on Areas of Special Government Concern (Official Gazette of the Republic of Croatia 86/08 and 57/11).*

*-* Giving state-owned building land and building materials for free so that the beneficiaries can build their own family houses. The Ministry supplies the basic building materials to the beneficiaries to build homes (the beneficiaries themselves organise the building of their houses), prepares the project documents and secures the building permit. Where new development is taking place at locations without utility infrastructure, the Ministry participates in funding and constructing the utility infrastructure.

- Leasing damaged state-owned family houses, and giving the building materials for free to repair it, to improve the quality of life in the available housing units.