



Crna Gora  
Ministarstvo vanjskih poslova i evropskih integracija  
Direktorat za multilateralne poslove i regionalnu saradnju

Podgorica, 5. jun 2012.

Br: 0/4-3/25-5

**STALNA MISIJA CRNE GORE PRI UN U DRUGIM MEĐUNARODNIM  
ORGANIZACIJAMA  
ŽENEVA**

**Predmet:** Odgovori na upitnik o politikama finansiranja socijalnog stanovanja

U prilogu dostavljamo odgovore na upitnik Visokog komesara za ljudska prava kojim se zahtijevaju informacije o politici finansiranja socijalnog stanovanja u Crnoj Gori.

Molimo da odgovore dostavite uvaženom primaocu.



v.d. generalnog direktora  
ambasador Zoran Janković



Téléfax: (41-22)-917 90 06  
Télégrammes: UNATIONS, GENEVE  
Téléx: 41 29 62  
Téléphone: (41-22)-917 9431  
Internet www.ohchr.org  
E-mail: srhousing@ohchr.org

Address:  
Palais des Nations  
CH-1211 GENEVE 10



**QUESTIONNAIRE ON HOUSING FINANCING POLICIES AND PROGRAMMES  
BY THE SPECIAL RAPPORTEUR ON ADEQUATE HOUSING AS A COMPONENT  
OF THE RIGHT TO AN ADEQUATE STANDARD OF LIVING, AND ON THE  
RIGHT TO NON-DISCRIMINATION IN THIS CONTEXT**

**I. Objectives and scope of this questionnaire**

This questionnaire is designed to obtain information from Governments for the preparation of a report by the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context, Ms. Raquel Rolnik. The report will be submitted to the UN General Assembly at its 67<sup>th</sup> session pursuant to resolutions 6/27 and 15/8.

The Human Rights Council, in its resolution 15/8, requested the Special Rapporteur to identify best practices, challenges and obstacles to the full realisation of the right to adequate housing and to pay special attention to the needs of persons in vulnerable situations as well as those belonging to marginalized groups. In her first report (A/HRC/10/7) to the Human Rights Council, the Special Rapporteur addressed the implications of certain financial, economic and housing policies on the right to adequate housing, in the context of the recent housing and financial crises. Her report addressed, inter alia, the impact of market-based housing finance policies on the realisation of the right to adequate housing.

In her forthcoming report, the Special Rapporteur wishes to continue previous work, by examining national policies promoting access to homeownership and affordable housing for the poorest segments of society or other marginalized groups, through the provision of credit to individuals and families, by public or private financial institutions (such as private and public banks and other credit institutions including those dealing with microfinance, Government loans corporations, credit unions, etc.). Those programmes may include also public subsidies or tax exemptions.

**The current questionnaire is therefore designed to collect information on public policies and programmes that aim to promote affordable housing for those living in poverty or other marginalized groups, through public, private or quasi-private financial institutions.**

**II. How to answer the questionnaire**

If the information requested in the questionnaire has been provided by the Government in another context (e.g. in a report to one of the UN human rights treaty bodies) reference to the specific report or document should be provided. There is no need to repeat the information provided elsewhere.

Governments may wish to identify a focal point responsible for coordinating the response to the questionnaire, and make this focal point known to the office of the Special Rapporteur for further follow up.

### III. Submission of responses

Due to the limited capacity for translation, we kindly request that you submit your answers, if possible, in English, Spanish and French. Responses should be sent in hard copy or electronic format no later than 28 May 2012 to:

**UN Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context**

**UNOG – OHCHR**

**CH – 1211 Geneva 10**

**Telefax: 41 22 917 90 06**

**E-mail: [srhousing@ohchr.org](mailto:srhousing@ohchr.org)**

### IV. Questionnaire

1. Is your country promoting housing finance policies or programmes aiming to enable access to homeownership and/or other affordable housing by the poorest segments of society, by providing credit through financial institutions (public, private or quasi-private)?

Housing Mortgage Scheme for low income Persons (“1000+ Housing”)

**If the answer is positive:**

- a. Please indicate whether these policies or programmes involve public subsidies, tax exemptions or other public financing.

The issue of social housing was mentioned as a form of state support to households which, due to social or economic reasons cannot buy dwellings at market conditions. Following that aim, Project „1000 plus” was designed for the purpose of solving the housing needs of Montenegrin households which have not resolved the issue of housing, as well as overcoming the problem, offers flats at affordable prices in Montenegro. Building boom in recent years mainly targeted foreign investors and social groups with higher purchasing power. For households with middle and low incomes there was no offer. The program of 1000 housing units represents nearly 0.5% of the total housing stock.

In order to implement this project, whose value is estimated to EUR 50.000.000, the Government, represented by the Ministry of Finance, has applied for low-interest loan of 25 million euro’s in the CEB (Council of Europe Development Bank). The remaining part of the total amount was provided by the Montenegrin commercial banks and the own equity of households. The Government of Montenegro provided interest subsidy for commercial mortgage loans to enable low interest rate throughout the period of the loan.

**b. Please indicate whether these policies or programmes involve the participation of one or more of the following international finance institutions:**

- International financial institutions (World Bank Group, International Monetary Fund, etc.)
- Regional development banks (IDB, ADB (Asian), ADB (African), etc.)
- International private financial actors (commercial banks, investment funds, etc.)

This project is implemented by the Ministry of Spatial Planning in cooperation with the Council of Europe Development Bank (CEB), and local commercial banks with the overall project objective of addressing the housing needs of households and the development of policy stimulus for construction industry and the banking sector. At the 71 Session of the UNECE Committee on Housing and Land Management, held in Geneva from 20-21 September, the Project "1000 plus" was presented and it was considered as an innovative and positive.

**c. Please indicate the period of time during which these policies and programmes have been implemented.**

Time frame of the 1000+ Housing was from June 2010 to December 2011.

**d. Please indicate whether these programmes have been developed or implemented as part of recovery measures in the context of the global financial and economic crises that started in 2008.**

This project was implemented with the intention to meet many demands based on inadequate housing solutions of the citizens of Montenegro, as well as to overcome the negative effects of the global economic crisis that had influence on building sector.

The project has the following social and economic objectives:

- providing around 1,000 households in order to resolve urgent housing needs;
- Selection of social groups with the use of a detailed distribution scheme;
- give impulse to the construction sector to overcome the current crisis, because only projects, which have a building permit issued before 2006, can be qualified for this project;
- increase the professionalism of the construction companies;
- giving impulse to the banking sector;
- setting benchmarks for cost and quality standards on the market of dwellings;
- contribution to the implementation of regulations (Law on condominium property, the formation of associations of condominium owners, maintenance facilities in accordance with regulations);
- contribute to "financial consumer's literacy" in terms of market dwellings;
- Optimization of public investment (Bank / State) and results (social benefits, economic results).

2. Please provide any available assessment of the impact of such policies and programmers on the housing situation of the poor or other categories of beneficiaries.

**Specifically, please provide the following data:**

- a. **The percentage of the population living in informal settlements before and after the implementation of these policies.**

Informal settlements are subject to a separate project and regulation in Montenegro. Problems related to informal settlements are: seismic risk, planning and urban disorganization of space, lack of infrastructure areas, the low quality of life, lack of adequate social and public institutions, violation of environmental standards, and poor collection of utilities and taxes. In order to prevent building of illegal constructions and to find an optimal solution for registration of already build objects and to introduce them into procedure for obtaining permits, Ministry established a Working Group in which scope of work is drafting a Law for Legalization of Informal Objects (which effect is of temporary nature) and Action Plan for its efficient implementation. Law is in a final stage and Action Plan has been already adopted by the Government. Based on study case of several small settlements, the Feasibility Study is being drafted, and a primary task of the Study is the analysis of potential and existing problems.

- b. **The percentage of households with access to improved sanitation (including in rural areas) before and after the implementation of these policies.**
- c. **The percentage of population with access to electricity (including in rural areas) before and after the implementation of these policies.**
- d. **The percentage of houses with ownership or clear title on their dwelling before and after the implementation of these policies.**

3. **Please also provide information on programmes or policies concerning construction or provision of public housing for sale or rental in the country (including privatization of public housing). Please describe any significant reforms or developments in this sector over the last thirty years. Please provide (in annex) any relevant documents, laws, regulations or policies.**

The last period of organized housing construction in Montenegro is characterized above all, on the concept of "social apartments", which is one of the symbols of socialism'. The concept was based on social ownership', what's more - the state-owned apartment had an important connotation in the paradigm of social justice in general." Community owned apartments, in its original form was introduced in mid-sixties, when the jurisdiction to provide housing resources, from the state was transferred to the "work organization". It is estimated that the social housing 90's were about 33% of the housing fund. About 90% of social housing was owned by business organizations, which supports the fact that the allocation of social housing was highly decentralized. It is interesting to note the following: while in developed countries the social housing was aimed to minority groups, social housing in socialism had quite opposite connotation - it was the privilege. During these 90's of the last century, the privatization of public housing was conducted.

Along with the dissolution of the Socialist Federal Republic of Yugoslavia in the early 1990s of the 20th century, the Self-Administered Interest Communities (SIZ) as a decades-long system of functioning and institutional way of solving housing issues and needs of the employees – Montenegrin citizens, collapsed as well. Prospect of the large number of Montenegrin employees for providing roof over their head was left on their own ability to cope with the situation and solve this fundamental and existential issue. Faced with the difficulties of transition, hyperinflation, disappearance of the huge market of SFRY, liquidation of majority of companies as well as the overall struggle for bare survival, the army of homeless and subtenants in Montenegro had no choice. Ways of solving this problem both on the institutional and legal level remained in the past. Surveys conducted in Montenegrin municipalities and trade unions showed that in that period of time around 20 to 30 thousand housing units were needed for solving housing issues. The Confederation of Trade Unions of Montenegro, faced with such reality, launched the campaign of initiation, intensification and carrying out of the renewed idea for the establishment of the Trade Union Fund for Housing Development. Having presented the idea to the bodies of the Confederation of Trade Unions of Montenegro, its constituents and members; the idea being the only possible way of solving housing policy of the employees in Montenegro, in 1996 the Fund for Financing Housing Development was established and by the year of 2002, it developed 101 housing units for members of the Fund in Podgorica.

Housing development project is the first Project of the Fund for Financing Housing Development that was of the utmost social importance for Montenegro, while residential buildings developed in Kolasin, with 28 housing units and in Podgorica with 101 housing units, were sufficient reasons for the employees and companies in Montenegro to support this model of solving housing issues..

The Montenegrin Fund for Solidarity Housing Development is thus the company, which, under favorable conditions and in cooperation with local governments-municipalities develops residential buildings for the needs of Montenegrin public institutions, organizations and companies, i.e. the employees at these companies in all Montenegrin municipalities, which financially contribute to the Fund on a voluntary basis. The Fund has carried out the construction of more than 1,000 housing units in several municipalities so far. The construction of another 1,000 units in seven Montenegrin municipalities is planned as well or has already started. These results give us the right to intensify activities of the Fund, to additionally harmonize social conditions in Montenegro and to provide the citizens i.e. the employees with apartments under the most favorable conditions in Montenegro, with an average price of € 550-600 per m<sup>2</sup>.

In close cooperation with local governments and municipal trade union commissions the CFSSI has provided building land in almost every municipality in Montenegro. In some of them works are in the phase of completion.

Management of the Montenegrin Fund for Solidarity Housing Development and NLB Montenegro Bank in April 2012 held a meeting in Bar with the representatives of local administration bodies, public institutions and companies from the territory of the Municipality of Bar, on which occasion NLB Bank presented its offer for granting housing loans to future beneficiaries of solidarity dwellings that are being built within the residential complex in Topolica-Bjelisi, Bar. Residential complex containing three buildings with 270 apartments represents one of the major projects in the Municipality of Bar, which will provide the employees from its territory with the opportunity to resolve their housing issues under

favourable conditions with prices per square meter of up to EUR 780. Buildings will be of high quality, constructed in accordance with the highest ecological and energy efficiency standards.

Cooperation Protocol on the establishment of Housing Savings Bank between the Italian Infogroup and the Montenegrin Fund for Solidarity Housing Development (CFSSI) was signed in March 2012 by Mr. Paolo Renzi, General Director of Infogroup and Mr. Danilo Popovic, President of the Board of Directors of CFSSI. By signing the Cooperation Protocol, the first step was made towards launching the project of establishing the first Housing Savings Bank in Montenegro, following models of the developed European countries. Housing Savings Bank will organize special-purpose collection of deposits from natural and legal persons and after the expiry of two-year savings period grant loans for purchasing or furnishing apartments as well as maintaining the existing housing fund. Housing loans will be granted under conditions more favourable than those currently offered by the financial institutions.