

PD-ABQ 593
98080

USAID/DART
Emergency Shelter Repair Program
Bosnia-Herzegovina
1996



FINAL REPORT

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Emergency Shelter Repair Program



Before



After

**USAID/DART
EMERGENCY SHELTER REPAIR PROGRAM
BOSNIA-HERZEGOVINA**

EXECUTIVE SUMMARY

INTRODUCTION

In November 1995, USAID Administrator Brian Atwood dispatched two consultants who, after extensive research, determined that an emergency shelter program with strict parameters and criteria would be the most efficient use of USAID resources. As USAID's Disaster Assistance Response Team (DART) represented the most operational and experienced unit of USAID present in Bosnia-Herzegovina (B-H) at the time, the proposed rapid and high-impact shelter program was to be managed directly by the Bureau for Humanitarian Response through the Office of U.S. Foreign Disaster Assistance (OFDA) in Washington. All operational responsibility, including delegations of authority, were transferred to the USAID/DART in B-H to implement the program.

In March 1996, \$12.5 million was made available from both USAID's Bureau for Humanitarian Response (BHR) and the Bureau for Europe and Newly Independent States (ENI) for a total of \$25 million to be programmed by the DART for the Emergency Shelter Repair Program (ESRP).

PROGRAM OBJECTIVES

- To support the overall objective of the Dayton agreements of peace and national reconciliation by initiating and accelerating the return of displaced families from temporary places of refuge in towns and municipalities to their **own homes** in badly destroyed villages and other sites where they could resume or undertake agricultural and other activities,
- Demonstrate the start of post-Dayton return to normalcy with a high-impact, visible U.S. operational effort in the field, addressed to the priority need for shelter in war-affected areas, and which would provide hope for the continuing dividends of peace and reconciliation, and
- Focus attention and energy of returnees and demobilized combatants on short-term employment and re-establishment of normal lives, thereby enhancing the security of IFOR personnel and helping to ensure stability after 1996.

The ESRP was intended to repair 2,500 badly damaged, privately-owned houses throughout the Federation, utilizing local labor to help generate short-term jobs and stimulate/strengthen small independent contractors. The villages were chosen with the idea of assisting initial groups of approximately 40 - 50 "pioneer" returning families to repopulate the villages and reactivate social and economic life.

METHODOLOGY

Same Ethnic Return vs Cross Ethnic Return - by focusing on "same-ethnic return", the ESRP concentrated on verifiable cases for return, i.e., villages with the highest possible rate for success. This method made the ESRP effective, yet politically far less contentious. Despite the spate of explosions in summer 1996 of recently repaired houses in the border area between the Republika Srpska and the Federation, *no USAID/DART rehabilitated houses have been destroyed*

Contractor vs Self Help - using general contractors and/or contracted labor offered the NGOs and USAID/DART a safer guarantee that the house would be completed as per the program's time line, in accordance with project building parameters and quality, and within budget. It also provided economic assistance to the Federation through job creation and locally purchased materials.

NGOs vs Other - the ESRP was implemented by a group of eight NGOs already operational in B-H for an average of 2-3 years. The NGOs had the capacity to implement a program of this magnitude, had worked in heavily damaged areas of the Federation throughout the conflict, and possessed the demonstrated geographic, management and construction expertise.

USAID/DART Involvement - Monitoring - USAID/DART involvement in the ESRP was extensive from the initial design and development through to the completion of the program. Over the course of the project, the USAID/DART team made approximately 100 site monitoring visits, which were used to discuss issues with the NGO while inspecting progress in the field. In short, active and close monitoring ensured program success by identifying problems early on, and taking proactive steps to resolve them.

Level of Damage - Houses eligible for repair under USAID/DART's ESRP had to be "extremely damaged", i.e., homes with foundations and structurally sound walls, but without roofs, windows, and doors. By concentrating on such badly damaged houses, the program ensured that new square meters of shelter were created.

Extent of Repairs - The shelter units received only minimal repairs sufficient to facilitate the return of displaced persons to their homes. Exterior patching was applied only where necessary to weather-proof the house, and no exterior painting or other cosmetic interventions were included under the program.

Tri-Partite Agreement - served as a contract or agreement between the municipality, the beneficiary, and the NGO. The agreement was tailored to the individual situation in the NGO's area of operation, and laid out specific rights and responsibilities assigned to each of the signatories such as pre-1991 ownership, the beneficiaries intention to return permanently within 60 days, NGO is authorized to carry out repairs it deems necessary, etc.

DATA

The illustrative outputs of the ESRP are as follows

Completed Shelter Units		2,548
Number of Villages Rehabilitated		48
Average Cost per Unit w/o Overhead		\$7,552
Square Meters of New Living Space Created		105,748 m ²
Returned Families (12/31/96)		1,860
Returned Individuals (12/31/96)		8,000 +
Average Family Size		3.6
Ethnic Breakdown		
Bosniac Families	81.3%	2,071
Bosnian Croat Families	18.5%	472
Bosnian Serb Families	0.2%	5
Labor Cost		\$6,292,662
Material Cost/Federation		\$7,797,328
Material Cost/Non-Federation		\$4,997,544
Labor and Material Total		\$19,087,534
Short-term Jobs Created		4,000 +
Number of Local Contracting Firms Employed		174

MINI-INFRASTRUCTURE REPAIR PROGRAM (MIS)

In early May 1996, USAID's Administrator directed USAID/DART to implement a mini-infrastructure (MIS) repair program as an adjunct to the ESRP. The purpose was to help consolidate and fortify the positive effects of the ESRP by repairing and restoring essential services and utilities to the selected villages. The program's funding was again drawn equally from USAID's BHR and ENI Bureau for a total of \$4 million. USAID/DART administered these funds through the existing ESRP cooperative agreements to the NGOs, which submitted proposals for appropriate mini-infrastructure repairs.

The final MIS projects organized by sector are as follows

Sector	No. of Projects
Water Repair	15
School Repair	14*
Health Clinics	4
Electricity Repair	2

* Includes six schools approved under one ESRP grant

The MIS program provided the incentive required to instigate repatriation to the ESRP villages. Integrating infrastructure repairs with shelter rehabilitation creates a more viable community in which to return, and created additional jobs

CONCLUSIONS

Use of NGOs - Success of the emergency shelter project was predicated on the use of NGOs who had solid experience working in the former Yugoslavia, and particularly within the Federation areas. Work had to begin as soon as possible if the goal of 2,500 houses rehabilitated by the end of the calendar year was to be accomplished.

Timing - The ESRP was conceptualized, designed and implemented with unprecedented rapidity. Although the program's completion date was on-target with regard to time needed for the NGOs to execute all necessary repairs, an earlier completion date would have allowed the beneficiaries to perform further improvements on their homes, plant winter gardens, and otherwise settle in to their community again before the cold Bosnian winter. The issue of timing was most applicable to the incorporation of the complementary mini-infrastructure projects (MIS), as shelter and basic municipal services have a symbiotic relationship. USAID/DART's funding for such complementary projects should have been available at the same time as the funding for the ESRP in order to maximize the number of returning displaced families.

Delegation of Authority to the Field - By decentralizing the program to USAID/DART in the field, which actually had responsibility for monitoring and managing the program, implementation activities could be initiated more quickly, and any remedial steps taken immediately. Such action saved valuable days in the early stages of the project. It is recommended that once grants are written, their day to day management be retained within OFDA so as to facilitate any changes or modifications. In this way, knowledge of the program's daily activities which may impact upon the grants can be tracked on a regular and routine basis, thus reducing the need to provide duplicative and/or historical information.

Municipal Involvement - Because municipal authorities were allowed to participate in the return process, they were less inclined to blame the NGOs or USAID for any perceived difficulties which arose during the program. This involvement also fostered a more conducive working relationship for all parties which, in turn, contributed to the ESRP's quick and efficient implementation. Most municipalities maintained accurate records of the whereabouts of potential beneficiaries, thereby, facilitating a potentially lengthy process.

Mines - USAID/DART attempted to avoid potentially or heavily mined areas during the village selection and verification process. However, several areas that otherwise fit the program description and were included, inevitably, presented a risk of mine accidents. A major obstacle to a more encompassing MIS program was the presence of land mines. A number of municipal repair projects that were brought to the attention of USAID/DART were not feasible due to the presence of mines, and the inability to find outside funds to clear the project sites. Bearing this in mind, it is recommended that demining funds be considered for any future program.

INTRODUCTION

Background

In November 1995, USAID Administrator Brian Atwood dispatched consultants Robert and Cynthia Gersony to conduct a three month assessment of prospects for USAID assistance to the Bosnian rehabilitation effort. After visiting approximately 80 villages throughout the Federation, and conducting hundreds of interviews with representatives of international organizations, local government officials, displaced persons, NGOs, and others, the consultants determined that an emergency shelter program with strict parameters and criteria would be the most efficient use of USAID's resources. As USAID's Disaster Assistance Response Team (DART) represented the most operational and experienced unit of USAID present in Bosnia-Herzegovina (B-H) at the time, the proposed rapid and high-impact shelter program was to be managed directly by the Bureau for Humanitarian Response through the Office of U S Foreign Disaster Assistance (OFDA) in Washington. All operational responsibility, including delegations of authority, were transferred to the USAID/DART in B-H to implement the program.

Timeline

In March 1996, \$12.5 million was made available from both USAID's Bureau for Humanitarian Response (BHR) and the Bureau for Europe and Newly Independent States (ENI) for a total of \$25 million to be programmed by the DART for the Emergency Shelter Repair Program (ESRP). On March 8, 1996, USAID/DART announced the ESRP to the international NGO community operating in B-H, and appealed for initial proposals for shelter that would specifically fall within ESRP's stated criteria (see Appendix A). Proposals were expected from the NGOs by March 18, 1996, with USAID/DART decisions on submissions by March 25, 1996. Of approximately thirty shelter proposals received, eight proposals were selected for funding based upon the following criteria: 1) conformity with key elements of the Terms of Reference, 2) technical and geographical expertise, 3) met concept of "pioneer villages" vis a vis the number of houses, outlying village versus town, etc., and 4) clustering of NGO's projects in a given area. By April 24, 1996, only four weeks after the NGOs were advised of their selection, all eight cooperative agreements were awarded totaling approximately \$23.6 million. The fact that the time period between the initial program announcement and the awarding of the cooperative agreements took only seven weeks was integral to the ESRP's success. Furthermore, on May 20, 1996, USAID/DART announced the availability of an additional \$4 million for complementary mini-infrastructure repairs to be effected in the ESRP villages. Proposals were received by June 25, 1996, and all paperwork was sent to USAID/Washington by mid-July for processing.

All work was to be completed by December 31, 1996, as everyone concerned recognized the 1996 building season as a unique opportunity to jumpstart repatriation under the peace and stability created and maintained by IFOR.

Program Objectives

The ESRP's objectives were threefold 1) To support the overall objective of the Dayton agreements of peace and national reconciliation by initiating and accelerating the return of displaced families from temporary places of refuge in towns and municipalities to their **own homes** in badly destroyed villages and other sites where they could resume or undertake agricultural and other activities, 2) demonstrate the start of post-Dayton return to normalcy with a high-impact, visible U S operational effort in the field, addressed to the priority need for shelter in war-affected areas, and which would provide hope for the continuing dividends of peace and reconciliation, and 3) focus attention and energy of returnees and demobilized combatants on short-term employment and re-establishment of normal lives, thereby enhancing the security of IFOR personnel and helping to ensure stability after 1996

The ESRP was intended to repair 2,500 badly damaged, privately-owned houses throughout the Federation, utilizing local labor to help generate short-term jobs and stimulate/strengthen small independent contractors The villages were chosen with the idea of assisting initial groups of approximately 40 - 50 "pioneer" returning families to repopulate the villages and reactivate social and economic life The participating NGOs were expected to coordinate closely with UNHCR regional offices, implementing partners, municipal authorities, and other relevant organizations to avoid program duplication, and to maximize the benefits of the ESRP

METHODOLOGY

A large part of the success of the ESRP can be attributed to its carefully devised methodology The ESRP introduced a set of implementation parameters that did not exist in any other rehabilitation/reconstruction program at the outset of 1996 The methodology was formulated after countless meetings with representatives of the UN, NGOs and other international organizations, as well as through interviews with municipal authorities and displaced persons The guidelines resulting from such extensive research provided a firm backbone to the program Furthermore, several subsequent shelter and housing programs in B-H incorporated many of the same methods that were fundamental to the ESRP's success

Same Ethnic Return vs Cross Ethnic Return

In order to fully understand the ESRP's methodology, it is necessary to define the terms "same-ethnic return" and "cross-ethnic return" as they apply to population movements within and between areas of military control in B-H With reference to the ESRP, "same-ethnic return" refers to the repatriation of an individual of any ethnic group returning from point A to point B, whereby both points A and B are

under the control of one army "Cross-ethnic return" implies a movement where points A and B fall under the control of two different armies For example, "same-ethnic return" could be a Bosniac, Croat, or Serb displaced person returning to an area of Bosnian Croat military control from the same or nearby area also under Bosnian Croat military control A "cross-ethnic return" under the ESRP would be, for example, a Bosniac returning from an area of Bosnian army control to a home currently under Bosnian Croat or Bosnian Serb military control

By focusing on "same-ethnic return", the ESRP concentrated on verifiable cases for return, i e , villages with the highest possible rate for success This method made the ESRP effective, yet politically far less contentious Selected villages represented the "first rung on the ladder" of return for all displaced persons and refugees, and thus the most logical place to begin The largest single shelter repair program, headed by UNHCR and valued at \$30 million, adopted a "Target Area" approach in July 1996, which effectively emulated the USAID/DART's decision to focus on "same-ethnic returns " In other words, UNHCR targeted areas where return was most feasible in 1996, inevitably areas largely conducive to "same-ethnic return "

Political tensions between the Bosnian Croats and Bosniacs in the Federation quickly brought a halt to many repair projects An example of the how these tensions negatively affect the reconstruction effort can be found in the ESRP site of Donji Zezelovo - the only verified cross-ethnic return area in the program The implementing NGO had planned to repair 20 shelter units just outside the buffer zone (former front line) for Bosniac returnees The Bosnian Croat authorities objected strongly, stating that repairing the units would skew the ethnic balance in the Bosnian Croat-controlled area (even though the Bosniacs are the original homeowners) According to the NGO, the Bosnian Croat authorities went as far as to threaten to burn down the houses if they were repaired After extensive negotiations, the NGO ultimately decided to reprogram the 20 units to other areas in its overall program, in order not to suffer further delays in program implementation

The spate of explosions this summer in recently repaired houses situated along the zone of separation (ZOS), the border area between Republika Srpska and the Federation, further highlight the difficulties involved in implementing a "cross-ethnic return" program in 1996 This type of violent reaction to "cross ethnic return" and the lack of progress toward a resolution support the USAID/DART decision to concentrate in 1996 on "same ethnic return " **Note No USAID/DART rehabilitated houses have been destroyed**

Contractor vs Self Help

The popularly held belief that most Bosnians built their own houses is not entirely correct While most Bosnians will respond positively to the question, "Did you build your house yourself?", further investigation reveals that usually outside

assistance was contracted for the more difficult phases - the roof, floors, ceiling, plumbing, and electric wiring. Using general contractors and/or contracted labor provided several benefits: 1) It offered the NGOs and USAID/DART a safer guarantee that the house would be completed as per the program's time line, in accordance with project building parameters and quality, and within budget, 2) It provided a complementary program to the UNHCR self-help program (USAID/DART and NGOs were often able to refer beneficiaries with lesser-damaged homes to the UNHCR program), and 3) It provided economic assistance to the Federation through job creation and locally purchased materials. Many contracting firms were able to reemploy former workers and successfully bid on projects offered by other organizations. In Sanski Most, an NGO assisted three pre-war general contractors that were unable to bid due to a lack of start-up capital. The NGO provided these firms with the necessary capital by agreeing to purchase many of the materials itself in the initial phases, and paid a 30% cash advance to provide the capital needed to hire labor. Due to the NGOs' ingenuity these firms have been able to firmly reestablish themselves in the area, and proceeded to win subsequent contracts from IFOR, IMG, and other organizations.

The contractor model for shelter repairs has been widely adopted by other organizations since its inception in the ESRP. UMCOR, which implemented UNHCR's shelter project in 1996, reported that, "[UMCOR's] 1997 project proposal to UNHCR uses this 1996 USAID project as a model. The key is that this project provides basic, if spartan, living space [through contractors] for returnees, who can then use self-help to repair the remainder of their houses."

NGOs vs Other

USAID/DART's shelter program was implemented by a group of eight NGOs already operational in B-H for an average of 2-3 years. The NGOs had the capacity to implement a program of this magnitude, had worked in heavily damaged areas of the Federation throughout the conflict, and possessed the demonstrated geographic, management and construction expertise. Operating through the NGOs was integral to reducing implementation time as most of the NGOs had already worked in and/or researched their proposed ESRP areas. They had also established important working relationships with the respective municipal leaders, and understood the needs of the displaced population.

The relatively short implementation period of the program did not permit the establishment of new or unproven mechanisms. Overhead and operational costs were kept low as all of the NGOs had already established field offices, experienced personnel, and means of transport throughout Bosnia.

USAID/DART Involvement - Monitoring

USAID/DART involvement in the ESRP was extensive from the initial design and development through to the completion of the program. During the first week of April, the USAID/DART shelter team visited every proposed shelter site with representatives of each NGO. The proposed village and area was toured, discussed at length in the context of suitability under the program criteria, and judged as to the approximate number of applicable shelter units.

Over the course of the project, the USAID/DART team made approximately 100 site monitoring visits, which were used to discuss issues with the NGO while inspecting progress in the field. The USAID/DART team often met with municipal and village leaders to gauge their satisfaction and understanding of the program. Where appropriate, USAID/DART presented the ESRP to US IFOR bases in close proximity to shelter sites to help facilitate cooperation and understanding of the program.

In the audit conducted by the Office of the Regional Inspector General/Budapest, regarding the effectiveness of the DART's monitoring, the author comments, "Proactive program monitoring was demonstrated in the way DART responded to one NGO's problem [sic] the NGO experienced delays caused, in part, by high construction bids that could not be negotiated downward. DART officials noticed these delays during a site visit, but the NGO initially assured them that it was making progress. Subsequent site visits by DART personnel revealed, however, that the NGO's contractor was not making repairs to program specifications. DART personnel then intervened and discussed the problem with the NGO's management. In our opinion, the DART's response to this problem minimized its impact on the program's progress." (See Appendix F)

In short, active and close monitoring ensured program success by identifying problems early on, and taking proactive steps to resolve them.

Level of Damage

In addition to selecting villages on the basis of their overall potential for achieving the general objectives of the Dayton agreements, one of the key determining factors in choosing the villages and individual houses for the program was the level of damage to the existing structures. Houses eligible for repair under USAID/DART's ESRP had to be "extremely damaged", i.e., homes with foundations and structurally sound walls, but without roofs, windows, and doors. In most largely destroyed villages, homes were systematically damaged by artillery and other fighting, or through purposeful burning and looting by the warring factions. By concentrating on such badly damaged houses, the program ensured that new square meters of shelter were created.



ESRP Shelter Unit in Maglaj - Before Photo

Other shelter programs, such as UNHCR's shelter material distribution, did not specifically create new living space for the return of refugees, as lesser damaged homes were more suited to the self-help approach UNHCR chose. Furthermore, UNHCR's program and other similar programs relied upon the municipality to distribute materials to beneficiaries as they saw fit. This method did not concentrate material distribution toward creating new living space, as many beneficiaries already lived in their homes and used the materials to repair, weatherize or otherwise improve the structure. Again, as UNHCR's program entailed the self-help method, and therefore benefitted lesser damaged houses, the ESRP and UNHCR programs were complementary. For instance, in the village of Glavaticevo (near Konjic), the USAID/DART shelter program repaired 46 of the most badly damaged homes, while UNHCR's material distribution helped repair approximately 50 lesser damaged homes. The combination of the programs allowed almost 100 beneficiaries to return/stay in their homes through winter due to the new living space created by the ESRP, and the repairs and weatherization provided by UNHCR's material distribution.

Extent of Repairs

As the level of damage was important to the selection of the units to be repaired, so too was the extent of repairs important to the success of the overall program. The shelter units received only minimal repairs sufficient to facilitate the return of displaced persons to their homes. This method allowed a greater number of units to be repaired to habitable standards under the \$25 million funding limit than would have been possible if the units had been completely repaired or reconstructed. Homes received emergency repairs to the following standard:

- Weather-sealing (complete roof, glass windows and wooden doors on the floor to be occupied, plastic sealing for the other floors),
- Two plastered interior rooms with wooden-floor insulation,
- Replacement of tile floor, toilet and sink in one bathroom if it existed in the home before it was damaged, and
- Minimum interior electrical wiring, outlets and lights on the floor to be occupied



ESRP Shelter Unit in Maglaj - After Photo

To the extent feasible, interior plumbing and electrical installations conformed to code requirements, and extended outside the house to a customary distance in order to be hooked to external municipal electrical and water/sanitation systems. The responsibility for external connections fell to the beneficiaries, the municipalities, or under the USAID/DART complementary mini-infrastructure component. Exterior patching was applied only where necessary to weather-proof the house, and no exterior painting or other cosmetic interventions were included under the program.

As many beneficiaries wanted to take part in the repair of their homes, the extent of repairs accomplished under the ESRP allowed the beneficiaries to return home and effect other repairs and improvements on their homes. In many instances, as soon as the roof and other major work were complete, beneficiaries added gutters, repaired additional rooms, painted the exterior, and planted gardens. There was a clear sense that people were ready to return to these villages as "pioneer returnees" to resume a normal life, and kick-start economic and social life.

The parameters and methodology of the USAID/DART emergency shelter program were devised in late 1995/early 1996, before most other medium to large-scale housing programs were conceptualized. Therefore, it is our belief that the extent of repairs conducted under the ESRP served as a model for many subsequent programs. Certainly repairing houses to a minimum standard of habitability has allowed USAID's limited resources to go farther, while still facilitating the return of displaced persons.

Tri-Partite Agreement

Another key component of the ESRP was the inclusion of a tri-partite agreement, which served as a contract or agreement between the municipality, the beneficiary, and the NGO. The agreement was tailored to the individual situation in the NGO's area of operation, and laid out specific rights and responsibilities assigned to each of the signatories. The agreements basically stipulated that

- 1) *The house to be repaired is certified by the municipality and the beneficiary to be the private property of the beneficiary, based upon municipal records and/or other reliable sources - ensured that the beneficiary was the rightful pre-1991 owner, and preempted ownership disputes,*
- 2) *The beneficiary authorizes the NGO to arrange and carry out repairs as it deems appropriate, thereby absolving the NGO from liabilities and defects arising therefrom - allowed the NGO to carry-out the repairs as stipulated in the program's description without undue interference,*
- 3) *The beneficiary certifies his/her intention, that of his/her family, to return to full-time occupancy of the repaired home with sixty days of the completion of such repairs,*

4) *Should the beneficiary fail to return to full-time residency of the home within sixty days of completion of repairs, the municipality will have the right and the responsibility to assign another displaced family to that home for a period of three years - points 3 and 4 ensure that the repaired homes do not remain empty following completion of repairs,*

5) *The municipality ensures that there will be no duplication of effort between the NGOs' shelter repair activities and other similar activities of the municipality and /or other organizations, and*

6) *A copy of the tri-partite agreement may be provided to the municipal government in the town or city where the beneficiary family temporarily resides in displaced status - allows the municipality where the displaced family currently resides to plan for the return of other refugees/displaced to vacated apartments, collective centers, and houses*

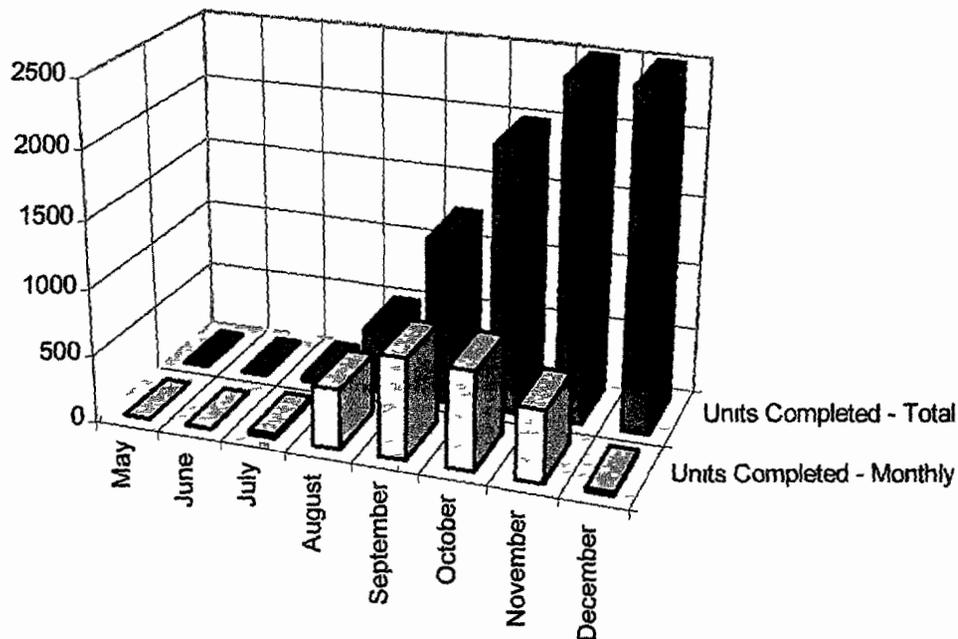
In addition to the above-listed benefits, the tri-partite agreements also fostered participation by all three parties, and ensured cooperation from the beginning of the program to the end Each party to the agreement was made responsible for certain aspects of the program, which helped avoid problems that affected other shelter/housing programs, and ensured the success of the ESRP

DATA

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Completed Shelter Units		2,548
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ESRP PROGRESS CHART



Returnees

The ESRP did not achieve the goal of 10,000 returnees by the project completion date, due to the fact that 760 units were completed in either November or December. The two-month grace period for a family to return home as stipulated in the tripartite agreement runs into 1997 for these 760 families. Several NGOs have reported that the municipalities and homeowners are planning organized returns for the late winter/early spring period. USAID/DART expects the number of returnees to grow to approximately 10,000 by April 1997.

Families that were able to return to their rehabilitated home by October were more likely to permanently leave their wartime residence for their pre-war village. These families were able to prepare for the winter, by making additional repairs to their homes, moving all personal belongings to their rehabilitated home, and construct an adequate heating system. Approximately half of the families received return packages from UNHCR, which included blankets, mattresses, shoes and a stove, among other material assistance.

The average family size is lower than expected, which most likely due to the number of returning elderly couples whose children have moved out. Rather than return to the village, these children are more likely to remain in the cities where job opportunities are greater, higher education is available, and utilities are functioning.

Until further opportunities in the villages and surrounding areas are available for younger individuals/families many of these people will remain in the cities

The NGOs report that many of the returnee families received some sort of agricultural or livestock assistance. In Sanski Most, a major agricultural area, several families received livestock from the NGOs own agricultural project, while about 30% of the returnees started agriculture or livestock activity on their own. In the Dejcici area, 70% of the returnees received seeds, livestock and a tractor. USAID/DART estimates, based on NGO reporting, that approximately 50%-60% of all returnees have begun some agriculture or livestock activity.

While the NGOs did not record statistics on the number of "piggy-back" returnees (additional families attracted home by the ESRP beneficiaries), the general belief is that the ESRP did have an effect in drawing other families home.

Labor and Material Costs

Each NGO, except one, was able to meet the estimated average cost per unit of \$8,000. The ESRP succeeded in purchasing and expending a greater percentage of the program's funds within the Federation. In examining the program costs, labor and material expenditures in the Bosnian Federation totalled nearly 75% of disbursed. This money assisted contracting firms in re-establishing themselves, created short-term jobs for demobilized soldiers to work (average salaries ranged from \$250-\$400 monthly for unskilled labor and around \$550 for skilled labor), and provided essential capital to suppliers.

The NGOs promoted local production of supplies where possible, which held true especially for the lumber sector. In Dejcici, the implementing NGO installed a lumber mill for the program, which it then donated to the local forestry company upon project completion. The lumber mill produced all roof beams and floor boards necessary for the shelter program. While under the NGO's supervision, the lumber mill employed 13 demobilized soldiers. In the Tuzla area, another NGO supported the local production of window frames, floor boards, roof beams, roof tiles.

Most contracting firms hired labor locally, which provided direct economic assistance to the village. Several monitoring visits revealed that a few entrepreneurial returnees had opened small shops to serve the laborers working on the ESRP. Equally important to the assistance the ESRP brought to these villages are the economic assistance programs that it attracted. Two NGOs have connected income-generating/small loan projects with the ESRP. Near Konjic, an ESRP NGO helped establish a private carpentry shop and a sawmill for two returnee families using funds from the State Department's Bureau for Populations, Refugees and Migration. In the Maglaj and Doboje areas, the participating NGO has already provided 25 loans ranging from \$650 to \$6,500 with World Bank funding to individuals in ESRP sites.

MINI-INFRASTRUCTURE REPAIR PROGRAM (MIS)

In early May 1996, USAID's Administrator directed USAID to implement a mini-infrastructure (MIS) repair program as an adjunct to the ESRP. The purpose was to help consolidate and fortify the positive effects of the ESRP by repairing and restoring essential services and utilities to the selected villages. The program's funding was again drawn equally from USAID's BHR and ENI Bureau for a total of \$4 million. USAID/DART administered these funds through the existing ESRP cooperative agreements to the NGOs, which submitted proposals for appropriate mini-infrastructure repairs. The decision to include the MIS within the context of the ESRP made the most management sense as the NGOs were already implementing their shelter repair programs, and had working relationships with village and municipal authorities. This decision resulted in the earliest and most effective resettlement of returnees to the affected villages by providing an integrated approach toward repatriation.



Health Clinic near Bihac - Before Photo

On May 20, USAID/DART announced to the ESRP/NGOs that additional funds were available for mini-infrastructure projects within the existing shelter repair sites. Project ideas were to focus on the following sectors: 1) rehabilitation/repair of water and electrical systems, 2) health clinics and, 3) schools. Interviews with displaced families and meetings with municipal authorities conducted by both USAID/DART and NGOs confirmed that these sectors were the most vital to ensure that these villages are rendered habitable, and long-term resettlement is successful. The NGOs were instructed to submit project proposals by the last week of June for review by USAID/DART.

The projects aimed to accomplish a two-fold objective: to provide a minimum basic level of services to families returning to the ESRP villages, and increase the chances for the success of the ESRP. The greatest emphasis was placed on water and/or sanitation projects, as they provide the most needed service for the lowest cost. Project proposals which sought to benefit areas larger than the immediate village, or which were higher in cost, were referred to USAID/ENI. Although such projects were necessary in the long run, in all cases the higher cost projects could not be justified in creating *minimum* habitability and viability in these villages.

USAID/DART reviewed 41 project proposals from six NGOs at the end of June, of which 28 were approved by USAID/DART. Two ESRP/NGOs with already existing and separate water/sanitation grants were requested to redirect their funds to ESRP sites where possible. This effort resulted in an additional six water repair projects in ESRP villages valued at \$750,000. Including these grants, approximately \$2.5 million from USAID/DART resources was spent on infrastructure repair at ESRP sites. Of the original 28 projects approved by USAID/DART, five were lost to other donors, most notably the World Bank and the International Management Group. USAID/DART attributes this occurrence to the "magnet effect" created by the ESRP.

The "magnet effect" refers to the attraction of other donors to the areas selected under the ESRP. Before funding was made available for the MIS program, ESRP NGOs were actively seeking other funding to do exactly what the MIS ended up providing funds to do - repair area utilities and services in order to make selected villages more viable and sustainable. Furthermore, the shelter repair activity in itself generated interest from other donors, as it became obvious that the ESRP areas were likely to have a large percentage of returnees in 1996. Whereas all 48 villages were essentially "ghost towns" before the ESRP, most villages later benefited from the "magnet effect" when ECHO, IMG, the World Bank, UNHCR, and other organizations provided utility and municipal building repairs. Although the "magnet effect" was a very positive benefit of the ESRP, it did cause USAID/DART to commit fewer MIS funds to the villages, as other donors snapped up projects that fit the MIS criteria. For instance in Bijela Ploce, an ESRP NGO had USAID/DART funds to repair the water system, when IMG later informed the NGO that it had received inflexible funding for the same project that would be lost if not programmed as originally proposed. Likewise, another ESRP NGO had secured MIS funding for a

school in Glavaticevo, when it was learned that the World Bank would completely rebuild the facility. As the MIS program would only provide repairs to render the school serviceable, the municipality chose the obvious - a complete renovation by the World Bank. It was such examples of the "magnet effect" which testifies to the success of the ESRP, as well as explains the relatively low number of projects under the MIS.

The final MIS projects organized by sector are as follows (see Appendix D)

Sector	No of Projects
Water Repair	15
School Repair	14*
Health Clinics	4
Electricity Repair	2

* Includes six schools approved under one ESRP grant

The project proposals were judged by the following criteria

- 1 Benefit to the ESRP village site. USAID/DART examined the projects' objectives and goals in achieving minimal viability and habitability for those families who will return to these villages,
- 2 Repairs were to be limited in nature, yet sufficient to return the system or structure to operational status,
- 3 Cost -- The NGOs were asked to submit proposals under \$100,000. However, this figure was employed more as a general guideline than as a rule. A lower cost would ensure success within the time frame allowed and the overall funding available for the program. This criterion would also ensure autonomy from the ENI program which focused on larger infrastructure repair,
- 4 Time line -- As the MIS projects complement the ESRP, the same time frame was applied to the MIS projects. All of the MIS projects contained an estimated completion date on/before December 31, 1996 (one NGO was excepted from this rule due to delays in amending its cooperative agreement),
- 5 Coordination -- Where possible, MIS project approval was closely coordinated with USAID/ENI to ensure that there would be no duplication of efforts. In examining the impact of the MIS program, all eight NGOs highlighted its importance in facilitating displaced/refugee return. Many of the NGOs stated that communities which lack basic provisions such as water, electricity supply, and adequate educational, health care and sanitation facilities, would not attract a significant number of returnees. The World Bank supports this claim in its report "Housing" citing that, "To the extent possible, housing repairs should be accompanied by

infrastructure projects to ensure the viability of communities and to create adequate conditions for return of displaced persons ”

Most displaced families are moving from city apartments, private housing, or collective centers where they had basic, operating utilities. These individuals were not always willing to sacrifice basic utilities for a home without such necessities. It is here that the MIS program played a key role in re-establishing the community in its fullest sense and ensuring its viability and sustainability.

The MIS program had the added benefit of creating additional jobs above and beyond those created by the ESRP. Furthermore, the MIS program had a large beneficiary range, as repairs to water systems and schools benefited other returnee families which were not part of the ESRP, but were attracted home by its results. For example, in Gornji Vakuf, 605 individuals returned as of December 31, 1996 to 161 completed ESRP homes, however, the school repaired under the MIS program is serving 800 students.



Health Clinic near Bihac - After Photo

In the case of Bosnia, the importance of creating adequate conditions to attract returnees can not be understated. An NGO's project manager stated that, "In addition to a lack of public transportation, people most often cited a lack of water and electricity as the primary reason for not wanting to return." There is abundant evidence to support a correlation between the absence of public utilities and slow or sporadic repatriation. Each of the five villages listed below either does not have functional water and electricity systems, or, as in the case of Zlosela/Osmanlija, has a functioning water system that is not connected to the homes. The return rate of these villages is only 14% in contrast to the 82% average return rate of all other ESRP villages.

Village (Municipality)	Repaired Units	Returned Families (12/31/96)	Percentage Returning
Ledenice (Gradacac)	93	1	1%
Zlosela/Osmanlija (Kupres)	59	3	5%
Orahovica (Lukavac)	57	5	8%
Hotonj (Vogosca)	65	16	25%
Ripac/Orasac (Bihac)	56	20	36%
Total/Average	330	45	14%

While USAID/DART had sufficient funds remaining to cover additional MIS projects, it was not able to address many of the basic needs in some of the ESRP sites due in large part to the size of the repairs required to restore services. For example, in Kupres and Bihac, reparation to the electrical system was a project well beyond the resources or scope of the USAID/DART MIS program. Some donors expressed an interest in these larger projects, but failed to follow through with verbal commitments. Still others were not willing or were unable to invest in larger undertakings. While USAID/ENI, in coordination with USAID/DART, was able to satisfy several of the larger infrastructure needs within ESRP areas, this cooperation was nearly exclusive to the US IFOR sector, leaving large infrastructure projects in other areas for other donors' consideration.

In conclusion, the MIS program did provide the incentive required to instigate repatriation to the ESRP villages. Integrating infrastructure repairs with shelter rehabilitation creates a more viable community in which to return. Without the MIS program, the number of returnees would undoubtedly be lower.

CONCLUSIONS AND LESSONS LEARNED

Use of NGOs

Success of the emergency shelter project was predicated on the use of NGOs who had solid experience working in the former Yugoslavia, and particularly within the Federation areas. This point was crucial. First, it was recognized that this building season would be unique. IFOR forces had deployed, and there was a commitment to the Dayton principles enforced by the international community. Secondly, work had to begin as soon as possible if the goal of 2,500 houses rehabilitated by the end of the calendar year was to be accomplished. Finally, many NGOs had already been involved in shelter programs, and were familiar with local contractors, suppliers and building techniques. The NGOs were a natural resource to be employed in this activity.

One of the many lessons learned from this project is that the NGO community has done, and can do much more than typical emergency health and feeding programs. The NGO community in the former Yugoslavia is a vast resource with tremendous talent, involved in extremely sophisticated programs. Whenever USAID considers new programs, it should review the activities of NGOs working in the area to determine and assess their relevant capabilities.

Timing

The ESRP was conceptualized, designed and implemented with unprecedented rapidity (see Introduction for the timeline). However, many of the participating NGOs felt that the program would have benefited if repairs could have been completed earlier in the year, i.e., several months before the onset of winter. The program's completion date of November 30, 1996 was on-target with regard to time needed for the NGOs to execute all necessary repairs, as most NGOs completed their final allotted units within days of the program's end. Nevertheless, an earlier completion date would have allowed the beneficiaries to perform further improvements on their homes, plant winter gardens, and otherwise settle in to their community again before the cold Bosnian winter.

While designing the ESRP, there were concerns voiced that some building supplies may experience either a shortage or price hike as a result of the size of the USAID/DART program and the large UNHCR program. Although there were few examples where building supplies were unavailable, several of the ESRP NGOs reported a shortage of seasoned timber. Many NGOs attributed this problem to the lack of time for timber companies to cut and properly season the wood. One NGO also commented that after the buildings were enclosed, there should have been a full season to allow the building to dry before plastering and fitting joinery. NGOs, however, compensated for the lack of seasoned timber by installing wood in the



Interior View of an ESRP Shelter Unit in Gradacac - Before Photo

walls with ventilation gaps, and providing substantial movement joints around the perimeter of timber-boarded floors

The issue of timing was most applicable to the incorporation of the complementary mini-infrastructure projects (MIS), as shelter and basic municipal services have a symbiotic relationship. Each NGO cited the importance of educational and health facilities, and water/sanitation and electrical systems as necessary for return. As stated in the MIS section above, most returnees had been living in apartments, houses, or collective centers where at least basic services were provided. Repairs to municipal infrastructure systems provided a tremendous incentive for beneficiaries of the ESRP and other shelter programs to return permanently. USAID/DART's funding for such complementary projects should have been available at the same time as the funding for the ESRP in order to maximize the number of returning displaced families.



Interior View of an ESRP Shelter Unit in Gradacac - After Photo

Delegation of Authority to the Field

OFDA/Washington determined that to facilitate the overall grant implementation and monitoring process, the entire responsibility for the emergency shelter program would be delegated to USAID/DART. All funds reserved for the program were delegated to the USAID/DART Team Leader, which was a key element in the success of the project. By decentralizing the program to the field unit which actually had responsibility for monitoring and managing the program, implementation activities could be initiated more quickly, and any remedial steps taken immediately. Such action saved valuable days in the early stages of the project.

In addition, USAID/Washington provided the field with the services of a junior grant officer who was involved in the entire grant review and facilitated the grant writing process. This arrangement worked well, and should be considered in the future whenever OFDA undertakes any large program. It is recommended that once grants are written, their day to day management be retained within OFDA so as to facilitate any changes or modifications. In this way, knowledge of the program's daily activities which may impact upon the grants can be tracked on a regular and routine basis, thus reducing the need to provide duplicative and/or historical information.

Municipal Involvement

Above all, the decision to include actively the municipalities in the return process benefitted the ESRP. The tripartite agreement system offered the municipality a voice in the program before any reconstruction work began. Because municipal authorities were allowed to participate in the return process, they were less inclined to blame the NGOs or USAID for any perceived difficulties which arose during the program. This involvement also fostered a more conducive working relationship for all parties which, in turn, contributed to the ESRP's quick and efficient implementation. During the research phase of potential shelter sites, the municipalities cooperated with USAID/DART and the NGOs in locating villages which corresponded to the program criteria. This cooperation continued throughout the extensive process of locating beneficiaries and signing of the tripartite agreements.

Most municipalities maintained accurate records of the whereabouts of potential beneficiaries, thereby, facilitating a potentially lengthy process. (However, after beneficiary identification, too often the municipality chose to involve itself in selecting the beneficiary.) Under the ESRP, selecting program beneficiaries was the sole responsibility of the NGO so as to ensure impartiality. Interference in this process would allow the municipality to reward certain individuals over others through an unofficial ranking system. A person's rank was usually determined by his/her actions during the war or his/her relationship with the municipal leaders, i.e., Did the family/individual stay to defend the area?, How many family members did the family/individual lose to the war?, etc. The NGOs prevented this type of negative involvement to the best of their ability.

The municipalities were cooperative in upholding one part of the tripartite agreement clause whereby the beneficiary must return home or relinquish his/her right to the repaired shelter unit for a period of up to three years. The municipal authorities encouraged all beneficiaries to return to their completed homes. The NGOs have gathered evidence indicating that beneficiary-returnees have, indeed, lost ownership or temporary residential right over their wartime dwelling. However, where ESRP sites still lacked water and/or electricity or were completed after the onset of winter, municipalities were understanding of the beneficiaries' plight and modified the 60 day return rule to allow a time extension through the winter months. In these cases, the municipality and beneficiaries have already started to plan organized returns scheduled for March/April 1997.

Budgetary Considerations

One of the ESRP NGOs learned the effect that Bosnia's variable geography and consequent weather patterns can have on shelter repair budgets. The village of Kupres, situated high on a plateau in west central B-H, is in an area noted for

unusually harsh winter weather earlier in the season than most of the rest of B-H. Upon further inspection of the houses, it became clear that the sixty units under the ESRP required special wind protection on the exterior walls and full wood sheathing and insulation on the roofs. The additional materials and labor required to weatherize these houses would cause cost overruns for the implementing agency's overall project budget. The NGO met with municipal leaders and beneficiaries to devise a solution that would allow the repairs to still fit under the ESRP program description, while satisfying the legitimate needs for extra insulation. USAID/DART shelter representatives attended an August 27 meeting in Kupres, during which all parties involved agreed that the only solution was to seek additional funding.

Most of the participating NGOs did an excellent job of estimating the cost of materials, labor, and other associated costs within the ESRP. However, although local and international engineers had examined each house and made initial calculations on the cost of repair, several NGOs commented in their final reports that structural damage exceeded the estimate in the majority of the cases. As the initial cleaning of the houses was carried out, many of the walls were found to have deteriorated further than initially estimated due to fire and several seasons of harsh winter weather. The higher costs caused some budgetary reshuffling amongst line items at first, but in the end, cost savings realized from negotiated prices on transport, materials, and labor allowed most of the NGOs to complete their projects well under budget. In fact, five of the eight participating NGOs were able to repair a total of 92 additional units at no or reduced cost by utilizing cost savings. The lesson learned would be to examine more closely structural damage so that initial estimates could more closely match final actual costs, thereby releasing more funds for additional units at an earlier stage.

Mines

USAID/DART attempted to avoid potentially or heavily mined areas during the village selection and verification process. Known heavily mined areas were excluded from consideration as the ESRP did not provide special funds for demining. However, several areas that otherwise fit the program description and were included, inevitably, presented a risk of mine accidents. Mine fields ran throughout the villages of Turbe and Karaula (Travnik) where the frontlines weaved through the length of the valley. During the program, three villagers were killed in three separate incidents within 400 yards of ESRP work sites. To resolve the problem, the NGO used a small portion of its ESRP funds to demine only the necessary work space around each shelter unit. This expenditure was categorized under "site preparation." Though this solution enabled the NGO successfully to continue housing repairs in Travnik, it most certainly would not have solved a more widespread problem. While Turbe and Karaula represented the most extreme example of this danger, mines and unexploded ordinance were found in areas such as Hotonj and Ugorsko (only 10 minutes from the center of Sarajevo), Gradacac, Maglaj, and Doboј East and South. Although the shelter site may be clear of mines,

the presence of mines in the nearby fields will hinder agricultural activity for some time to come

The presence of mines affect more than just the completion of shelter units. A major obstacle to a more encompassing MIS program was the presence of land mines. A number of municipal repair projects that were brought to the attention of USAID/DART were not feasible due to the presence of mines, and the inability to find outside funds to clear the project sites. Mines especially affected potential water repair projects, considered to be the most attractive and necessary utility by returnees, as many of the small reservoirs served villages by gravity fed systems. Such systems are, by default, located in the surrounding hills near former front line areas that were most heavily mined during the war.

Unfortunately, the NGOs were unable to find funds for demining, and were forced to create inventive ways to circumvent this problem. As stated earlier, USAID/DART consciously avoided known, heavily mined areas. As shelter rehabilitation programs continue, fewer "clear" sites will be available. Bearing this in mind, it is recommended that demining funds be considered for any future program.

APPENDICES

Appendix A - Program Description

Appendix B - Fact Sheet

Appendix C - NGOs, Villages, Number of Units

Appendix D - List of Mini-Infrastructure Projects (MIS)

Appendix E - MIS Program Description

Appendix F - Program Area Map

Appendix G - Report by the Office of Inspector General

PROGRAM DESCRIPTION

USAID/DART-BOSNIA
EMERGENCY SHELTER REPAIR PROGRAM
TO ASSIST THE RETURN OF DISPLACED FAMILIES

I OBJECTIVES

- To support the overall objective of the Dayton agreements of peace and national reconciliation by initiating and accelerating return of displaced families from temporary places of refuge in towns and municipalities to their own homes in badly destroyed villages and other sites where they can resume or undertake agricultural and other activities
- Demonstrate start of post-Dayton return to normalcy with a high-impact, visible U S operational effort in the field, addressed to the priority need for shelter in war-affected areas, and which provides hope for the continuing dividends of peace and reconciliation
- Focus attention and energy of returnees and demobilized combatants on short-term employment and re-establishment of normal lives, thereby enhancing security of IFOR personnel and helping to ensure stability after 1996

II METHODOLOGY

- Identification of target villages, conducted collaboratively between Grantee and USAID/DART field personnel
- Grantees, village coordinators and municipalities identify potential beneficiaries
- Grantee and municipality organize and mobilize beneficiary groups
- A "tripartite" agreement is signed among Grantee, individual beneficiary and the municipality. The agreement stipulates that
 - * the house to be repaired is certified by the municipality on the basis of municipal records and by the beneficiary to be the private property of the beneficiary,
 - * that the beneficiary authorizes the Grantee to arrange and carry out repairs as it deems appropriate, holding the Grantee harmless from liabilities and defects arising therefrom,
 - * that the beneficiary certifies his/her firm intention, and that of his/her family, to return to fulltime occupancy of the repaired home within sixty (60) days of the completion of such repairs,

- * that should the beneficiary and family fail to resume fulltime residency of the home within sixty days of completion of the repairs, the municipality will have, and commits itself to exercise, the right to assign another displaced family to that home for a period of three years,
- * that the municipality will insure that there will be no duplication of effort between the Grantee's shelter repair activities and the housing/shelter activities of the municipality and/or other organizations, and,
- * that a copy of the tri-partite agreement may be provided to the municipal government in the town or city where the beneficiary family temporarily resides in displaced status
- The Grantee itself (where possible with the contribution of assistance by municipal engineers), develops written technical specifications and terms of reference for repairs required for each house. The Grantee itself checks and certifies these specifications
- In accordance with its own procurement policies and procedures, the Grantee conducts public bidding process for small, local contractors and executes contracts with winning bidders. To the extent feasible, bidders should be based in the target municipality and/or in nearby municipalities. To the extent feasible, a minimum of three bids will be sought. Contractors provide all labor required for repair of the homes. Selection of contractor may not be based on ethnic affiliation of the offeror
- As part of their function, the small, local contractors may also procure and provide construction materials required for such repairs. When appropriate, grantee may procure some materials and turn them over in-kind to the contractors. To the extent feasible, preference should be given to procurement of materials produced within the Federation, as long as suitable quality materials are available
- As quickly as possible after the Grantee executes contracts for all authorized units, the Grantee will notify USAID of cost-savings which may be achieved. The Grantee will advise USAID of the options available for use of such cost savings, specifically for either (a) rehabilitation of key communal infrastructure in target villages or (b) additional shelter units which could be undertaken within the 1996 building season. Funds not expended by the Grantee will be returned to USAID
- A "before" and "after" 4" x 6" color photograph, with appropriate labeling, of each home repaired under the program will be submitted by the Grantee in an attractive, loose-leaf binder
- Each repaired shelter should be marked with a small emblem -- to be provided by USAID -- indicating the source of the funds used in this program

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III POLICIES

- For the overall Emergency Shelter Repair Program, the villages or other sites selected for emergency return of displaced families will be principally in or in areas contiguous to the U S IFOR zone, although other areas are eligible as well. The municipalities and villages to be addressed by each Grantee will be specified in the respective Grant Agreement.
- Villages or other sites will be selected based on their overall potential for achieving the general objectives of the Dayton agreements. Displaced families from all ethnic groups will be eligible for this program, recognizing that the program will operate only in Federation areas and that the proportion of damage to Muslim villages is greater than other groups. In no case will the program be used to encourage ethnic separation.
- This emergency effort will give priority consideration to support for villages which offer verifiable opportunities for simultaneous "same-ethnic" and "cross-ethnic" returns. The absence of villages offering such opportunities will not preclude support for the same-ethnic return of displaced families to their home villages.
- Privately-owned single family homes only will be repaired. To be eligible for assistance, families must prove pre-1991 occupancy rights.
- Owners will have to agree that if the family does not occupy a repaired home within sixty days after completion of repairs, the municipality may assign another needy displaced family to the home.
- The program should create new square meters of shelter in as short a period as possible. To be eligible for assistance, homes must be badly damaged, homes with foundations and standing (structurally sound) walls, but without roofs, windows and doors are contemplated.
- Grantees may design and provide wide doors, cement ramps and other such accommodation in order to assure wheelchair access where required by individual needs.
- The program will target as priorities heavily damaged villages, assisting initial groups of 40-50 "pioneer" return families to repopulate villages and reactivate social and economic life.

- In the selection of beneficiaries, the Grantee and municipal authorities will give priority to families currently residing in municipal town centers and other regional cities. In these cases, the permanent return of such families to their repaired homes in villages would open up additional physical living space in towns and cities.
- School building repairs in villages may be included on a selected basis when specifically identified and authorized in the Grant Agreement. To be eligible for consideration for the financing of such repairs (a) the foundation of the school must be in sound condition, and (b) the walls must be standing and structurally sound. The commitment and capability of the municipality and educational authorities to support such schools with staff and other requirements will be considered as well.
- The Grantee will coordinate its activities closely with the respective municipality. The responsibility of the municipality, for example for electrical and water hook-ups, should be set forth in the tri-partite agreement.
- The Grantee will coordinate closely with UNHCR regional offices, implementing partners and municipalities in order to avoid duplication.
- The Grantee will actively coordinate its efforts with other organizations which might provide, through grants from other donors or through their own other-funded operational activities, resources which could complement the Grantee's shelter repair efforts. Such resources could, for example, provide assistance for water, sanitation, electrical, school and health center rehabilitations.
- The Grantee will be prepared to share and to receive information collegially with USAID/DART staff and program monitors and with other grantees participating in this program concerning procurement sources and standards, construction details and standards, customs clearance problems, contract formats, coordination with other donors, standard tri-partite agreements, and other matters which will insure greater effectiveness and efficiency in program efforts and/or which will standardize policies under the overall shelter repair effort.

IV CONSTRUCTION STANDARD FOR SHELTER REPAIRS

Homes will receive emergency repairs to a standard of minimum conditions: weather-sealing (complete roof, glass windows and wooden doors on floor to be occupied, plastic sealing for other floors); two plastered interior rooms with wooden-floor insulation, replacement of tile floor; toilet and sink in one bathroom if they existed in the home before it was damaged; and minimum interior electrical wiring: outlets and lights on floor to be occupied. To the extent feasible, interior plumbing and electric installations will conform with code requirements, will extend to the customary distance from the house on the property and will not include external

connections, which will be the responsibility of the beneficiary and the municipality. Exterior patching will be applied only to the extent required for weather-proofing. No painting or other cosmetic interventions will be financed by this program.

Whether construction materials, electrical and plumbing fixtures are procured directly by the Grantee or by its respective contractors, the Grantee is responsible to insure that all such materials are of durable and long-term serviceable quality.

V TIMING AND DEADLINES

- Local contractors should begin on-site shelter repairs no later than June 1996
- Goal is to have repaired almost all units authorized under the Grant by October 31, 1996
- Final repairs on all units must be completed by November 30, 1996
- The Project Assistance Completion Date (PACD) will be December 31, 1996. By that date, final project close-out procedures must have been completed.

VI ILLUSTRATIVE RESULTS

Outputs of the program should be described as follows (quantities will vary depending upon number of units to be undertaken under the Grant, number which appear below reflect goals for the entire 2,500 units)

- 10,000 or more displaced persons returned to their permanent homes in villages, thereby freeing up accommodations in towns and cities for other displaced persons and refugees who wish to return home or who have no adequate shelter
- Generation of 2,000 short-term construction jobs for demobilized combatants and others, and strengthening small independent contractors
- Emergency repair of 2,500 badly destroyed village homes to minimum habitability standards
- Increased local agricultural or other village economic outputs which could provide family food, marketable surpluses, or other economic benefits



U S AGENCY FOR INTERNATIONAL DEVELOPMENT
OFFICE OF U S FOREIGN DISASTER ASSISTANCE
DISASTER ASSISTANCE RESPONSE TEAM

FACT SHEET

Emergency Shelter Repair Program Bosnia-Herzegovina, 1996

In April 1996, USAID/DART was allocated \$25 million to implement an emergency shelter repair program designed to 1) rehabilitate 2,500 shelter units within the Bosnian Federation, 2) return 10,000 displaced individuals to their pre-war homes, and, 3) create 2,500 short term jobs. The program's completion date was December 31, 1996. The results of the program are as follows:

Actual Program Budget		\$23,900,000
Completed Shelter Units		2,548
Implementing PVOs		8
Ethnic Breakdown		
Bosniac	81.3%	2,071 families
Bosnian Croat	18.5%	472 families
Bosnian Serb	0.2%	5 families
Average Unit Cost w/o Overhead		\$7,694
Square Meters of New Living Space Created		105,748
Returned Families (12/31/96)		1,860
Returned Individuals (12/31/96)		8,000+
Average Family Size		3.6
Short Term Jobs Created		4,000+
Local Contractor Firms Employed		174
Labor Cost		\$6,292,662
Material Cost/Federation		\$7,797,328
Material Cost/Non-Federation		\$4,997,544
Labor and Material Cost Total		\$19,087,534

The Emergency Shelter Repair Program assisted in revitalizing 48 heavily destroyed villages throughout the Bosnian Federation. The rehabilitation activity acted as a magnet for other donors (World Bank, European Union, etc.), attracting funds for the further reparation of the ESRP villages.

**USAID/DART Emergency Shelter Program
NGOs and Villages**

CARE			
	MUNICIPALITY	VILLAGE	NUMBER
	BIHAC	RIPAC	32
	BIHAC	ORASAC	24
	BIHAC TOTAL		56
CARE TOTAL			56
SEA/MCI			
	MUNICIPALITY	VILLAGE	NUMBER
	LUKAVAC	DOBOSNICA/DEVETOK	162
	LUKAVAC	TURIJA	34
	LUKAVAC	ORAHOVICA/BABICE	57
	LUKAVAC TOTAL		253
	DOBOJ EAST	STANIC RIJEKA	26
	GRADACAC	POZARIKE	44
	GRADACAC	VIDA	61
	GRADACAC	SIBOVAC-OMERAGICI	67
	GRADACAC	LEDENICE	93
	GRADACAC TOTAL		265
SEA/MCI TOTAL			544
WORLD VISION			
	MUNICIPALITY	VILLAGE	NUMBER
	MAGLAJ	BIJELA PLOCA	52
	MAGLAJ	JABLANICA	38
	MAGLAJ	ULISNJAK	20
	MAGLAJ TOTAL		110
	TESANJ/USORA	MAKLJENOVAC	110
	DOBOJ SOUTH	MATUZICI/MRAVICI	90
WVI TOTAL			310
AICF/FRANCE			
	MUNICIPALITY	VILLAGE	NUMBER
	GORAZDE	HUBJERI	25
	FOCA	USTIKOLINA	83
	GORAZDE TOTAL		108
AICF/FRANCE TOTAL			108
CRS			
	MUNICIPALITY	VILLAGE	NUMBER
	OLOVO	OLOVSKE LUKE	50
	OLOVO	OLOVO SUBURBS	20
	OLOVO TOTAL		70
	ILIJAS	DONJI IVANCICI	30
	SARAJEVO/VOGOSCA	HOTONJ UGORSKO	65 55
	SARAJEVO/VOGOSCA TOTAL		120
CRS TOTAL			220

**USAID/DART Emergency Shelter Program
NGOs and Villages**

IRC		
MUNICIPALITY	VILLAGE	NUMBER
KONJIC	GLAVATICEVO	46
DONJI VAKUF	CEHAJICI	10
DONJI VAKUF	TORLAKOVAC	55
DONJI VAKUF TOTAL		65
KALESIJA	MEMICI	74
KALESIJA	JELOVO BRDO	40
KALESIJA	MAKALICI	40
KALESIJA	BROD	40
KALESIJA TOTAL		194
ZVORNIK (SAPNA THUMB)	KRALJEVICI	25
ZVORNIK (SAPNA THUMB)	KOBILICI	30
ZVORNIK TOTAL		55
KISELJAK	ZEZELOVO (GORNJI & DONJI)	70
	BRESTOVSKO-BILALOVAC	30
KISELJAK TOTAL		100
IRC TOTAL		460
<hr/>		
UMCOR		
MUNICIPALITY	VILLAGE	NUMBER
TRAVNIK	TURBE	145
TRAVNIK	KARULA	105
TRAVNIK TOTAL		250
JAJCE	CAREVO POLJE	50
JAJCE	GORNJE/DONJE MILE	50
JAJCE	VRBICE	50
JAJCE TOTAL		150
GORNJI VAKUF	HRASNICA	70
GORNJI VAKUF	BISTRICA/ZVIZDE	65
GORNJI VAKUF	ZDRIMCI	25
GORNJI VAKUF TOTAL		160
KUPRES	ZLOSELA/OSMANLIJE	60
SANSKI MOST	GORICA	30
	MODRA	35
	VRHPOLJE	30
SANSKI MOST TOTAL		95
KLJUC	KAMICAK	35
UMCOR TOTAL		750
<hr/>		
EQUILIBRE		
MUNICIPALITY	VILLAGE	NUMBER
TRNOVO	DEJCICI/OSTOJICI	64
	DUJMOVICI	36
TRNOVO TOTAL		100
EQUILIBRE TOTAL		100
<hr/>		
GRAND TOTAL	48 VILLAGES	2548

1/22/97

USAID/DART MUNICIPAL INFRASTRUCTURE PROJECTS

NGO	MUNICIPALITY	VILLAGE	PROJECT	COST
ACF/F	FOCA	USTIKOLINA	HEALTH CLINIC	\$ 30 000
subtotal				\$ 30 000
CARE	BIHAC	ORASAC	HEALTH CLINIC	\$ 90 000
subtotal				\$ 90 000
CRS	OLOVO	OLOVSKE LUKE	WATER/SEWAGE	\$ 69 871
subtotal				\$ 69,871
IRC	DONJI VAKUF	TORLAKOVAC	SCHOOL	\$ 115 978
	KONJIC	GLAVATICEVO	HEALTH CLINIC	\$ 77 318
	KISELJAK	ZEZELOVO	WATER	\$ 62 477
	KISELJAK	ZEZELOVO	ELECTRICITY	\$ 82 164
	ZVORNIK	KRALJEVICI	HEALTH CLINIC	\$ 52 065
	KALESIJA	JELOVO BRDO	WATER	\$ 28 925
	KALESIJA	MAKALICI	SCHOOL	\$ 52 065
subtotal				\$ 470 992
MC/SEA	GRADACAC	VIDA	WATER	\$ 55 707
	GRADACAC	LEDENICE	WATER	\$ 79 582
	GRADACAC	LEDENICE	SCHOOL	\$ 61 378
	GRADACAC	SIBOVAC	SCHOOL	\$ 90 861
	LUKAVAC	ORAHOVICA	WATER	\$ 81 870
subtotal				\$ 369 398
UMCOR	GORNJI VAKUF	ZVIZDE/HRASNICA	WATER	\$ 45,000
	KUPRES	OSMANLIJE/ZLOSELA	WATER	\$ 25 500
	MAGLAJ	JABLANICA	WATER	\$ 12 500
subtotal				\$ 83 000
WVI	TESANJ/USORA	MAKLJENOVAC/OMANJSKA	SCHOOL	\$ 63 238
	TESANJ/USORA	MAKLJENOVAC/ULARICE	SCHOOL	\$ 89 353
	TESANJ/MAGLAJ/DOBOJ S	DART VILLAGES	ELECT TO 250 UNITS	\$ 163 998
	SOUTH DOBOJ	MRAVICI/MATUZICI	SCHOOL	\$ 35 954
subtotal				\$ 352 543
TOTAL				\$ 1,465,804

This chart does not reflect the rehabilitation of six additional schools under the ESRP in Gornji Vakuf, Jajace (2) Kupres Sanski Most, and Travnik

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APPENDIX E

PROGRAM DESCRIPTION SMALL MUNICIPAL INFRASTRUCTURE (MIS) REPAIR PROGRAM

I OBJECTIVES

- To further support the overall objective of the Dayton Agreements of peace and national reconciliation by ensuring return of displaced families from temporary places of refuge in towns and municipalities to their own homes in badly destroyed villages and other sites where they can resume or undertake agricultural and other activities
- Undertake minimal, but essential, repairs to municipal infrastructures, water/sanitation, electricity, schools, and clinics, to provide a basic level of services to returning families to assure the fullest success of the Emergency Shelter Repair Program

II METHODOLOGY

- Grantees will identify priority needs within target villages by interviewing returning families to assess basic infrastructure needs that must be addressed in order to assure successful reintegration of displaced families into their own homes and communities
- Assess priority needs and determine if small infrastructure repairs can be undertaken to provide those basic services required by returning families
- Secure the assurance of local cantonal/municipal authorities for maintenance of infrastructures after completion of the repairs
- Grantee will assure that infrastructure repair shall be limited to the minimum required to make systems operational. Infrastructure repair shall not overlap or duplicate efforts undertaken by the municipality or other donors in the area
- The Grantee will develop written technical specifications and terms of reference for repairs of infrastructure. The Grantee itself will check and certify these specifications
- In accordance with its own procurement policies and procedures, the Grantee will conduct public bidding process for small, local contractors and execute contracts with winning bidders. To the extent feasible, bidders should be based in the target municipality and/or in nearby municipalities. To the extent feasible, a minimum of three bids will be sought. Contractors provide all labor required for infrastructure repair. Selection of contractor may not be based on ethnic affiliation by the offeror

- As part of their function, the small, local contractors may also procure and provide construction materials required for such repairs. When appropriate, grantee may procure some materials and turn them over in-kind to the contractors. To the extent feasible, preference should be given to procurement of materials produced within the Federation, as long as suitable quality materials are available.

III POLICIES

- For the overall Small Infrastructure Repair Program, repairs shall provide primary benefit to villages approved and already receiving assistance under USAID's Emergency Shelter Repair Program.
- Grantees will coordinate with other actors in the field active in rehabilitation and reconstruction efforts, such as IMG, UNHCR, and other NGOs, to prevent duplication of effort.
- To be eligible for consideration of financing repairs to schools and clinics (a) the foundation must be in sound condition and (b) existing before the war. The commitment and capability of the municipality and educational/medical authorities to support such schools and clinics with staff and other requirements will be considered as well.
- The Grantee will be prepared to share and to receive information collegially with USAID/DART staff and program monitors and with other grantees participating in this program concerning procurement sources and standards, customs clearance problems, contract formats, coordination with other donors, and other matters which will insure greater effectiveness and efficiency in program efforts and/or which will standardize policies under the overall Small Infrastructure Repair Program.

IV STANDARDS FOR MUNICIPAL INFRASTRUCTURE REPAIRS

Water System Repairs

Water rehabilitation projects will make repairs necessary to reduce the overall health risk and spread of disease from improper sewage disposal. Repair work will comprise the minimum needed to make the system operable. Further repairs, such as increasing the water pressure or flow capacity, which are considered a system improvement, were closely reviewed, and approved only on an exceptional basis. In some cases where the water system is completely destroyed or is controlled by the Republika Srpska, emergency water supplies such as bore holes may be considered.

Electrical System Repairs

Electrical repairs shall be minimum in nature and can only be undertaken in areas where electrical power presently exists in the municipality and only local distribution networks or hook ups are required. Internal repair of electrical systems within repaired structures are part of the Emergency Shelter Repair Program.

School Repair

Grantee will assess the availability of functioning schools for returning families and their access to or ability to transport children to schools in the area. Where no schools exist or where it is impossible to transport children to a nearby school, minimum repairs may be undertaken to make a local existing school operational. Municipal authorities must agree to staff the schools.

Health Clinic Repair

Repairs will be made to existing structures sufficient to assure primary out-patient care provided by one nurse or doctor. Grantees will coordinate repairs with WHO and other medical donors who will organize the delivery of the required equipment and/or medicines to the clinic. Clinics will be returned to the local municipality's control.

V TIMING AND DEADLINES

Grantees shall contract for and complete all repairs concurrently with the Emergency Shelter Repair Program and will have all repairs completed by December 31, 1996.

VI ILLUSTRATIVE RESULTS

Outputs of the municipal infrastructure repair program which benefit returning villagers should be included with the results reported under the Emergency Shelter Repair Program as follows:

- Total Number of Beneficiaries (provide two figures, one representing beneficiaries who are also part of the Emergency Shelter Repair Program and all other beneficiaries)
- Number of short-term construction jobs generated for demobilized combatants and others, and/or strengthening of small, independent contractors
- Successful emergency repair of infrastructure to minimum usage
- Increased success of Emergency Shelter Repair Program by providing necessary infrastructure to assure successful resettlement of displaced families by replacing those services identified by them as essential "

USAID

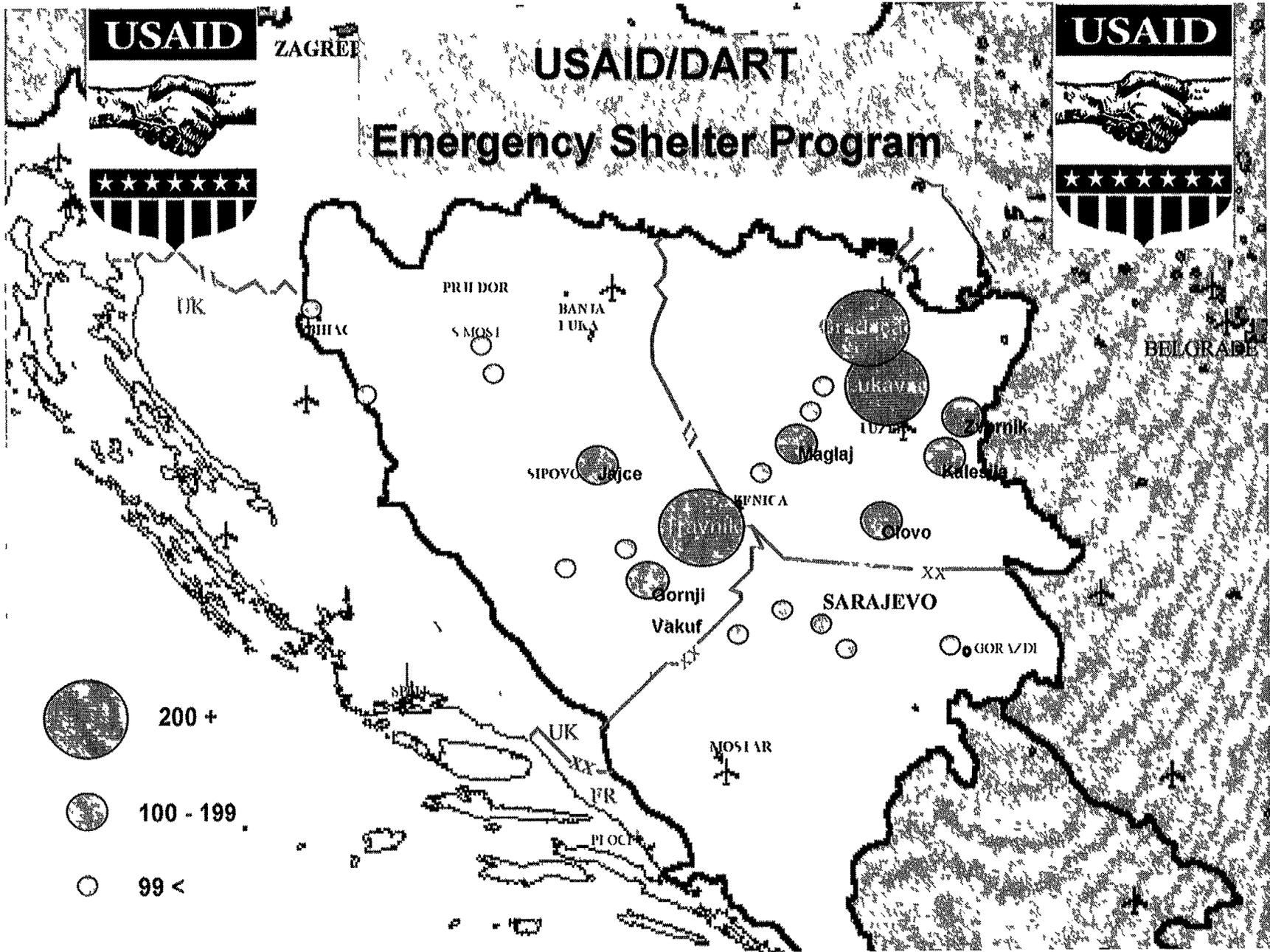
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USAID/DART

Emergency Shelter Program

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January 10, 1997

MEMORANDUM

TO USAID/DART/Former Yugoslavia, Timothy R Knight
FROM RIG/Budapest, James R Bonnell *James R. Bonnell*
SUBJECT Audit of USAID's Disaster Assistance Activities in Bosnia-Herzegovina

This is our final report on the subject audit. In finalizing the report, we considered your comments on the draft report and included them at Appendix II. The report concludes that the USAID/Disaster Assistance Response Team/Former Yugoslavia ensured that disaster assistance authorized under the Emergency Shelter Repair Program in Bosnia-Herzegovina was delivered to the intended beneficiaries as agreed. The principal program goal—emergency repair of 2,500 destroyed homes—should be achieved on time and within budget. The report makes no recommendations.

I appreciate the cooperation and courtesies extended to my staff during the audit.

Background

The U S Agency for International Development (USAID) is the primary implementor of the United States foreign assistance program in the Federation of Bosnia-Herzegovina which includes humanitarian aid (\$77 million) and reconstruction assistance (\$198 million). During 1996, USAID had five economic reconstruction support programs—one of which was the Emergency Shelter Repair Program. In supporting the overall objective of the Dayton agreements of peace and reconciliation, the Shelter Program was intended to (1) address the priority need for shelter in war-affected areas, (2) focus attention of returnees on short-term employment and reestablishment of normal lives, and (3) initiate and accelerate the return of displaced families to their own homes. The program provides \$29 million for basic emergency repairs of approximately 2,500 single family homes (\$25 million) and for critical infrastructure needs (\$4 million). The audit did not examine program activities associated with the \$4 million infrastructure repairs program.

The Agency's Bureau for Humanitarian Response/Office of Foreign Disaster Assistance assigned responsibility for managing the Emergency Shelter Repair Program to its Disaster Assistance Response Team/Former Yugoslavia (DART). DART entered into cooperative agreements with eight nongovernmental organizations to carry out this program in 44 villages in Bosnia-Herzegovina.

Audit Objective

This audit was conducted as part of the Office of Inspector General's worldwide audit of USAID's response to disasters and emergencies. Specifically, the audit sought to determine whether the Disaster Assistance Response Team, located in Sarajevo, Bosnia-Herzegovina, and the implementing nongovernmental organizations, located throughout Bosnia-Herzegovina, ensured that disaster assistance was delivered to the intended beneficiaries in accordance with agreements.

Appendix I contains a discussion of the scope and methodology for the audit.

Audit Findings

Did the Disaster Assistance Response Team and the implementing nongovernmental organizations in Bosnia-Herzegovina ensure that disaster assistance was delivered to the intended beneficiaries in accordance with agreements?

The USAID/Disaster Assistance Response Team/Former Yugoslavia (DART) and the implementing nongovernmental organizations (NGOs) ensured that disaster assistance authorized under the Emergency Shelter Repair Program in Bosnia-Herzegovina was delivered to the intended beneficiaries as agreed. The principal program goal—emergency repair of 2,500 destroyed homes—should be achieved on time and within budget. Moreover, DART was proactively monitoring the program's progress to ensure that problems caused by changing circumstances were promptly and effectively addressed. Finally, the audit evaluated three of the eight NGOs responsible for program execution and determined that they were satisfactorily implementing specific program requirements. Nothing came to our attention to suggest that the remaining NGOs experienced problems in implementing the program.

Emergency Repair of 2,500 Destroyed Homes Should be Achieved on Time and Within Budget

The overall program was constrained by a \$25 million funding ceiling, and each cooperative agreement also contained a budget limiting the amount of funds that could be spent for construction contracts and administrative costs. The program description, a part of each cooperative agreement, states that one of the outputs is to provide emergency repairs to 2,500 badly destroyed village homes (such as the home pictured on the next page) to meet minimum habitability standards. In addition, the program requires all repairs to be completed by November 30, 1996.

The table in Appendix III summarizes the status of the Emergency Shelter Repair Program in Bosnia-Herzegovina, comparing the original program budget with subsequent revisions. The table in Appendix IV compares the number of planned shelter repairs (April 1996) with the revised plans as of November 1996. This table also shows the status of these repairs as of November 12, 1996. The statistics from both tables were used in developing the discussion below.



A shelter that met the criteria of a "badly destroyed home," located in Ulinjak, Bosnia-Herzegovina
Source Photograph taken by World Vision International program personnel, June 1996

Budget Constraints The original budget for shelter repair was \$25 million, but DART initially allocated only \$23.1 million to the program (see Appendix III). By October 10, 1996, DART had allocated additional funds for a total program budget of \$23.9 million (see Appendix III). The additional \$8 million was used to repair 148 more shelters and to fund increased transportation costs. Thus, more shelters were being repaired for less cost than originally budgeted (see next paragraph). The cost controls which made this possible are discussed further on page 6 (see the subsection entitled Contract administration).

Shelter Repairs Originally, DART planned to repair 2,500 shelters (2,400 units were programmed under eight cooperative agreements in April 1996—the remaining 100 units were to be programmed through subsequent amendments to the cooperative agreements). These plans were later revised to repair 2,548 shelters at a total cost of approximately \$23.9 million (see Appendix III). As of November 12, the NGOs carrying out this program had awarded contracts for 2,539 shelter repairs.

Delivery Dates Local contractors were to begin shelter repairs no later than June 1996. The program goal was to have repaired almost all units authorized under the cooperative agreements by October 31, 1996, with final repairs completed by November 30, 1996. As of November 12, DART records show that 2,158 shelters had been repaired (a typical repaired shelter is pictured on the next page).



The "badly destroyed home" pictured on page 3 after repairs were made
Source Photograph taken by auditors, October 1996

Severe weather conditions (i.e., heavy rains and flooding) impeded progress in some areas and remote locations and poor road conditions hampered progress at other project sites. Although there were still more than 342 home repairs required to meet the 2,500-unit goal by November 30, DART personnel also pointed out that repairs at many sites were further along than the reported statistics indicated. For example, at the time of our fieldwork, one site reported that none of the 200 houses were completed. According to the project monitor, however, the houses were only awaiting installation of plastic sealing on the upper floors—all other repairs had been completed. DART expects all NGOs to meet their deadlines and the three NGOs we reviewed anticipated that they will complete the required repairs—including additional houses identified with cost savings by the November deadline. Moreover, nothing came to our attention to suggest that the remaining five NGOs would not meet the required delivery date as well.

In conclusion, as of November 12, 1996, contracts for the repair of 2,539 shelters have been awarded, 2,158 of these repairs have been completed, and the program still has about three weeks to go. Although weather more severe than normal and the remote location of some homes could result in some delay, in our opinion, the principal program objective to repair 2,500 destroyed homes should be achieved on time and within budget.

**Proactive Program Monitoring
Has Contributed to Program Effectiveness**

Each cooperative agreement states that USAID intends to assign responsibility for monitoring the progress toward achieving the program objective to one individual. To implement this, DART assigned a program monitor to conduct monthly site visits using grantee-provided indicators to track program progress and provide assistance as required by changing circumstances. In addition, the DART project manager, responsible for all disaster relief activities in Bosnia-Herzegovina, was also actively involved in program monitoring.

Proactive program monitoring was demonstrated in the way DART responded to one NGO's problem. Originally, this NGO budgeted \$984,000 to repair 100 homes. As the program got underway, however, the NGO experienced delays caused, in part, by high construction bids that could not be negotiated downward. DART officials noticed these delays during a site visit, but the NGO initially assured them that it was making progress in spite of the negotiating difficulties. Subsequent site visits by DART personnel revealed, however, that the NGO's contractor was not making repairs to program specifications. DART officials then intervened and discussed the problem with the NGO's management. As a result, DART and the NGO decided to decrease both the number of homes to be repaired and the amount of funding. The cooperative agreement was amended, making the NGO responsible for the repair of 56 homes with total funding of \$560,000 (an average of \$10,000 per repaired home which is substantially the same cost per home as originally anticipated). The NGO agreed to provide the additional funds necessary to ensure that the 56 homes met program specifications in the time allowed by the program. In our opinion, DART's response to this problem minimized its impact on the program's progress. It should be noted that other NGOs were able to increase the number of homes to be repaired which made up for the shortfall caused by DART's decision to reduce the number of homes for this recipient.

DART's monitoring efforts were also well documented. For example, DART provided weekly reports to USAID/Washington which summarized new developments and included a narrative update and chart, by NGO, accounting for the status of the number of homes to be renovated (e.g., planned units, units contracted, units begun, and units completed). The project monitor obtained data for this chart from recipients' weekly progress reports and the results of his site visits.

**NGOs' Implementation
Met Program Requirements**

Based on the cooperative agreements, the NGOs' implementation responsibilities included (1) conducting the bidding and award process, (2) administering the contracts, (3) managing USAID-funded assets, (4) marking each repaired shelter with a USAID emblem, (5) reporting cost savings and (6) preparing financial and performance reports. Each of the three NGOs we reviewed complied with its responsibilities as discussed below.

Bidding and award process Prior to the bidding process, each NGO developed the required written technical specifications and terms of reference for repairs required for each house that had been tentatively selected for repair. Engineers assessed the houses to ensure the expected work fit the program criteria of badly damaged but structurally sound buildings. A minimum of three bids was sought for each solicitation, but NGOs reported that from 10 to 20 bids were actually received. The NGOs negotiated and executed contracts for the winning bids.

Contract administration All three NGOs executed annexes [amendments] to contracts with local construction firms, but the number of changes was minimal and did not change the amount of the contract. Basic reasons for such changes included the need to correct engineer assessment errors or select a replacement house if a homeowner changed his mind about returning. Only one contract was terminated and the NGO ensured that another contractor was scheduled to complete the houses of the terminated contract.

The NGOs' engineers and field coordinators were on site to monitor progress on the contracts, were involved in the approval of payments to the contractors, and had final technical acceptance of the houses. Once the contractor completed renovations on a predetermined number of homes, the engineers inspected the work, noting any discrepancies. The contractor was allowed a set amount of time to make corrections. Once the engineer accepted the contractor work, the NGO issued a completion certificate for each house, and made the final payment to the contractor.

Managing USAID-funded assets Two Federal regulation requirements were incorporated into the grant agreement by reference: (1) protection of USAID-funded assets (construction materials) and (2) control of USAID-funded capital assets. As it turned out, these requirements were not pertinent to the Shelter Program as implemented. There was no requirement at the time of the audit to store construction materials because all material requirements were fixed by the contract and the NGOs reimbursed the contractors for these fixed amounts only. None of the three NGOs reviewed had USAID-funded capital assets as defined by Federal regulation.

Marking of repaired shelters Each recipient was required to ensure that the U.S. Government received recognition for this project by marking each repaired shelter with a small emblem provided by USAID. During our field visits, we observed that plaques were posted on many of the completed homes. One NGO had not yet posted the plaques, explaining that many of the homeowners would apply plaster to the bricks which would cover up the emblem. This NGO assured the audit team that the plaques would be placed on the finished homes. Another NGO, which had affixed the emblems, said that one problem might be whether a small number of the beneficiaries would keep the plaques posted. The NGOs informed the auditors, however, that most homeowners were proud to display the plaques.

Cost savings Each recipient was required to notify USAID of cost savings which may be achieved. Two of the three NGOs visited reported anticipated cost savings and received DART approval to renovate an additional 20 houses. (Two other NGOs not included in our detailed review were able to renovate 28 additional houses because of cost savings.)

Financial reporting The cooperative agreements defined the financial reporting requirements based on the method of payment to the grantee. All U S -based NGOs were under a letter of credit and had to prepare *Financial Status Reports* (SF 269a) quarterly and also submit a (SF 272) *Federal Cash Transactions Report*. Payment to non-U S -based NGOs was by periodic advance, these grantees were required to submit a *Public Voucher* (SF 1034)

During our visit with three U S -based NGOs, we asked for copies of the financial reports, but they did not prepare the final version of these forms. However, they do prepare and submit financial information to the stateside office which, in turn, prepares the reports which include information on other USAID funds the NGO receives

Performance reporting The recipients are required to submit a final performance report which is due 90 calendar days after the expiration of the award. The reports are to respond to the data listed in the *Illustrative Final Report Format*, all three of the NGOs selected for our detailed review are preparing information for that report. In addition, NGOs are required to submit a *before* and *after* color photograph, with appropriate labeling, of each home repaired under the program. We examined the *before* photos of the three NGOs visited and noted that they, too, had begun taking pictures of completed houses. These NGOs appeared prepared to submit the required performance report once their program is completed

* * * * *

In conclusion, USAID/DART/Former Yugoslavia ensured that disaster assistance authorized under the Emergency Shelter Repair Program in Bosnia-Herzegovina was delivered to the intended beneficiaries. DART's management actions in response to identified problems and its ongoing monitoring efforts ensured that each NGO complied with the terms of the cooperative agreement. As a result, the main program goal—the repair of 2,500 badly destroyed homes—should be achieved on time and within budget.

Management Comments and Our Evaluation

USAID/DART/Former Yugoslavia officials agreed with the content of the report and their comments are included as Appendix II of this report. In its response, DART emphasized that while it was allocated an additional \$4 million for small municipal infrastructure repairs, those funds could not be used for shelter repairs. Subsequent to its management comments, DART provided additional data which showed that 2,548 units were to be completed at an estimated cost of \$23.9 million, exclusive of the municipal infrastructure funding. As DART pointed out, this underscores the cost savings achieved in the Emergency Shelter Repair Program—the actual program budget was below the projected \$25 million. In addition, the program will rehabilitate 48 shelter units above the goal of 2,500 units at no additional cost. Where appropriate we modified our report to include DART's additional information.

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