



HOUSING POLICY AFTER WAR AND NATURAL DISASTER:

the experience of eight countries



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EXECUTIVE SUMMARY



In times of natural disaster or war, the issue of providing the population with housing flares up. Therefore, the targeted housing policy of the government is one of the factors of successful reconstruction and preservation of human capital.

At the time of writing this report, russia has destroyed Ukrainian homes worth over \$54 billion and displaced 5 million people within the country alone. The housing issue for people with nowhere to return to must be resolved now, despite the war continuing.

In this document, we have collected eight stories about the provision of housing in countries that have experienced severe destruction. The described strategies and approaches cannot be transferred to Ukraine without additional study. However, the trends and miscalculations that have been revealed in these cases can be useful during reconstruction planning.



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According to the latest KSE data, losses caused by war to the housing sector amount to USD 54 billion and keep growing¹. At the end of February, the Verkhovna Rada supported draft law No. [7198](#), which will enter into force in May of this year. It defines the legal and organisational principles for providing compensation for damage and destruction of certain categories of real estate as a result of hostilities, terrorist acts, and sabotage caused by Russia's armed aggression against Ukraine². However, some provisions of the document caused discussions among the public, in particular, several NGOs criticised the draft law³.

This review study aims to examine the ways and means of rebuilding the housing stock and providing victims with homes that have been used by other countries in situations of mass destruction. The main attention has been paid to the results of reconstruction and the effectiveness of certain decisions made in the field of housing policy.

In the studies, the classification of housing according to the stages of use following the disaster is most often applied: emergency shelter; temporary shelter, temporary housing; permanent housing⁴. In most cases, we did not examine emergency shelter solutions, as this aspect varies significantly between countries affected by natural disasters and those affected by war. The main objectives of the study are primarily related to studying the best practices for providing victims with permanent housing, however, the logic of the previous decisions review has also been preserved. This approach is due to the fact that for many countries, temporary shelter or temporary housing has been transformed into long-term solutions over time, which significantly worsens the quality of life of the population.

The basis of the methodology of this study is the case method. Approaches to housing reconstruction and replacement in eight different countries were analysed using the same structure. The conclusions present the main trends that have been identified, as well as examples of successful solutions and problem aspects.

The study's main methodological caveat is the author's emphasis on the review nature of the document. None of the described practices or solutions are recommended for adoption and implementation in Ukraine without taking into account the context and analysing the potential effect.

¹ kse.ua/ua/about-the-school/news/zagalna-suma-pryamih-zbitkiv-zavdana-infrastrukturi-ukrayini-cherez-viynu-zrosla-do-mayzhe-138-mlrd

² zakon.rada.gov.ua/laws/show/2923-20#Text

³ ti-ukraine.org/news/kompensatsiya-za-poshkodzhene-ta-zrujnovane-majno-analiz-zakonoprojektu-7198

⁴ www.sciencedirect.com/science/article/abs/pii/S019739750600018X

1. AFGHANISTAN. WAR WITH THE TALIBAN



Damage Caused to the Housing Stock as a Result of Hostilities

In late 2001, the United States entered Afghanistan to destroy al-Qaeda, remove the Taliban from power, and rebuild the country. After decades of war, the country's roads, schools and cities were destroyed, so the US and its partners invested billions of dollars in reconstruction. 55% of all households in Afghanistan needed repair or reconstruction⁵. In general, about 11 million people stood in need of help with housing⁶.

Swift Solutions for Providing Housing for Displaced Persons and Refugees

In fact, immediately after toppling over the Taliban regime in 2001, international partners began the process of supporting returnees and IDPs. In addition to the half million refugees already back from Pakistan, Iran and Central Asian states, more than 150,000 IDPs have gone back to their villages.

As of mid-2002, UNHCR had spent \$23.5 million to purchase beams and other construction materials for distribution among returnees and IDPs who needed to rebuild their homes⁷. Thanks to the organization's support, Afghans received plastic tarpaulin or tents upon their return, but many people across the war-torn country needed to rebuild their homes, especially more than half a million returnees who had been outside the country for a long time.

Moreover, the UN Refugee Agency provided construction materials for Afghan returnees enrolled in the housing programme, but they had to rebuild their homes themselves⁸.

As of October 2002, alone, more than 1.7 million Afghan refugees and over 200,000 IDPs returned home under the UNHCR-Afghan Government programme.

At the same time, according to a 2011 study by the World Bank and UNHCR in Afghanistan, about 60 per cent of Afghans continue living in tents, temporary shelters or shacks (small abandoned, poor houses), while the rest mainly inhabit single-family houses⁹. Interestingly, while the share of IDPs living in tents (the most unstable housing) is decreasing over time, the share of those still living in temporary accommodation (temporary shelter, shack, camp) is as high as 61 per cent among those displaced/settled persons who have been living in Afghanistan for more than five years. This confirms the persistence of barriers to proper housing regardless of the length of stay. There are also

⁵ reliefweb.int/report/afghanistan/afghanistan-emergency-shelter-and-non-food-items-cluster-rapid-assessment-mechanism-nationwide-assessment-priority-esnfi-locations-round-1-may-2022

⁶ reliefweb.int/report/afghanistan/afghanistan-rental-assessment-key-urban-markets-factsheet-booklet-seven-regional-urban-centres-january-february-2022

⁷ www.unhcr.org/news/latest/2002/5/3cd941164/half-million-afghan-returnees-face-urgent-needs-home

⁸ www.unhcr.org/news/latest/2002/10/3dbf04bd7/afghans-rush-to-rebuild-winter-homes.

⁹ static1.squarespace.com/static/5cfe2c8927234e0001688343/t/60d426bc0d01b22d4c2512df/1624516289058/wb-unhcr-idp-full-report.pdf

significant differences between the cities covered by the aforementioned study. For example, most IDPs in Kabul lived in temporary housing (92 per cent of them lived in tents). In Kandahar, the housing conditions of IDPs surveyed are much less precarious, with 73 per cent of the sample living in single-family houses.

Housing Recovery Policy

Considering the inability of the national authorities to independently implement the recovery process, particularly in terms of reconstruction and construction of new housing, international partners took care of this issue to a greater extent.

*Table 1. Major international development partners and their assistance in the context of Afghanistan's housing policy*¹⁰.

United Nations Human Settlements Programme, UN-Habitat	Working in partnership with communities across Afghanistan since 1992, UN-Habitat has invested in providing essential services, including potable water, shelter and skills training. The organization works closely with the Government of Afghanistan and local authorities on a range of housing-related projects, which include strengthening institutional capacity and providing policy support. UN-Habitat's direct counterpart in the Government of Afghanistan was the Ministry of Urban Development and Housing (MUDH).
United Nations High Commissioner for Refugees (UNHCR)	It is working with government counterparts, UN agencies, and international and national NGOs to assist returnees, IDPs and other people in situations of vulnerability. UNHCR's direct counterpart in the Government is the Ministry of Refugees and Repatriation (MoRR), but it also collaborated with other line ministries. Since 2002, the cornerstone of UNHCR assistance has been shelter assistance programmes explicitly targeting returned refugees and IDPs in areas of high return, through which over 225,000 shelters have been built benefiting over 1.35 million vulnerable Afghans.
United Nations Development Programme (UNDP)	It has been working in Afghanistan continuously since 1966 in close partnership with the government, civil society and other national and international partners. UNDP is working with the Independent Directorate of Local Governance (IDLG) on the Local Governance Project – Afghanistan (LoGo), which aims to, among other things, make local-level planning and service delivery more accountable;

¹⁰ unhabitat.org/sites/default/files/download-manager-files/Afghanistan%20Housing%20Profile-11October2017.pdf

and increase service delivery through piloting the provincial budgeting policy, which is catalytic for housing development.

**Japan
International
Cooperation
Agency
(JICA)**

The Kabul Metropolitan Development Cooperation Programme set out an ambitious action plan to help address some of Kabul's challenges in water and sanitation, electrification, transportation, and urban planning and renewal, in partnership with the Afghan Government. JICA was expected to participate in developing a new city that will expand out of existing Kabul and is projected to accommodate and provide employment for 1.5 million people by 2025. Housing will be a key component of the new city and present a significant opportunity to apply innovative approaches to housing development.

**United Arab
Emirates
(UAE)**

Through Abu Dhabi Fund for Development, the UAE has financed the \$179 million Qasabah Housing project in Kabul.

**The People's
Republic of
China**

The Chinese Government has financed the construction of 10,000 apartments country-wide under an "affordable housing" scheme.

Qatar

Has signed an agreement to finance the construction of 1,000 housing units, with construction planned to commence before the end of 2016.

**International
development
partners**

While implementing their own housing interventions, they have also set up a number of consultative groups, roundtables and other coordination mechanisms to provide housing-related infrastructure and services and improve housing and living conditions in informal settlements. One such initiative is the Kabul Informal Settlements (KIS) Task Force, set up in 2010, which currently comprises 15 UN agencies and NGOs.

However, it should be noted that the Afghan Government has also taken some positive policy measures to address the housing deficit that the country faces¹¹. These measures were primarily aimed to:

¹¹ unhabitat.org/sites/default/files/download-manager-files/Afghanistan%20Housing%20Profile-11October2017.pdf

- provide new land plots;
- improve security of tenure through land titling;
- support housing construction and improve living conditions;
- promote access to affordable housing funding;
- establish a housing subsidy programme for low- and middle-income households.

Given the historical and security situation, one of the most important government policies is the National Policy on Internally Displaced Persons. It provided a framework for ending displacement and achieving local integration and sustainable solutions for IDPs. The Policy, under Clause 7.1.3, recognizes the “Right to Adequate Housing and Access to Land” as a basic right of IDPs. The Afghanistan Housing, Land and Property Task Force (HLP TF) and Kabul Informal Settlements (KIS) Task Force are two important co-ordinated efforts that were working to implement the policy and ensured that the rights of IDPs were fulfilled.

To implement tasks aimed at providing citizens with housing, several state housing programmes were approved, namely:

- National Housing Programme. The government has developed the National Housing Programme, which provided for the construction of 150,000 housing units in different parts of the country. Some projects have been completed; some are under construction.
- Government/Municipalities Housing Programme. About 450,000 plots were distributed under this programme on the condition that beneficiaries would build their own accommodation. Unfortunately, houses were built only on 15% of the plots, and the remainder were either sold or are still unutilized. Such a scheme promoted speculation in the land market.

Moreover, from 2001 to 2012, there were 13 government-led housing projects in Kabul in which donors planned to build 19,747 apartments, but only 4,117 have been completed.

Data from the Ministry of Urban Development and Housing shows that 185,175 units (consisting of houses and apartments) were planned in Kabul, Herat, Mazar-i-Sharif, Kandahar and Jalalabad as townships (largely self-contained formal settlements, outside of and distinct from existing city areas), however only a tiny fraction have been built.

The apartments built by the Government, such as the 3,300 units in a township in Kabul, have been distributed among government employees or other favoured individuals. The allottees are required to repay its cost through a 15-year mortgage. Mortgage rates were below market rates, effectively subsidising these households.

Afghanistan's major housing project, Khwajah Rawash, was officially inaugurated by the President at the beginning of September 2016. \$94.3 million project was constructed over a period of four years on a 40-hectare site. Financed through government funding and an advance payment scheme, the project included 78 residential blocks with a total of 2,104 apartments.

Despite the launch of the above programmes, experts note that the government has not been able to meet the housing demand and has no financial capacity to provide subsidized housing to people experiencing poverty on a large scale.

One possible way to solve the issue of housing for IDPs was to provide land for development.

The Land Allocation Scheme was formally launched in 2005 under Presidential Decree. Its purpose was to enable the distribution of uncultivated government land to meet the housing needs of eligible returnees and IDPs. The distribution initiative was led by MoRR, with other relevant ministries, donors, United Nations agencies and NGOs participating. According to official figures released in February 2013, more than 300,000 land plots had been demarcated, 13,754 distributed, and over 290,000 were ready for distribution, while figures for 2011 indicated an estimated 12,000 households living on plots allocated under the programme.

A key issue with the land was its location and the fact that it was not serviced with basic infrastructure such as water, electricity and roads.

In general, experts identify the following key shortcomings of Afghanistan's housing development policy:

- Corruption. For instance, a 2013 Independent Joint Anti-Corruption Monitoring and Evaluation Committee assessment of MORR's process for distributing land found that it is afflicted by institutional corruption — with bribery, forgery, nepotism, and embezzlement impeding the implementation of the programme;
- Lack of an effective regulatory framework. Experts also noted that a key contributory factor to the growing housing deficit in Afghanistan is the lack of an effective regulatory framework. This is evidenced by the fact that there are no enforceable building norms, nor are there any regulations to follow that integrate the principles of sustainable architecture in the country. The construction of buildings, roads, highways, and bridges has generally been guided by foreign codes and standards;
- The current level of public and private housing supply is very low in terms of housing needs and solvent demand, catering mainly to the high-income sector.

Rapid urbanization and population growth in Afghanistan have resulted in a drastic increase in housing needs. The housing sector is unable to supply affordable housing at a sufficient scale. According to experts' forecasts, the national urban housing need will be about 43,956 units for the period of 2020–2025.

Peculiarities of Restoration of Borderline and Occupied Territories

The researchers found no unique mechanisms that would be characteristic only of borderline or de-occupied territories. Therefore, we assume that the situation with the reconstruction or restoration of housing in these territories was in the same state as in the whole country.

Loans for Housing Reconstruction

Experts note that the majority of Afghans finance their housing needs outside of formal financial institutions. Many either save their money to incrementally build housing or inherit family housing. Mortgages are inaccessible to middle and low-income Afghans due to their inability to meet loan obligation payments and difficulties in having proper land and housing documentation for underlying collateral purposes. While microfinance institutions do not grant loans directly for housing, their business loans are an indirect source of funding for home improvement.

Cost of Restoring the Housing Stock

The United States spent approximately \$145 billion on the reconstruction of Afghanistan from 2002 to 2021¹². Moreover, approximately \$12.6 billion was contributed to the trust fund by international donor partners¹³.

Reconstruction Results

According to the U.S. Agency for International Development (USAID), as of September 2021, the Afghanistan Reconstruction Trust Fund (ARTF) has reconstructed more than 45,000 houses since the programme was launched.

However, this did not allow to achieve large-scale quality changes, primarily because housing reconstruction was intended to solve the urgent problem of providing living conditions for the population that suffered as a result of the war and was not aimed at the development and modernization of the country.

In general, housing conditions in Afghanistan are deplorable, which is not surprising given the decades of war and the country's internal conflicts. According to UN-Habitat, the majority (86%) of Afghanistan's current urban housing stock can be classified as "slums". More than 70 per cent of poor and low-income households live in overcrowded

¹² www.sigar.mil/interactive-reports/what-we-need-to-learn

¹³ www.wb-artf.org/documents

conditions with limited access to urban services, such as water supply, garbage collection and electricity.

As of the end of 2022, some 2 million IDPs continue to live in over 1,000 large sprawling slum-like informal settlements across almost 30 provinces in Afghanistan, usually in appalling conditions and often highly dependent on humanitarian aid to supplement meagre earnings¹⁴.

The Quality of Housing Reconstruction and its Impact on the Future

The quality of construction in Afghanistan's cities is of great concern. New buildings were often no more high quality and modern than the destroyed homes¹⁵. The main reasons for this situation are insufficient quality control of materials used for construction, lack of supervision and widespread corruption in the field of compliance with building standards.

Transparency of the Reconstruction Process

Tracking funds and controlling the effectiveness of their use became a big problem for the reconstruction. A developed high-level institutional architecture was created for the reconstruction of Afghanistan:

- The Afghanistan Reconstruction Trust Fund ([ARTE](#)) was responsible for coordinating funds from international partners. In particular, 34 donors contributed to the fund. The fund was administered by the World Bank on behalf of donor partners for the reconstruction of Afghanistan.
- The Afghanistan Investment Promotion Agency ([AISA](#)) was established in 2003 to promote investment and economic development in Afghanistan. Its mandate includes facilitating foreign investment, promoting exports and providing business support services.
- Afghanistan's Ministry of Rural Reconstruction and Development ([MRRD](#)) oversaw rural development programmes in Afghanistan, including housing, infrastructure and community development. It was a key partner in the implementation of housing reconstruction programmes in the country's rural areas.
- The Afghanistan Reconstruction and Development Service ([ARDS](#)) was established to conduct tendering procedures and manage donor funds centrally.
- The Office of the Special Inspector General for Afghanistan Reconstruction ([SIGAR](#)) was supposed to monitor the effectiveness of the use of funds.

¹⁴ www.nrc.no/news/2022/december/afghanistan-20000-displaced-people-evicted-from-makeshift-camps-in-freezing-temperatures

¹⁵ www.afghanaid.org.uk/rebuilding-homes-restoring-communities

Misappropriation and inefficient use of reconstruction funds is a common problem in post-war environments, characterized by a combination of urgency, weakened institutions, and a large number of concurrent projects. SIGAR said after the audit that out of \$63 billion spent on reconstruction in Afghanistan (about half of the total), more than 30 per cent was “wasted through squandering, fraud and abuse.”¹⁶

In addition, despite the developed system that was responsible for planning, monitoring and reporting on the implementation of projects, the reconstruction of Afghanistan could not rely on capable local administrations and project implementers. This led to projects’ inefficiency – poor quality of planning, preparation and implementation, corruption and abuses.

CONCLUSIONS

In fact, over the years, the Government of Afghanistan has depended on aid from dozens of countries. According to a 2019 World Bank report, 75 per cent of government spending was covered by grants from international partners¹⁷. Many of these countries suspended aid after the Taliban returned to power in 2021.

Afghanistan’s reconstruction has been largely managed by international donors rather than domestic authorities. A large number of different organizations, funds and Afghanistan reconstruction programmes was one of the challenges for the reconstruction. More than 200 organizations took care of reconstruction projects, which had a negative impact on the effective distribution and management of resources¹⁸. For example, the Task Force for Business and Stability Operations ([TFBSO](#)) ended up spending more on its own administration than it invested in Afghanistan (\$359 million vs. \$316 million, respectively)¹⁹. This is a vivid example of the inefficiency of a large number of funds and organizations that absorb a great part of the allocated funds for their own support. What is more, excessive administration did not help to increase the efficiency of project implementation. Most reconstruction projects remained unfinished. Experts identify the following reasons for the unsuccessful experience of providing IDPs and refugees with housing:

- Corruption. It became one of the main reasons for the general failure of reconstruction. The process of housing construction was not an exception;
- newly built housing was not available to citizens with low or average incomes;
- ineffective legal framework.

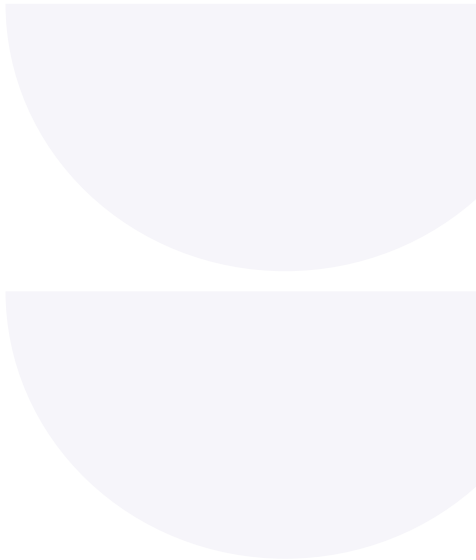
¹⁶ adamant-capital.com/wp-content/uploads/2022/06/Adamant_Capital_Ukraine_Post_War_Recovery_UKR.pdf

¹⁷ www.worldbank.org/en/news/press-release/2019/12/05/afghanistan-will-need-continued-international-support-after-political-settlement

¹⁸ response.reliefweb.int/afghanistan/who-does-what-where-3w

¹⁹ edition.cnn.com/2021/10/07/asia/us-afghanistan-spending-waste-intl-cmd/index.html

Afghanistan's experience speaks to the importance of having effective control and management at all levels of the implementation of recovery projects. It is also necessary to develop the capacities of local administrations and communities being the key beneficiaries of reconstruction.



2. BOSNIA AND HERZEGOVINA. BOSNIAN WAR



Damage Caused to the Housing Stock as a Result of Hostilities

After the end of [the Bosnian War](#), approximately 37 per cent of the housing stock in Bosnia and Herzegovina was destroyed²⁰. A total of 459,000 houses were damaged or destroyed.

Swift Solutions for Providing Housing for Displaced Persons and Refugees

The authorities of Bosnia and Herzegovina did not have swift solutions to provide IDPs with housing, as one of the main problems was the lack of housing stock within the country to distribute among the victims. The main solutions were restitution and alternative housing for displaced persons.

Annex No. 7 to the Dayton Peace Agreement determined that persons displaced due to hostilities should be able not only to return to their country of origin but also to their pre-war homes²¹.

The implementation of these principles was complicated by the fact that approximately 200,000 houses were already occupied by other citizens at the time of peace agreement signing.

People were mostly forced to reside in collective centres or in the homes of other displaced persons²².

As the war progressed, Bosnian Muslims occupied the homes of Serbs in areas within the Federation of Bosnia and Herzegovina (the BiH entity), while Serbs occupied the homes of Bosnian Muslims and Croats in the other entity, Republika Srpska²³. Croats occupied the homes of Bosnian Muslims and Serbs in western Herzegovina.

Confusion with the owners of residential properties needed a solution.

Housing Recovery Policy

Long-term solutions for internally displaced persons are based on the UNHCR concept²⁴, which includes several options:

²⁰ www.fmreview.org/house/povrzenic

²¹ www.osce.org/files/f/documents/e/0/126173.pdf

²² rm.coe.int/comparing-analysis-idps-ukr/1680a08f30

²³ www.fmreview.org/house/povrzenic

²⁴ www.unhcr.org

- return to the homeland;
- reintegration in the host country;
- resettlement within the country.

However, the situation developed in such a way that the main attention was paid to the return of minorities to their previous places of residence. Most of the IDPs interviewed by UNHCR (61%) expressed a desire to return to their pre-war property²⁵.

→ Restitution

After the establishment of peace, the number of IDPs in Bosnia and Herzegovina amounted to about 1 million people²⁶. At least 200,000 dwelling houses were to be returned to their ownership (the number calculated based on applications for the return of property).

Since the beginning of the war, the authorities have issued a law confirming the legal property rights to everyone who had them as of March 31, 1992.

The Commission for Real Property Claims of Displaced Persons and Refugees ([CRPC](#)) was also established to settle property disputes.

After six years of hostilities, the ownership structure in Bosnia and Herzegovina has changed radically. A large number of so-called “illegal residents” throughout the country simply settled in vacant housing without any confirmation of ownership rights to it.

The country’s municipalities have developed systems for the distribution of abandoned property. The right of ownership was assigned on a temporary basis to people who occupied housing during wartime or permanently, when those who lived temporarily and illegally were deprived of their rights to property, and homes were returned to legal pre war owners.

Difficulties with this approach stemmed from housing authorities with property-specific powers being forced to evict current residents, who tended to belong to one ethnic group, in favour of property owners who predominantly belonged to a different ethnic group²⁷.

In practice, in those administrative-territorial units where housing commissions worked well, evicted families were offered temporary housing, and local authorities promised to reserve part of the funds received from the privatization of apartments for the construction of temporary housing.

²⁵ www.unhcr.org/3c3c42794.pdf

²⁶ nv.ua/ukr/opinion/jak-bosnija-i-gertsegovina-povertala-zhittja-pereselentsjam-1233126

²⁷ www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/foreignexperiencehousingforidps-integrated-ukr_0.pdf

In 2000, the international community established in Bosnia and Herzegovina the so-called PLIP²⁸ Hub to monitor and ensure compliance with existing regulations (Property Law Implementation Plan), which consisted of the main bodies of the international community in Bosnia and Herzegovina: OHR, OSCE, UNHCR, and CRPC. According to the latest statistics published by PLIP agencies, there were 211,791 repossession and tenancy claims. There were 197,815 positive and 12,642 negative judgements. The number of closed cases was 197,6; that is, the performance level was more than 90% of positively resolved cases.

At the same time, not everyone who received a favourable decision regarding the recognition of property rights returned to their former place of residence. The security situation and lack of employment were the reasons for that.

Reconstruction and construction of new housing

Even before the official end of the war in 1995, an international special body was created – the Office of the High Representative ([OHR](#)), which ensured control over the implementation of the post-war reconstruction of Bosnia and Herzegovina.

OHR focused primarily on training local authorities to implement housing reconstruction projects as part of its strategy. At the same time, the lack of strategic planning, the development of effective standards and approaches to the implementation of reconstruction projects, and the poor coordination of various programmes and projects are usually called the blind side of the reconstruction of Bosnia and Herzegovina.

Due to the scale of the needs, the reconstruction provided for minimum housing insurance. The minimum standard housing conditions established by the international community in BiH at the beginning of the post-war period were 5 square meters per returning family member. Compared to the average housing area per inhabitant, this reduction is a radical substandardisation²⁹. Many houses in rural areas are still unfinished and without a facade or need infrastructure improvements. Most of the elderly have returned to rural areas, but there are many who cannot return or live in their place of origin due to a lack of health and social services.

Based on data collected from relevant municipal services, there were about 125,000 unreconstructed housing units, about 30 per cent of damaged and destroyed housing stock in BiH as of 2013. The largest of them are residential buildings with a high degree of damage to complete destruction. The Ministry of Human Rights and Refugees has a database of 51,664 families, or about 172,333 people, who need housing reconstruction assistance for voluntary return to BiH.

²⁸ Property Law Implementation Plan

²⁹ Substandardisation is the process of deterioration in the quality of a product or service to a level lower than established standards and requirements.

The next project in the field of housing restoration, which was provided to those who could not return to their homes, the Regional Housing Programme, was launched in 2014 to stop the displacement of people and provide housing to refugees³⁰.

→ **Alternative housing**

Under the Law on Refugees and Displaced Persons³¹, local authorities had to provide adequate alternative housing to evicted persons. However, a problem arose in the course of ensuring this process with the lack of housing stock before distribution.

The Alternative Housing Programme did not include any guarantees of ownership of this housing, as it was of a temporary nature. However, there were no restrictions on the period of stay in such housing, and the authorities were in no hurry to review the eligibility for alternative accommodation³².

→ **Compensations**

Compensation schemes were virtually non-existent in Bosnia and Herzegovina. While the Dayton Accords provided for the possibility of property compensation, donors were rather reluctant to agree to contribute to a compensation fund that ultimately never started functioning³³.

However, those who did not want to return could sell or exchange their property, thus creating a real estate market. Selling property gave people some compensation that allowed them to start a new life³⁴.

Loans for Housing Reconstruction

There were several housing loans programmes. The International Finance Corporation ([IFC](#)) channelled credit lines for housing through private banks in Bosnia and Herzegovina.

USAID and the EU set up the European Fund for Bosnia and Herzegovina in 1998 to help fund post-war housing reconstruction. The Fund has grown to become a €57 million refinancing operation offering three types of loans, one of which was for housing construction needs³⁵. The fund lent to local banks and microcredit institutions, which then lent to local citizens.

³⁰ nv.ua/ukr/opinion/jak-bosnija-i-gertsegovina-povertala-zhittja-pereselentsjam-1233126.html

³¹ Official Gazette of BiH, No. 23/99 dated December 23, 1999.

³² www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/foreignexperiencehousingforidps-integrated-ukr_0.pdf

³³ dspace.nbv.gov.ua/bitstream/handle/123456789/143500/05-Gordienko.pdf?sequence=1

³⁴ www.nrc.no/globalassets/pdf/reports/advocacy-papers-ukraine/addressing_loss_of_hlp_rights_idps_eastern_ukraine_steps_to_restitution_compensation_ukr_web.pdf

³⁵ www.mhrr.gov.ba/PDF/Izbjeglice/2.%20Needs%20of%20Social%20Housing%20in%20Bosnia%20and%20Herzegovina.pdf

The EBRD continues to provide funds for social development projects, particularly to provide the population with housing. Thus, at the end of 2021, another credit line in the amount of €60 million was granted to one of the banks of Bosnia and Herzegovina for further mortgage lending³⁶.

In 2013, the Council of Europe Development Bank ([CEB](#)) approved a €60 million loan to provide new or refurbished housing units for at least 7,200 people still living in collective centres and other temporary accommodations throughout the country³⁷.

Cost of Restoring the Housing Stock

The largest housing reconstruction projects in Bosnia and Herzegovina are:

- UNDP programmes, which provided for the reconstruction of about 270,000 houses;
- EU programmes, which provided for the reconstruction of about 60,000 houses;
- The Regional Housing Programme ([RHP](#)), which provided for the construction of 27,000 houses with a total cost of \$584 million.

The total cost of all housing reconstruction projects is about \$5 billion.

Reconstruction results. The Quality of Housing Reconstruction and its Impact on the Future

In 1996–1997, the country was flooded with NGOs and local construction companies eager to sign contracts with donors, and donors had money they wanted to spend.

As a result, contracts were awarded to foreign non governmental organizations with no previous history of housing construction and local companies with no experience in housing construction.

Donors focused on the house rather than the owner, and programmes were driven by engineering rather than social or economic considerations. It was assumed that the reconstruction of houses would automatically lead to returns. Implementing agencies reported about newly built houses, but neither donors nor NGOs ever checked whether people really returned.

In the process of rebuilding the country, about 330,000 houses were reconstructed³⁸.

³⁶ webalkans.eu/en/news/ebrd-supports-mortgage-lending-in-bosnia-and-herzegovina

³⁷ coebank.org/en/news-and-publications/projects-focus/financing-housing-internally-displaced-persons-bosnia-and-herzegovina

³⁸ habitat-worldmap.org/en/country/europe-2/southern-europe/bosnia-and-herzegovina

A large number of reconstructed properties remain empty, and multi-million donor donations were spent inefficiently. As of 2004, citizens returned to 43 per cent of reconstructed houses³⁹.

One of the most critical problems in the housing sector is illegal construction. Illegal construction had a tradition even in the pre-war period in ex-Yugoslavia. The problem has spread throughout the region, not just in Bosnia and Herzegovina, due to the tolerance of chaotic reconstruction and pressure on urbanization and urban areas. Entire illegal settlements were built in the suburbs, and later the problems were solved by processes of legalization of buildings.

Transparency of the Reconstruction Process

The researchers note that in practice, a lot of housing under these systems was also allocated under political patronage⁴⁰. Local authorities often used property distribution, bypassing the needs of returnees and distributing housing to persons close to the authorities. They, in turn, rented out this property and often turned a blind eye to such cases of unfair provision of housing.

The pace of returning housing to the rightful owners was a lengthy process at the beginning. Thus, in the first two years of implementing the law on property, about 175,000 lawsuits were filed for the return to legal housing. The share of successful lawsuits in which residents were able to return to their pre-war homes was about 5% across the country.

Obstacles to reclaiming legal possession included:

- refusal to accept claims for the return of ownership rights to property, filed by mail or by proxy (both of which are permitted by law);

requiring documents not stipulated by the law;

- illegally charging fees, either for filing the claims or for obtaining supporting documentation;

limiting the working time of commissions for filing and considering claims, establishing the minimum number of commission employees;

- requiring hearings where it is clear that the claimant will not be able to attend⁴¹.

³⁹ www.fmreview.org/house/povrzenic

⁴⁰ www.researchgate.net/publication/227679719_Transnational_Returns_and_Reconstruction_in_Post-War_Bosnia_and_Herzegovina

⁴¹ refuge.journals.yorku.ca/index.php/refuge/article/view/21199/19870

CONCLUSIONS

Restoration of property rights became a big problem for the post-war country.

Due to insufficient housing stock for resettlement, restitution has become the main solution to the housing issue in Bosnia and Herzegovina.

Obstructions for mass restitution turned out to be lost property documents, artificial delay in the restitution procedure by housing claims commissions, as well as pandering to political elites by handing out property rights to persons who did not have it before.

In addition, although the majority of IDPs expressed their desire to return to their parental home, there were also serious concerns about their own safety in the place of their former residence.

Another alternative for displaced people, who found themselves without a roof over their heads, were centres of mass accommodation of the population that used to be schools, hotels, dormitories, etc. Several studies show that, despite the temporary nature of this decision, some displaced people are still forced to live there.

The institution of compensation for damaged or destroyed property mostly existed just formally, while the displaced whose property rights were satisfied exchanged or sold housing rights to others, thus getting better opportunities to arrange their own lives.

Housing reconstruction was mainly carried out at the expense of donors and international non-governmental organizations, which did not have sufficient experience in reconstruction at the beginning. Therefore, despite the existing building standards, the created housing did not meet the needs of displaced people because their opinion regarding its optimal arrangement was not considered.

The experience of housing reconstruction in Bosnia and Herzegovina demonstrates that focusing efforts on the return of refugees to their former places of residence may prevent the achievement of strategic goals and priorities for the state. Most of the funds can be spent inefficiently.

The restoration of housing rights in Bosnia and Herzegovina is still underway.

3. THE UNITED KINGDOM. WORLD WAR II



Damage Caused to the Housing Stock as a Result of Hostilities

The United Kingdom is one of the countries that suffered large-scale destruction from bombing during World War II.

As a result of the strategic bombing campaign by the German air force, more than 1 million houses were destroyed, 60 per cent of them in London.

As a consequence of the war, some neighbourhoods needed comprehensive reconstruction because most of the houses were destroyed there.

Swift Solutions for Providing Housing for Displaced Persons and Refugees

Like other post-war countries, Britain experienced housing supply problems after World War II.

Housing policy was influenced by several significant factors, such as:

- post-war crisis;
- low solvency of the population without housing;
- the cost of renting housing for the population was too expensive;
- chaotic development;
- limited amount of produced raw materials for building new homes.

Reconstruction planning, as in the case of Ukraine, began during the war, and the damage caused by bombings, among other things, was seen as an opportunity to renovate old, poorly designed cities.

Therefore, the UK Parliament created [the Ministry of Town and Country Planning](#) in 1944.

It was estimated that 750,000 new homes were required in England and Wales in 1945 to provide all families with accommodation⁴².

In February 1944, Prime Minister, Winston Churchill, announced his intention to build 500,000 single-story prefabricated steel houses with a 10-year service life. The government's goal was to create these homes without increasing the demand for

⁴² fet.uwe.ac.uk/conweb/house_ages/council_housing/section5

traditional building resources and skilled labour. Production was to take place at existing British facilities, including military ones.

The Housing (Temporary Accommodation) Act 1944 specified the government's priority action plan and provided for the following through the construction of temporary housing under the Emergency Factory Made programme:

- prevent price inflation due to high demand for construction services by using prefab (cheap) technologies;
- provide the urgent needs of the population, which suffered due to a lack of housing⁴³.

The first 300,000 homes were planned to be built over several years at a budget of £150 million⁴⁴.

Despite the ease of construction (it took less than a week to build one house), only 156,623 temporary houses were built before the programme was halted due to the rapid deployment of full-scale reconstruction in the post-war country⁴⁵.

If it was impossible to get social housing, so people settled in mobile trailers, abandoned buses and cars, abandoned military camps and bomb shelters, makeshift structures, farm buildings for primary economic purposes, etc⁴⁶.

The movement that arose en masse in August 1946 and consisted of the illegal occupation of abandoned premises was called [squatting](#), and squatter settlements existed until the 1950s.

Housing Recovery Policy

The government created a comprehensive system of post-war reconstruction, which included the creation of new cities, the relocation of enterprises, the redevelopment of cities and territories, and orientation to long-term needs.

The concept of rebuilding homes has changed in the post-war housing policy. Instead of temporary buildings made from prefabs, capital construction began⁴⁷.

Even before the outbreak of World War II, the United Kingdom saw the need to clear residential slums and chaotic development. So, Parliament passed the 1930 Housing Act, otherwise known as the Greenwood Act, which obliged local councils to clear all

⁴³ www.google.com/url?q=https://web.archive.org/web/20051123072201/http://www.bopcris.ac.uk/bopall/ref9545.html&sa=D&source=docs&ust=1680462093958694&usg=AOvVaw3WcP_KCoQLzvrQmuyX5-I7

⁴⁴ humanities.exeter.ac.uk/media/universityofexeter/collegeofhumanities/history/exhistoria/volume4/Webber-Squatters_movement.pdf

⁴⁵ web.archive.org/web/20120308041348/http://www.telegraph.co.uk/property/newhomes/3318114/The-century-makers-1945.html

⁴⁶ www.scienceandmediamuseum.org.uk/objects-and-stories/post-war-homelessness

⁴⁷ www.drivers.co.uk/news/how-homes-in-the-uk-have-changed-over-time.html

remaining slum housing and provided further subsidies to re-house inhabitants. This single Act led to the clearance of more slums than at any time previously and the building of 700,000 new homes⁴⁸.

During the reconstruction, the best practices and approaches in the field of urban space planning were used. In particular, the Plan of the Royal Institute of British Architects, which provided for the main approaches to the reconstruction of cities. According to it, districts should have developed infrastructure, be separated by green spaces, and each of them should have its own schools, hospitals, shopping centres and administrative buildings. This would prevent inequality in different areas of cities and the division into “rich” and “poor” districts.

In 1946, the 1946 New Towns Act was adopted⁴⁹.

The Act empowered the government to allocate land plots for the development of new towns. A number of “development corporations” created under the Act were responsible for town planning⁵⁰.

Stevenage in Hertfordshire was the first new town created under the Act, and by 1955, ten other towns had followed. Most of them were intended to accommodate the population that moved from London.

In 1947, Parliament approved the Town and Country Planning Act.

The latter laid the foundations of modern planning in the United Kingdom. The Act required local planning permission for any “material development”, levying a development tax on any increase in value deriving from such planning permission. The Act also confirmed the nationalisation of development rights by creating a large fund (£300 million) from which landowners were compensated upon proper application. The Act required planning authorities to survey and develop a land development plan, including industrial areas, residential areas, public services and transportation. Landlords lost their direct right to build but could apply for permission. If the application was successful, landlords would pay a development charge equal to the resulting increase in property value.

Moreover, the granting or withholding of planning permission was to be guided by detailed local development plans conforming generally to national (and general) structure plans⁵¹.

⁴⁸ www.parliament.uk/about/living-heritage/transformingsociety/towncountry/towns/overview/councilhousing

⁴⁹ www.parliament.uk/about/living-heritage/transformingsociety/towncountry/towns/overview/newtowns

⁵⁰ www.cairn.info/revue-histoire-urbaine-2017-3-page-93

⁵¹ www.eolss.net/sample-chapters/c04/E4-21-08.pdf

→ Greater London Plan

The Greater London Plan played a key role in the housing reconstruction⁵².

Under the leadership of Patrick Abercrombie and William Holford, the trend towards integrated urban planning was stimulated in practice⁵³. Abercrombie presented the County of London Plan in 1943 and the Greater London Plan in 1944–45, both of which focused on zoning, street and road planning (especially ring roads) and decentralisation. In 1947, Holford prepared the City of London Plan, which addressed the problem of reconstruction of the damaged city centre. His formula for controlling the density and height of buildings was particularly successful⁵⁴.

In particular, the Greater London Plan was supposed to solve the pre-war problems of the British capital – the lack of green spaces, smog due to excessive concentration of industry and the slums of poor areas⁵⁵.

The plan provided for the relocation of part of the industry from the capital, as well as the resettlement of about a million city residents.

Abercrombie's plan also included a more careful definition of the "green belt" around the city: a strip of land encircling London that is made up of parks, farmland and recreation grounds and subject to strict regulations concerning building and development. Further out, Abercrombie proposed the construction of satellite towns around "London's Outer Ring". In fact, many Londoners moved out to new "satellite towns" such as Stevenage and Harlow after the war.

Loans for Housing Reconstruction

One of the tools used during the Labour Party's time in power (1945–1951) was low-interest loans to local authorities for housing construction, channelled through the Public Works Loan Board (PWL⁵⁶). The government was involved in attracting money as part of its general loan programme.

Cost of Restoring the Housing Stock

There is currently no comprehensive assessment of the full cost of rebuilding the housing sector in post-war Great Britain. However, it is known that the cost of the Greater London Plan, according to a report by the London School of Economics, was estimated at about £1.5 billion⁵⁷.

⁵² www.researchgate.net/profile/Pkm-Van-Roosmalen/publication/282815561_London_1944_Greater_London_Plan/links/561d20ba08ae50795afd75e7/London-1944-Greater-London-Plan.pdf

⁵³ journals.sagepub.com/doi/epdf/10.1080/00420988920080101

⁵⁴ bcuassets.blob.core.windows.net/docs/CESR_Working_Paper_8_2011_Larkham_Adams.pdf

⁵⁵ www.britannica.com/place/London/Reconstruction-after-World-War-II

⁵⁶ A statutory body of the UK government that provided loans to public institutions from the public loan fund.

⁵⁷ cep.lse.ac.uk/pubs/download/dp1542.pdf

Reconstruction Results

The number of newly created housing grew from year to year:

Table 1. The number of housing units built in Great Britain during 1946–1952⁵⁸.

Year	Number of housing units
1946	55,400
1947	139,690
1948	227,616
1949	197,627
1950	<200,000
1951	<200,000
1952	239,922

In total, from 1946 to 1951, more than a million new houses were built. However, this number still did not fully cover the needs of the British, so even in the early 1950s, there were waiting lists for housing.

The post-war era also saw a sharp rise in property ownership, rising from 26% of all householders in England and Wales in 1945 to 49% by 1970. In this period, the gap between standards of housing between professional and manual workers narrowed, and increasingly there was growing conformity between private and public house types in terms of space and amenities⁵⁹.

The creation of new housing was accompanied by an increase in the purchasing power of the British and affected the decrease in the share of rented accommodation in the country's real estate structure.

By locating and building new settlements in the suburbs, British cities such as London have, to a certain extent, avoided the problems of overcrowding and housing shortages. At the same time, suburban migration and a large number of new housing supply due to suburban development not only narrowed suburban differentiation but also mitigated housing price problems, such as scattered city centre and rising land prices, that can occur in functional areas of large cities.

However, the total duration of the post-war reconstruction of Britain is often estimated at 25 years or even more. After all, most programmes and initiatives continued after 1951.

⁵⁸ www.huduser.gov/portal/publications/National-Housing-Policies-Since-World-War-II-a-Comparison

⁵⁹ fet.uwe.ac.uk/conweb/house_ages/flypast/section11

The Quality of Housing Reconstruction and its Impact on the Future

The UK's reconstruction experience became the basis for the development of standards and approaches for the quality organisation of civil engineering, which are still used today⁶⁰.

Transparency of the Reconstruction Process

So far, none of the existing studies has recorded an assessment of the transparency of the housing reconstruction process in post-war Great Britain.

CONCLUSIONS

Through clear planning and setting the right goals and priorities, the reconstruction of post-war Britain set high standards for urban space planning, which were further refined and improved.

It is worth noting that the reconstruction of residential infrastructure in Britain was a direct part of the comprehensive plan for the restoration and redevelopment of cities. This made it possible to ensure the quality, functionality and comfort of new districts and rebuilt cities.

Before the post-war reconstruction, apartment blocks were not common in the UK, but the destruction left after the war and the need to clear slums and introduce new types of construction created the conditions for the spread of this type of development.

The UK experience is still relevant because it is one of the most successful examples of reconstruction. It also tells us that planning for recovery is a key success factor. Although plans for rebuilding Great Britain were constantly being improved and changed, it was the existence of a plan that made it possible to succeed.

The disadvantage of the UK reconstruction is usually cited as the length of the process. The country faced problems of limited resources, which negatively affected the pace of reconstruction. However, full reconstruction is a long-term and large-scale process, which at the same time allows for meeting the long-term needs of the population and the country, and does not focus on short-term problems.

In many ways, what modern Great Britain is like today was determined during the implementation of the country's post-war reconstruction.

⁶⁰ www.architecture.com/knowledge-and-resources/resources-landing-page/riba-plan-of-work

4. GEORGIA. OCCUPATION OF SOUTH OSSETIA AND ABKHAZIA. WAR WITH RUSSIA



Damage Caused to the Housing Stock as a Result of Hostilities

As a result of armed conflicts in Georgia (in the 90s with military units of Ossetians and Abkhazians, in 2008— with Russia), there were three waves of internal displacement of the population: in 1989–1992 from the Tskhinvali region (South Ossetia), in 1992–1993 from Abkhazia and after 2008, from the Tskhinvali region. In total, 253,5 thousand people (this is about 6% of the population of Georgia) became displaced from these two regions⁶¹. Therefore, the main issue was not the reconstruction of the destroyed but the search for new housing for a large number of internally displaced people.

Although cases of property damage and destruction were also recorded, especially in settlements near the demarcation line.

Swift Solutions for Providing Housing for Displaced Persons and Refugees

After the first waves of internal resettlement in the 90s, insufficient work was done on housing issues. The development of comprehensive long-term solutions for organising the life of internally displaced persons in the safe territories of Georgia, to a greater extent, began after the “[Rose Revolution](#)” and the change of power in the country in 2003. In particular, the adoption of the State Strategy for IDPs and action plans developed for its implementation were of great importance.

At the same time, the rights of displaced persons, including those to restitution, were legally secured in Georgia. To this end, the Law on Internally Displaced Persons from the Occupied Territories of Georgia (1996) and the Law on Property Restitution and Compensation for the Victims of Conflict in the Former South Ossetia Autonomous District (2006) were adopted, while the right to restitution could be inherited. It was also assumed that if restitution was not possible, displaced persons should be provided with the right to alternative housing or monetary compensation⁶².

As a result of the 2008 war, monetary compensation was provided only for those people who had their homes damaged as a result of hostilities and were not IDPs. The state provided monetary assistance for home repairs carried out by local authorities (up to \$15,000), and if the repairs were more expensive, families received compensation for independent construction or purchase of a house (in the amount of \$15,000).

⁶¹ sheltercluster.s3.eu-central-1.amazonaws.com/public/docs/foreignexperiencehousingforidps-integrated-ukr.pdf

⁶² pravoisustvo.org.ua/archive/2017/5_2017/part_2/10.pdf

There were short-term (3-monthly) rent subsidy programmes for the most vulnerable categories of the population⁶³.

The first decisions regarding the resettlement of those leaving the occupied territories were state and municipal buildings (sanatoriums, schools, administrative buildings, hotels, etc.), which were collectively called collective centres. Most of these buildings were not intended for long-term dwelling, however, initially, such measures were considered temporary, and it was expected that displaced persons would soon be able to return home. When it became clear that the conflict would not be resolved quickly, some of the premises were reconstructed and handed over to displaced persons⁶⁴. The procedure for the transfer of dwelling spaces in collective centres and new apartment buildings was established by the 2009 Decree of the President of Georgia. Other target buildings, such as hotels, had to be vacated by IDPs (they were either relocated to other housing or offered compensation; however, its amount most often did not allow them to purchase another housing).

One of the main problems is that a large number of collective centres still remain the main place of residence for some IDPs, although these buildings were in need of repair at the time of their settlement. In general, collective centres were the main way to provide displaced persons with housing. 45 per cent of IDPs lived there as of 2008⁶⁵.

Housing Recovery Policy

Damage assessment

For citizens who received monetary compensation from the state (primarily people who lived near the contact line, were not IDPs, and needed repair work), committees were created in the municipalities to accept applications, conduct inspections and assess damage from the destruction. All data on housing destruction and compensation were entered into special newly created registers. This mechanism worked for internally displaced persons who were forced to leave South Ossetia in 2008.

A separate register was created, and the loss of homes of IDPs whose property remained in the occupied territories was recorded. Given the work on restitution legislation, this information should be used in the future to return ownership of housing to IDPs or their descendants after the de-occupation of Georgian territories.

Such documentation was a challenge for IDPs in the 1990s since privatization had not yet been carried out in Georgia at that time, and it was more difficult to prove the fact of housing ownership. Data on previous housing were primarily used to document the right to its return and did not actually affect the selection of new housing for IDPs (similar area, location, etc.).

⁶³ rm.coe.int/comparing-analysis-idps-ukr/1680a08f30

⁶⁴ old.mtot.gov.ua/wp-content/uploads/Thematic-Bulletin_Issue1_UA.pdf

⁶⁵ ukr-socium.org.ua/wp-content/uploads/2015/07/104-113__no-3__vol-54__2015__UKR.pdf

Damages and losses of movable property were not systematically dealt with, although humanitarian organizations and, in some cases, municipalities could, for example, reimburse the cost of livestock lost because of hostilities; this primarily concerned people who were not IDPs but lived near the demarcation line⁶⁶.

Reconstruction Procedure

In fact, Georgia did not apply a reconstruction policy since only the housing that was located in the hostilities area and damaged as a result was being repaired. The rest of the country, fortunately, did not suffer large-scale destruction. The main issue resulting from the occupation of part of Georgian territories was providing permanent housing for IDPs and arranging their life in new settlements.

To address the issue of providing IDPs with housing in the long term, a number of documents were adopted at the state level, in particular, the IDP strategy (2007), the action plan for its implementation (2008), the rules and criteria for providing long-term solutions to the IDP housing problem (2013). Collectively, these documents determined the approaches to providing housing, criteria and stages of its distribution, as well as several collateral issues related to employment, social security of IDPs, etc.

Granting the right to privatise space in collective centres where IDPs were settled immediately after their displacement for temporary stay, but as it turned out later for permanent living, was considered as one of the long-term housing solutions. An important aspect here is the approval of minimum housing standards in collective centres (many of them were in unsatisfactory condition even at the time of resettlement). The standards were developed and put into effect when a large part of IDPs had already privatised real estate (i.e., they were not eligible for another housing); the other part of IDPs had better terms since the minimum standards of living conditions protected them from being settled in dilapidated buildings.

In general, Georgia has practised several ways to provide IDPs with long-term housing since 2008:

- cottage towns built specifically for IDPs or purchase of houses in rural areas;
- buying apartments from developers in favour of IDPs or building apartment houses;
- assistance with mortgage lending.

Most of the funding for these initiatives came from the state budget, although donor organizations also provided resources for housing projects. No separate funds for the accumulation of funds were created in the country, although that option was repeatedly discussed.

⁶⁶ rm.coe.int/comparing-analysis-idps-ukr/1680a08f30

The main body coordinating work with IDPs is the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia. The Ministry administers the vast majority of funding, which is used to provide housing for IDPs. In 2014, a special Agency for IDPs was also created⁶⁷. Separate housing construction projects were also implemented with the help of the Ministry of Infrastructure and Regional Development through the municipal development fund. Joint coordination was allowed in the case of funding by international partners⁶⁸.

Housing distribution rules and priority criteria were declared by the Order of the line ministry and revised several times with the participation of non-governmental organizations and other stakeholders. Despite this, the list and contents of the criteria have been criticized because of subjective factors.

It was assumed that the priority of providing housing will be determined according to the principle of ranking based on points, which allows providing housing to citizens who need it the most. Among the criteria, the following were identified:

a) living conditions

- IDPs at risk of eviction from privately owned collective centres;
- IDPs at risk of eviction due to mortgage insolvency;
- Living conditions do not meet minimum standards;
- IDPs living in collective centres of major public importance;
- IDP families living in other people's houses;

b) vulnerability

- Families registered in the unified database of socially vulnerable families;
- Families with two or more children under the age of 18;
- A family member has cancer;
- A family member has a severe disability;
- Single father/mother raising children;
- Elderly persons with minor children in care;

⁶⁷ rm.coe.int/manual-needs-assessment-idps/16809f43da

⁶⁸ rm.coe.int/comparing-analysis-idps-ukr/1680a08f30

- Lonely pensioners and families consisting mostly of pensioners;
- War veterans, who fought for the territorial integrity of Georgia, and family members of those killed or declared missing as a result of the war for the territorial integrity of Georgia⁶⁹.

Based on the requests from displaced persons, decisions on providing housing are made by special housing commissions, evaluating applicants when apartments for distribution become available⁷⁰. The process is coordinated by the Ministry of Internally Displaced Persons. Its tasks include informing IDPs in communities where housing will soon be provided for them to encourage them to apply for the programme. The ministry should also determine which categories of IDPs can participate in the competition and organise the selection and evaluation of applicants. The role of local authorities in this matter is limited to the allocation of land plots for construction.

Peculiarities of Restoration of Borderline and Occupied Territories

Damaged housing and infrastructure were being repaired in the territories that remained under Georgian control after the 2008 war. As for the compensation for property lost because of the occupation of Georgian territories, the first decisions of the ECtHR appeared in 2021, finding Russia guilty of violating the basic rights of the population in the occupied territories (including the protection of property). Although it is currently unknown how much compensation will be established by the court and whether Russia will actually pay it. Their size must be established by the ECtHR in a separate judgement⁷¹.

Loans for Housing Reconstruction

Georgia had a mortgage lending support programme for internally displaced persons. The state provided one-time financial assistance (subsidy for half the price) for families who intended to purchase a new home with a secured loan⁷².

In general, researchers note a low level of credit availability for IDPs, largely due to the lack of proper information about special lending programmes, as well as their high cost for the population⁷³.

⁶⁹ sheltercluster.s3.eu-central-1.amazonaws.com/public/docs/foreignexperiencehousingforidps-integrated-ukr.pdf

⁷⁰ rm.coe.int/comparing-analysis-idps-ukr/1680a08f30

⁷¹ babel.ua/texts/61110-cherez-13-rokiv-pislya-viyini-gruziya-zmogla-dovesti-fakt-rosiyskoji-agresiji-v-sudi-chomu-abhaziya-ta-pivdenna-osetiya-konfliktuvali-z-gruzinami-ta-yak-rosiya-mayzhe-unikla-pokarannya

⁷² rm.coe.int/comparing-analysis-idps-ukr/1680a08f30

⁷³ rm.coe.int/manual-needs-assessment-idps/16809f43da

Cost of Restoring the Housing Stock

In 2008, international partners allocated \$4.4 billion to Georgia, of which 350 million were aimed at supporting IDPs and, above all, providing them with permanent housing⁷⁴. In 2018, in its annual monitoring report on the situation after the armed conflict with Russia, the Georgian side noted that despite providing housing for 43% of registered IDPs, the need to provide for the rest of them is about \$800 million⁷⁵.

Along with this, there is an annual shortage of funds for solving the housing issue, and the scope of funding from international partners is decreasing, resulting in the rates of providing IDPs with housing remaining low, although housing construction and reconstruction take place regularly.

Reconstruction Results

91,671 IDP families are registered in the country as of 2022, 45,715 of which have permanent housing. Annual rates of home provision or renovation and transferring ownership of public housing are low but regular. According to reports to the Council of Europe, Georgia provides IDPs with housing annually. For example, last year, more than 4,000 families were resettled. In 2021, reportedly, 1,572 families were provided with long-term housing, and in 2020 – more than 2,300 families⁷⁶.

The Quality of Housing Reconstruction and its Impact on the Future

In the course of the study, we did not record any complaints about the quality of housing that is being built in Georgia for IDPs (apartments or private houses). It is noted that the quality of construction, in general, is growing, and construction companies, through the regular purchase by the state of apartments for IDPs in new buildings, have more easily survived the economic crisis of 2008 and the consequences of Covid-19.

However, many people still live in collective centres, which were in need of repair even at the time of their settlement. Part of the work on the reconstruction and restoration of these premises was carried out by international organisations and the state, and sometimes these activities are still ongoing. The process of providing displaced people with housing was also significantly complicated by the hope for an early resolution of territorial conflicts and the return of people to their homes. Therefore, issues of integration and arrangement of the life of IDPs in the new territories were not sufficiently taken care of for a long period of time. On the other hand, IDPs who lived with relatives or in public buildings were constantly at risk of eviction. Researchers note that monetary compensation upon eviction from the collective centre was often insufficient for people

⁷⁴ www.ukrinform.ua/rubric-other_news/1815470-gruzinskiy_dosvid_dlya_ukraiinskih_pereselentsiv_2021974

⁷⁵ search.coe.int/cm/Pages/result_details.aspx?ObjectId=09000016808ecbbf

⁷⁶ www.coe.int/en/web/dpaer/consolidated-reports-on-the-conflict-in-georgia

to resolve housing issues (although, on paper, these families were considered to have homes). After the adoption of minimum housing standards in the country, the resettlement of IDPs from dilapidated centres is one of the priority tasks for Georgia.

Another equally important issue is the location of settlements for IDPs. If it is not about buying apartments directly from developers but building new multi-apartment or private houses, this often does not contribute to the integration of IDPs into communities, which, as a result, limits IDPs in their search for jobs and, accordingly, income earning. Research also emphasizes limited opportunities for access to education and medical care, which often arise due to the location of settlements far from towns and developed infrastructure⁷⁷.

For example, the results of sociological surveys in 2012 showed that among the main problems, IDPs noted very small living space in collective centres (especially compared to the living space in ordinary houses), complicated access to water, toilets and kitchens. They also often noted the problems with the provision of utilities (sewerage, heating, water supply) due to high fees. The state partially compensated for the payment of utility bills, but this money was often not enough, resulting in cases of disconnection of utilities, primarily heating⁷⁸.

Transparency of the Reconstruction Process

In the course of the study, we did not notice any complaints about the transparency of demand formation, housing distribution or construction. However, in our opinion, a number of processes are at risk of manipulation due to an insufficient level of transparency. For instance, IDPs apply for housing when housing is available, and distribution begins. Accordingly, different levels of access to information or selective channels of posting information for IDPs may limit the range of potential applicants. In terms of buying apartments from developers or building new housing, there is an unknown level of transparency in selecting contractors for such works and access to these public contracts among representatives of the relevant sector, etc.

CONCLUSIONS

Summing up, we shall note that the issue of providing the population affected by occupation and hostilities with permanent housing is now one of Georgia's priorities. The necessary strategic and other rulemaking documents have been adopted at the state level. Currently, the issue of resettlement of IDPs has been resolved by about half.

⁷⁷ old.mtot.gov.ua/wp-content/uploads/Thematic-Bulletin_Issue1_UA.pdf

⁷⁸ rm.coe.int/manual-needs-assessment-idps/16809f43da

Georgia uses a number of tools to provide IDPs with long term housing:

- construction of new houses;
- buying apartments from developers;
- subsidizing mortgage lending;
- transferring ownership of housing in collective centres.

Although the state annually provides IDP families with housing, this process is extremely slow due to a lack of funds. Now, the figures show that over the past 3 years, the number of families provided with new homes has ranged from 1.5 to 4 thousand per year, with the need to resettle another 45.9 thousand families.

The housing distribution mechanism is based on the principle of first providing the families who are the most vulnerable and have the most acute need for housing. The tool for calculating these indicators is imperfect and is often criticized due to the existence in the criteria and distribution of points of grounds for determining certain points as unfair. However, keeping a register and database of internally displaced persons and their property that remained in the occupied territories is generally determined by a good precedent. This helps to track progress on resolving not only the housing issue but also job, education, health and social security matters. In the future, register data will also be needed if Georgia manages to return its occupied territories and their population returns home.

In addition to shortcomings in the mechanism of distribution of accommodations among IDPs, a large number of displaced persons living in collective centres remains one of the most pressing issues, namely:

- destruction of buildings (due to age, lack of repair, etc.);
- constant threat of eviction from the accommodations designated as socially important buildings;
- poor access to infrastructure (work, education, hospitals, etc.);
- problems with the provision of utilities (primarily heating) due to high fees or peculiar properties of buildings.

The state and the state budget play the main role in solving the housing issue, with the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia acting as a coordinator. The Ministry of Infrastructure and Regional Development, which uses funds from the municipal development fund, is in charge of matters of housing construction. In terms of the reconstruction and repair of IDP collective centres, international partners and donor organizations play a big part.

5. LEBANON. CIVIL WAR. WAR WITH ISRAEL



Damage Caused to the Housing Stock as a Result of Hostilities

Lebanon has experienced several wars, including a civil war that lasted from 1975 to 1990 and a conflict with Israel in 2006. These wars had serious implications for the infrastructure, the economy and the social sphere, which led to significant losses for the country's population.

The total losses from the civil war amounted to about \$25 billion, about 60,000 buildings were damaged or destroyed, and hundreds of thousands of families were left homeless⁷⁹.

During the civil war, about 15% of the housing stock was destroyed. Agriculture, from which about 35 per cent of the country's population received income, was badly affected⁸⁰.

Researchers note that by 2006, the Lebanese capital had almost recovered from the long-term war and regained its place as a cultural centre, although it lost its position in tourism in favour of Cyprus and the UAE. As a result of a new armed conflict in 2006 between Hezbollah and Israel on the territory of Lebanon, the capital was almost destroyed again. According to the Lebanese authorities, about 125,000 houses and apartments were damaged or destroyed. About a million people were forced to leave their homes⁸¹.

The cost of damage from the conflict with Israel in 2006 was estimated at about \$3.6–6.75 billion. As a response, during the Paris Conference, it was decided to allocate \$7.6 billion to Lebanon to overcome the consequences of the war⁸². Lebanon received an additional \$11 billion in aid guarantees in 2020⁸³.

Swift Solutions for Providing Housing for Displaced Persons and Refugees

The war caused a wave of migration in Lebanon, including an internal one. About 350,000 people moved to Beirut and settled in the suburbs, where they started illegal developments. In the period of 1984–1987, the number of new buildings there was the same as the total for the preceding 30 years.

The first attempts to solve the issue of rebuilding of destroyed cities, in particular Beirut, were made at the height of the civil war. The first reconstruction project was proposed in 1977, and the Council for Development and Reconstruction ([CDR](#)), an organization that continues operating to this day, was created. At that time, the main urban planning documents and the plan of Beirut and the surrounding territories were developed. The

⁷⁹ shs.hal.science/halshs-03175774/document

⁸⁰ www.researchgate.net/publication/223929290_Lebanon%27s_economic_reconstruction_after_the_war_A_bridge_too_far

⁸¹ www.reuters.com/article/us-lebanon-war-cost-idUSL0822571220070709

⁸² www.devex.com/news/paris-conference-yields-7-6b-for-lebanon-50093

⁸³ www.reuters.com/article/us-lebanon-economy-france-idUSKCN1HD0UU

project mainly involved returning buildings and streets to their pre-war appearance. Even in cases of severely damaged houses, when demolition was considered, restoration had to take place according to the building's pre-destruction condition. The implementation of the project was postponed due to the escalation of hostilities.

A second attempt at restoration was proposed in 1982. The main idea of the project was the complete demolition of existing buildings and the construction of new quarters in the oriental style. After the demolition of more than 200 buildings, the project caused resistance from the population, and its implementation was suspended.

After a peace agreement was reached in 1990, Rafik Hariri, the construction tycoon and later Lebanese prime minister, took the lead in the reconstruction project. According to the new reconstruction plan, about 20% of the existing buildings were to be preserved, and buildings for the population with a high level of income were to be located in the city centre. The state played the role of an observer to a greater extent. Three construction companies took care of the physical reconstruction of the city: "Solidere" was responsible for the reconstruction of the central part of Beirut; "Linord" — the northern coast; "Elissar" was rebuilding the southern region. The latter was supposed to build 7,500 units of affordable housing for the Lebanese, but this project was quickly scrapped, and the company's role was reduced to persuading slum dwellers to leave so that a road network could be built.

[Solidere](#) attracted more attention because its activities were linked directly to the prime minister. In particular, it was noted that his family had a controlling stake in the company, although Lebanese researchers did not confirm this allegation definitively. However, they note that the personality of the prime minister played an important role in the reconstruction of the country until his resignation in 2004, since Hariri had authority among foreign investors and worked, among other things, to attract funds for the reconstruction of the country.

Housing Recovery Policy

Solidere had the right to develop 1.2 million sq. m in the city centre and, in order to resolve issues with the old property owners as quickly as possible, it proposed a compensation scheme with shares. By 2001, Solidere had restored the road and telecommunication network, electricity and water supply. Out of 256 renovated buildings, 144 were returned to their original owners, 33 were purchased by private investors, and 39 remained in the company's ownership.

International partners have made a great contribution to the restoration and reconstruction of Lebanon. Despite their efforts, Lebanon's recovery has been slow and has faced numerous challenges, including political instability, corruption, and an economic crisis.

The Council for Development and Reconstruction, established in 1977, was to be responsible for coordinating, financing, and overseeing Lebanon's reconstruction efforts. CDR is now a government agency under the supervision of the Lebanese Council of Ministers, and its main role is to manage and execute projects related to infrastructure, housing, social and economic development, and public services.

CDR also manages the financial resources needed for these projects, which include coordinating foreign aid and investment⁸⁴.

However, the housing recovery policy had a number of shortcomings, in particular, problems such as the lack of land for construction, low demand for housing among investors and high cost of building materials were noted. In general, individual multi-apartment buildings are being built throughout the country using the method of monolithic construction. However, experts note that such construction is not capable of solving all housing issues.

Peculiarities of Restoration of Borderline and Occupied Territories

The issue of restoring the occupied territories of southern Lebanon is more political than infrastructural. Due to the complexity of the conflict between Israel and Hezbollah, as well as the relations of the latter with the official government of Lebanon, one can note the polarity of views of the international community on politics in this region and ways to settle the situation. Some sources note that in the territories of the country from which Israel withdrew troops, Hezbollah declared assistance to local residents with real estate compensation immediately after the 2006 military conflict. However, this issue requires additional research because, despite the presence of positions in the government and seats in the parliament, a number of countries consider this organisation to be a terrorist organisation⁸⁵.

Loans for Housing Reconstruction

Unlike the concessional lending policy, Beirut took a different approach to help owners rebuild their properties. Solidere, which was engaged in the reconstruction of the central part of the city, exchanged the destroyed property of the locals for its shares, the value was assessed proportionally. Owners formally had the right to restore the buildings on their own, but this could only be done by following the company's design documents and schedules, as well as financial guarantees⁸⁶. This method of reconstruction was too expensive for the local population. Therefore, as a result, the company got all the space for development, which was foreseen in the master plan (in the future, most owners will not be able to buy their buildings back due to even higher real estate prices in the city centre).

⁸⁴ www.cdr.gov.lb/en-US/Funding.aspx

⁸⁵ www.library.univ.kiev.ua/ukr/host/viking/db/ftp/univ/apmv/apmv_2011_096_01.pdf#page=18

⁸⁶ cityafterwar.com.ua/beirut

Cost of Restoring the Housing Stock

Between 1992 and 2000, the government spent about \$5.7 billion on public infrastructure, including \$1.4 billion on power network,

\$769.9 million on post offices and telecommunications, and \$566.6 million on roads, etc.

Government spending initially boosted GDP by activating the construction industry, but a slow pace of recovery and heavy reliance on external financing contributed to a rapid accumulation of debt.

Total investment in Lebanon's reconstruction may exceed \$30 billion since 1990.

Reconstruction Results

The key efforts of international partners were aimed at rebuilding the Lebanese capital, Beirut, which suffered the most during the civil war.

However, the reconstruction of Beirut failed to become a successful example for two main reasons:

→ **Monopolization and over-commercialization of reconstruction**

The reconstruction of the central part of the city was entrusted to the specially created Joint-Stock Company Solidere, which received from the state a plot of land in the central part of the city⁸⁷.

The company was founded on a public-private partnership and focused on commercial benefits. Between 1995 and 2015, Solidere approved more than \$1 billion in dividends to its shareholders. Given that, the total investment in the implementation of the company's construction projects was estimated at about \$5 billion. This caused a number of disputes about the effectiveness of such a cooperation pattern.

The ideologists of the reconstruction of the central part of Beirut sought to build an expensive European district that would emphasise the status of the capital, but in the end, a large part of the newly built real estate remained empty due to high prices and low purchasing power of citizens⁸⁸.

In addition, the layout of the central part of the city provided for an overload of retail space compared to residential and cultural ones. Commercial space accounted for 4.1 million sq. m of the total planned construction area of 4.69 million sq. m⁸⁹. That is, non-residential real estate accounted for about 90% of the designed space.

⁸⁷ transparentcities.in.ua/news/vidbudova-beirut-a-yak-na-misto-vplynula-nadmira-pryvatyzatsiia?fbclid=IwAR2b5iDEhZRM-hvPs25HNfj8SyPxYMej7xMbEfp-jviZUa88xpjoL3IORTc

⁸⁸ birdinflight.com/architectura-uk/20230116-beirut-post-war-reconstruction.html?fbclid=IwAR1RelFHol1pied3KkR4GQ8jEkBDnKMJL2uYRtA7NfSSJt-i7HrY1Aybq_U

⁸⁹ www.solidere.com/sites/default/files/attached/ar2003.pdf

There were also many complaints about the loss of Beirut's historical identity, which is about 5,000 years old. Solidere was not interested in the preservation and reconstruction of architectural monuments that were damaged by the war, and some of them were lost.

The only advantage of this pattern was that the reconstruction was carried out at the expense of private investors.

→ Chaotic nature of reconstruction

Other districts of the capital were rebuilt independently of the central part of the city. They are characterised by the lack of proper planning, random development, poor quality of urban space design and problems with infrastructure.

As a result of the reconstruction, Beirut has become a city with badly organised neighbourhoods, poor neighbourhoods and badly planned infrastructure.

The Quality of Housing Reconstruction and its Impact on the Future

One of the main problems of the reconstruction of Lebanon was the issue of the quality of the built residential infrastructure. For the construction of high-rise buildings, low-quality materials were used, and construction standards were violated. When a huge ammonium nitrate explosion hit the port of Beirut in 2020, most of the destruction and deaths was due to the collapse of new houses, not the old ones⁹⁰. Damage to the city's infrastructure as a result of the explosion was estimated at more than \$15 billion⁹¹.

The dense development of the central district of the city, the lack of green and recreation areas are also noted among other things⁹².

Transparency of the Reconstruction Process

Corruption has been a major problem in Lebanon's reconstruction. A number of institutions were created as a response measure to minimise the impact of corruption⁹³.

One of the main supervisory bodies is the Audit Court of Lebanon, which is responsible for auditing the state's financial accounts and ensuring that public funds are spent in accordance with the law. The Audit Court is empowered to investigate and report on any irregularities or illegal activities related to the management of public funds, and its reports are submitted for consideration to the Lebanese Parliament.

⁹⁰ birdinflight.com/architectura-uk/20230116-beirut-post-war-reconstruction.html?fbclid=IwAR1RelFHol1pied3KkR4GQ8jEkBDnKMJL2uYRtA7NfSSJt-i7HrY1Aybq_U

⁹¹ www.slovodilo.ua/2020/12/05/novyna/suspilstvo/stalo-vidomo-skilky-obijdetsya-vidnovlennya-bejruta

⁹² repository.knuba.edu.ua/handle/987654321/8590

⁹³ www.anti-corruption.org/wp-content/uploads/2016/11/Corruption-in-reconstruction-TIRI-Adwan.pdf

Another important supervisory body is the Central Inspection Board ([CIB](#)), established to monitor the activities of state bodies and institutions and investigate corruption and fraud.

Although these supervisory bodies have made some contributions to promoting good governance and transparency in the recovery in Lebanon, they have faced significant challenges, including political interference, lack of resources, and limited powers.

Ambiguous reviews about the role and importance of Solidere in the reconstruction also indicate a lack of transparency in the distribution of powers, financing and construction itself. On the one hand, a number of researchers note that Beirut residents assess the company's work as effective, which made it possible to restore the completely destroyed city centre, and on the other hand, the company is accused of destroying the city's identity. Solidere's rather aggressive policy in agreements with the owners of destroyed buildings, which actually forced original residents and entrepreneurs to exchange their property for company shares without any alternative, was among the important issues here.

CONCLUSIONS

The experience of rebuilding Lebanon after a 15-year civil war and the war with Israel covers the problem of disproportionate reconstruction. In fact, most of the attention was focused on the reconstruction of Beirut and, above all, its centre. Less attention was paid to the restoration of other regions and outskirts of the city, which would later create an imbalance in the social sphere. Coupled with the serious economic problems the country has faced in recent years, the centre of the capital is extremely expensive for the Lebanese to live in and run a small business, while the suburbs and other areas of the country are still in need of renovation.

Another important issue is the pattern of over-liberalisation of the reconstruction process. Beirut's experience shows that the lack of proper urban planning leads to strategic problems of comfort and quality of life in such cities. Although placing excessive hopes on commercial construction corporations allow attracting additional investments, they generally have many negative consequences. In particular, the loss of the city's identity, the imbalance between the city's districts, the poor quality of urban space and infrastructure in bedroom communities, cheapening of the construction costs by reducing the quality. High hopes for commercial actors also led to the polarization of interests: on the one hand, the developer is interested in income, and on the other hand, society is interested in comfortable living and the preservation of the cultural identity of its city. The state, which was supposed to take on the role of coordinator of reconstruction and defender of the public interests, was accused of having close ties with the developer and was seen as having a personal profit from the current pattern. Researchers also note

a high level of corruption during Lebanon’s reconstruction, sometimes estimating its level as 20 to 70 per cent of the contract price in the reconstruction process⁹⁴. While opinions differ on the role of the government and political actors in the country’s reconstruction, the lack of transparency in the reconstruction process and the removal of communities from the decision-making process are evident.

⁹⁴ adamant-capital.com/wp-content/uploads/2022/06/Adamant_Capital_Ukraine_Post_War_Recovery_UKR.pdf



6. PUERTO RICO. HURRICANES IRMA AND MARIA



Damage Caused to the Housing Stock as a Result of a Natural Disaster

In 2017, two hurricanes, Irma and Maria, swept across the island, causing massive destruction and fatalities. Puerto Rico's infrastructure has suffered significant damage, with power outages affecting nearly the entire island and leaving many people without access to essentials such as food, water and medical care. The total amount of damage is estimated at \$50–90 billion.

Over 725,000 households reported damages to their dwellings, representing around 60% of occupied housing units on the island. These storm damages came on top of a range of housing problems that have been developing over the course of many years⁹⁵. Land tenure and titling issues are common, partly due to the fact that Puerto Rico has consistently failed to produce sufficient affordable housing units for a large portion of the population. Increased production in certain segments and underproduction of social housing, over time, has led to a large number of vacant housing units and very long waiting lists for public housing. Moreover, the vast number of homes located in flood zones, lacking insurance and built without complying with building codes, increased the vulnerability of hundreds of thousands of families prior to the hurricanes making landfall.

Swift Solutions for Providing Housing for Displaced Persons and Refugees

According to various estimates, over 200,000 Puerto Ricans left for the mainland, many temporarily and some permanently⁹⁶. A number of special programmes were launched to provide such persons with housing.

For example, the Transitional Shelter Assistance ([TSA](#)) programme provided displaced residents of Puerto Rico access to temporary housing through direct payments to participating hotels or motels. In order to be eligible, disaster survivors had to be unable to return to their homes due to severe damage or unsafe conditions.

Housing Recovery Policy

The Federal Emergency Management Agency ([FEMA](#)) and the Community Development Fund were involved in the reconstruction of Puerto Rico as the main administrators of funds.

The Government of Puerto Rico also created the Central Office of Recovery, Reconstruction and Resilience (COR3) to oversee reconstruction. The office was

⁹⁵ grupocne.org/2022/06/29/puerto-ricos-housing-situation-five-years-after-hurricane-maria

⁹⁶ www.nbcnews.com/news/latino/puerto-rico-sees-more-pain-little-progress-three-years-after-n1240513

responsible for coordinating the efforts of federal, state and local agencies, as well as non-governmental organisations and private companies.

The Puerto Rico Department of Housing ([PRDOH](#)) was entrusted with the administration of the housing recovery programmes and grants.

Housing recovery programmes involved different approaches:

- grants (housing vouchers) for reconstruction or purchase of a house;
- housing rental financing;
- construction of subsidised housing;
- concessional lending for the purchase of housing⁹⁷.

Most of the funds allocated for the housing restoration were directed to issuing vouchers (grants) for the reconstruction or purchase of housing by individuals who suffered from the natural disaster.

At the same time, this scheme had a number of disadvantages. In particular, for the owners of destroyed houses, more favourable conditions were created not for the restoration of their own houses but for the purchase of new homes. As a result, this led to an increased demand of the population in the real estate market, which entailed a sharp increase in the cost of housing, and the defined marginal value of the housing voucher was no longer enough to buy equivalent housing on the market. This situation contributed to the construction of cheaper and lower-quality housing and, in turn, led to a negative assessment of such a programme by the population.

Financing grant programmes did not significantly improve the situation with the safety of residential infrastructure, which was already evident during the following natural disasters in the region in 2020–2022.

It should also be noted that despite the fact that Puerto Rico is under the jurisdiction of the United States, local administrations had rather weak institutional capacities. In particular, according to the estimates of the Audit and Compliance Bureau (PRPB), about 85,000–90,000 homes destroyed or damaged by the hurricane had been constructed illegally⁹⁸.

⁹⁷ cdbg-dr.pr.gov/en/programs/housing

⁹⁸ www.fema.gov/sites/default/files/2020-07/mat-report_hurricane-irma-maria-puerto-rico_2.pdf

Loans for Housing Reconstruction

As already mentioned above, one of the possible options for obtaining housing was also loans for reconstruction⁹⁹. Hurricane victims were eligible to contact the Federal Emergency Management Agency (FEMA) and apply for a Small Business Administration (SBA) disaster relief loan. Importantly, if survivors did not qualify for a loan, SBA could refer them back to FEMA, and they could be considered for other FEMA grants. Homeowners could borrow up to \$200,000 from SBA to repair or replace their primary residence. Homeowners and renters were eligible to borrow up to \$40,000 to repair or replace personal property.

Cost of Restoring the Housing Stock

The US Federal Government allocated nearly \$69 billion to help the island recover from Maria as well as other disasters that hit the island. But most of the money, specifically funds for housing and infrastructure relief, has not made its way to communities on the island. Puerto Rico has received \$19 billion, according to its Office of Recovery, Reconstruction and Resilience¹⁰⁰.

Reconstruction Results

Experts estimate that five years after the 2017 storms made landfall, little progress had been made to address the island's housing needs¹⁰¹. The situation has gotten more precarious, especially for low-income families seeking affordable accommodation, given a 22 per cent increase in housing prices from 2018 to 2021. In past years, there was a surplus of market-priced properties that no one bought and a deficit of social and affordable housing that no one was supplying. Today, there is a surplus of properties being bought at prices above appraisal and an even worse deficit of affordable and social housing that nobody is supplying.

The Quality of Housing Reconstruction and its Impact on the Future

Despite significant funding allocated to support the reconstruction and construction of new housing, these programmes have not achieved a high-quality, sustainable impact.

Some of the buildings reconstructed in 2017–2020 suffered repeated destruction during the natural disasters of 2020–2022, which required additional costs.

In its report, FEMA presented conclusions and recommendations on the performance of buildings and other structures affected by wind forces, flooding, and other hazards due to

⁹⁹ [www.google.com/url?q=https://www.fema.gov/press-release/20210318/puerto-rico-survivors-urged-submit-sba-loan-applications&sa=D&source=docs&ust=1680464385169776&usg=AOvVaw3n_9jap9rpaTzPoMYkovq-](https://www.fema.gov/press-release/20210318/puerto-rico-survivors-urged-submit-sba-loan-applications&sa=D&source=docs&ust=1680464385169776&usg=AOvVaw3n_9jap9rpaTzPoMYkovq-)

¹⁰⁰ www.nbcnews.com/news/latino/biden-administration-lifts-trump-era-restrictions-stalling-puerto-rico-hurricane-n1264672

¹⁰¹ grupocne.org/2022/06/29/puerto-ricos-housing-situation-five-years-after-hurricane-maria

hurricanes¹⁰². A key recommendation was the need to create or improve disaster -resilient building codes and regulations.

Analytical studies point to systemic problems in Puerto Rico that have not been resolved for decades¹⁰³. In particular, regarding changing the requirements and standards in construction, energy supply, the displacement of the population from hazardous areas, the creation of a system of dams and protective structures, the right choice of sites for new construction, etc.

Transparency of the Reconstruction Process

Representatives of Puerto Rico's non-governmental sector in the context of post-hurricane reconstruction note that billions of dollars in federal funding had flown through many state agencies, yet building back had been anything but efficient or transparent¹⁰⁴. Puerto Rico loses up to three billion dollars a year due to corruption and weaknesses in public contracting processes, which results in low-quality, unreliable, and unnecessarily expensive essential services, from building up the power grid to rebuilding the roads.

CONCLUSIONS

A negative consequence of the housing grant (voucher) system in Puerto Rico was that the programme had become practically ineffective due to a significant increase in market prices caused by excessive demand. The authorities were apparently trying to avoid long-term housing reconstruction, but the stimulation of real estate purchases and rapid construction had negative consequences. An attempt to quickly solve the problem led to a situation when the allocated funding did not allow for a significant change in the state of the housing infrastructure.

Moreover, local activists noted that the process of housing restoration was not transparent. Puerto Rico loses up to three billion dollars a year due to corruption and weaknesses in public contracting processes.

Puerto Rico's reconstruction has also highlighted long-standing problems that the island's population faces. Despite recovery efforts, many Puerto Ricans continue to struggle with poverty, lack of access to health care, and other issues. The recovery process has drawn attention to the need for long-term solutions to these problems, replanning and global reconstruction.

¹⁰² www.fema.gov/sites/default/files/2020-07/mat-report_hurricane-irma-maria-puerto-rico_2.pdf

¹⁰³ grupocne.org/2021/05/27/taking-stock-of-puerto-ricos-reconstruction-process

¹⁰⁴ www.open-contracting.org/2022/10/04/5-years-after-hurricane-maria-no-lessons-when-corruption-trumps-reconstruction-in-puerto-rico

7. TÜRKIYE. EARTHQUAKE



Damage Caused to the Housing Stock as a Result of a Natural disaster

In 1999, an earthquake occurred in Türkiye, killing 37,000 people¹⁰⁵. According to various estimates, from 120,000 to 300,000 homes were damaged or destroyed¹⁰⁶. About 600 thousand people were left without housing. 40 per cent of the country's production capacity was affected. Total economic losses were estimated from \$8 to 40 billion¹⁰⁷.

Swift Solutions for Providing Housing for Displaced Persons and Refugees

Immediately after the disaster, people had three options for accommodation: moving to friends or relatives in another region; renting a house; [or tent cities](#) (less often – public buildings). Formally, people who settled in tent cities were considered homeless. According to OECD estimates, there were 200,000 to 400,000 such people. That is, staying with friends or renting housing was chosen by only a third of the survivors. Those who opted for renting a house over a tent city were entitled to monthly monetary aid (\$175) for a year. Monetary aid for tent city residents was much higher, and some free services were available, including food and health insurance, which was one of the main reasons people settled in tents.

With winter approaching, a decision was made to build prefabricated houses and resettle those who lived in tents. Considering the number of houses and the average size of a Turkish family, it was estimated that this decision would provide for about 165 thousand people. Dwellers had a choice of moving to prefab houses or receiving housing rental assistance¹⁰⁸.

By the spring of the following year, 65 thousand people were still living in tents.

Housing Recovery Policy

Immediately after the earthquake in Türkiye, a number of international experts and organisations were invited to assess the damage and develop a plan to eliminate the consequences of the destruction. In particular, from the World Bank, the Council of Europe Development Bank (CEB) and the Japan Bank for International Cooperation. The World Bank Comprehensive Framework Programme was launched, and the strategy for urbanisation and capacity mobilisation in the construction of new housing was approved. New building codes and a programme to strengthen critical infrastructure and public

¹⁰⁵ www.adrc.asia/publications/recovery_reports/Marmara.pdf

¹⁰⁶ www.oecd-ilibrary.org/economics/economic-effects-of-the-1999-turkish-earthquakes_233456804045

¹⁰⁷ www.gfdrr.org/sites/default/files/documents/Turkey%20-%201999%20Marmara%20Earthquake%20Emergency%20Reconstruction%20Project%20-%20ICR.pdf

¹⁰⁸ www.oecd-ilibrary.org/docserver/233456804045.pdf?expires=1679497799&id=id&accname=guest&checksum=EA81DD1B7FBD3BB00F5818245AEE5AC

buildings were also adopted. A broad campaign was launched to inform and prepare the population for action in the event of a natural disaster.¹⁰⁹

Under Turkish law, the country's government guaranteed the reconstruction or replacement of property damaged as a result of a natural disaster. That guarantee was available to owners by their main place of residence. The World Bank estimated that 55 to 75 per cent of the affected buildings met these criteria¹¹⁰. Consequently, the government dealt with the issue of building new housing for earthquake survivors. In general, several ways were used to provide people with permanent housing:

- Restoration of multi-apartment and country houses. 12,000 multi-apartment buildings were reconstructed to meet seismological standards within two years;
- Preferential loans for the population for the construction of new or repair of damaged housing.

After the natural disaster, a system of housing insurance against earthquakes was actively introduced to relieve the financial burden on the country's budget. High rates and deductibles were partially compensated by a special fund of the World Bank.

In late 1999, the Turkish Government tried to introduce compulsory national earthquake insurance for houses, along with removing the state's housing obligations in such cases¹¹¹. However, as of 2006, only 20 per cent of buildings located in seismically active zones were insured. By 2022, this figure was 9 per cent of the housing stock.

Loans for Housing Reconstruction

Türkiye's housing renovation or construction lending system was widely used to alleviate the burden on the budget and accelerate the pace of reconstruction. Residents who planned to stay in the region after the earthquake were offered 20-year interest-free loans of up to \$10,500 for construction and from \$1,000 to \$3,500 for repairs of damaged housing. The researchers estimate that about 3,000 people have taken advantage of these housing recovery options for construction and more than 66,000 for repairs.¹¹²

Three state-owned banks also offered housing reconstruction loans for earthquake survivors. For such loans, banks halved the interest rate compared to normal times and established a one-year grace period. According to [ISDR](#), loans totalling \$505 million were provided through that instrument¹¹³.

¹⁰⁹ recovery.preventionweb.net/collections/recovery-collection-turkey-izmit-earthquake-1999

¹¹⁰ www.oecd-ilibrary.org/docserver/233456804045.pdf?expires=1679497799&id=id&accname=guest&checksum=EA81DD1B7FBDF3BB00F5818245AEE5AC

¹¹¹ www.koeri.boun.edu.tr/depremmuh/eqspecials/kocaeli/kocaelireport.pdf

¹¹² www.oecd-ilibrary.org/docserver/233456804045.pdf?expires=1679497799&id=id&accname=guest&checksum=EA81DD1B7FBDF3BB00F5818245AEE5AC

¹¹³ www.preventionweb.net/files/21441_socioeconomicsizmiteng.pdf?_gl=1*1grwa2h*_ga*MzI2Njk4Nzk5LjE2Nzk0OTcwMzI.*_ga_D8G5WXP6YM*MTY3OTY0Mzc3OC4zLjEuMTY3OTY0NDEzMC4wLjAuMA

Cost of Restoring the Housing Stock

According to the Asian Disaster Reduction Centre, the cost of eliminating the consequences of the earthquake reached \$5 billion¹¹⁴. About \$1.7 billion were provided by international donors, most of all by the World Bank. \$2.6 billion were allocated from the Turkish budget, the rest were credit means.

Reconstruction Results

Owners of destroyed and damaged dwellings had a choice between receiving compensation (targeted financing) to restore their housing or build a new one.

However, the construction of a new house involved a complex bureaucratic procedure with increased requirements for seismic safety. Whereas targeted financing for the repair of the existing housing did not involve additional requirements and bureaucratic procedures. The majority of citizens chose an easier way, and this led to the fact that the situation with seismic safety of residential infrastructure has not improved significantly. Most of the resources were directed to the reconstruction of what had been destroyed without improving reliability and eliminating design flaws. And this already had negative consequences in 2023, during [the last earthquake](#).

On the one hand, the requirements for the seismic resistance of buildings in Türkiye increased significantly in 2007. On the other hand, a “paid” amnesty was announced the same year for non-compliance with these requirements. As a result, more than 10 million applications were submitted, and the state received \$3 billion in fees¹¹⁵. Officially, most of the more than 13 million housing units were built in violation of current seismic standards. Amnesty is also a very popular scheme for substandard construction, particularly in the hotel sector.

The Quality of Housing Reconstruction and its Impact on the Future

During the last earthquake in 2023, more than 170,000 buildings were damaged in Türkiye, and about 40,000 people fell victim to the earthquake¹¹⁶. The short-sighted policy of the state in stimulating rapid and low-quality construction has led to tragic consequences for the entire country.

Transparency of the Reconstruction Process

In matters of housing infrastructure, a number of complaints about the quality of construction were recorded, primarily related to the lack of proper supervision over the construction of buildings and inspections of the contractors' performance. Construction

¹¹⁴ www.adrc.asia/publications/recovery_reports/Marmara.pdf

¹¹⁵ www.context.news/money-power-people/rotten-buildings-corruption-in-spotlight-after-turkey-quake

¹¹⁶ www.google.com/url?q=https://www.reuters.com/world/middle-east/survivors-ever-fewer-earthquake-rubble-turkey-syria-2023-02-12/&sa=D&source=docs&ust=1679912523959286&usg=AOvVaw3uYcVGMs4jr3qB1k0hruFH

projects often do not meet safety requirements, and in some cases, construction is recorded in areas where it can be dangerous. Recurrent amnesty systems for such construction significantly worsen the situation by legitimising potentially unstable structures¹¹⁷.

In the context of post-earthquake housing reconstruction in the country, gaps in tender laws have also been recorded, which led to a number of abuses in construction contracts, and respectively, some public buildings have defects and poor construction quality¹¹⁸.

In general, a fairly centralised system of planning and carrying out reconstruction was noted in the country. Communities and municipalities were not actually involved in project development or monitoring their implementation.

CONCLUSIONS

Following the earthquake in 1999, Türkiye was able to quickly mobilise resources to eliminate the consequences, including by attracting international partners to the reconstruction.

Immediately after the disaster, survivors were offered several options for temporary housing, but the system of financial support and the priority of providing people with permanent housing forced many to settle in tent cities. Housing rental support tools, as well as a system of preferential lending, were used. The government undertook the construction of new housing, but no extensive involvement of communities or local authorities in the planning and reconstruction was recorded.

Although Türkiye tried to take a comprehensive approach to the construction system after the disaster (an urbanisation strategy, new construction standards, and policy revisions), these efforts were quickly thwarted by a series of construction amnesties. Independent studies show that the legalisation of illegal construction and disregard of the established building codes, as well as the low quality of building materials, have been recorded in the country since the 90s. In 2023, with a new earthquake in the country, researchers' warnings came true. It became obvious that the building system of residential and public infrastructure in Türkiye needs strict standardisation and supervision, including from the public, which is the most interested and impartial in these matters.

¹¹⁷ www.preventionweb.net/files/2745_lzmitTurkey1999.pdf

¹¹⁸ www.oecd-ilibrary.org/docserver/233456804045.pdf?expires=1680527571&id=id&accname=guest&checksum=586624F6BB758DB0D26F184A2EFC7BBB

8. CROATIA. WAR FOR INDEPENDENCE



Damage Caused to the Housing Stock as a Result of Hostilities

According to experts, as a result of hostilities in Croatia, there were about 190,000 destroyed and damaged accommodation facilities that needed reconstruction or compensation to the owners who restored their homes by themselves.¹¹⁹

Swift Solutions for Providing Housing for Displaced Persons and Refugees

After the Croatian army liberated the occupied territories, the Parliament adopted the Act on the Temporary Expropriation and Control Over Certain Property (hereinafter – the Act) to preserve the property abandoned by citizens¹²⁰. According to the Act, the property located on the liberated territory of the Republic of Croatia, which the owners left and did not use personally, shall be transferred to the temporary control of the state. This allowed displaced persons and refugees whose property was destroyed or damaged to use properties left behind by their owners to live in¹²¹.

To implement the provisions of the Act, relevant commissions were created locally, which compiled lists of abandoned property and made decisions on its transfer into temporary possession and use of the following categories of persons: exiles; refugees; returnees whose property was destroyed or damaged during the war; disabled war veterans; families of killed and missing Croatian veterans; other citizens who carry out activities necessary for the security, reconstruction and development of previously occupied territories. When the property was transferred, a report was made on the state of the property and its commissioning.

Persons who received possession and use of the property had to treat it with care to protect it from third parties. What is more, they could not dispose of property (alienate, exchange, lease out, provide for temporary paid and free use, encumber) without the Commission's consent.

The legal owner of the property under the authority of the Republic of Croatia was also deprived of the right to dispose of it.

If the property owner returns to the Republic of Croatia within 90 days from the date of the Act's entry into force and demands that it be returned to his/her possession and use, the Commission shall cancel the decision to transfer the property into temporary possession. A person whose right to own and use property was terminated based on the Commission's decision cannot be deprived of possession until he/she is provided with other respective property.

¹¹⁹ rm.coe.int/comparing-analysis-idps-ukr/1680a08f30

¹²⁰ narodne-novine.nn.hr/clanci/sluzbeni/1995_09_73_1228

¹²¹ rm.coe.int/comparing-analysis-idps-ukr/1680a08f30

The 2002 amendments to the Act on Areas of Special State Concern made it possible to reconstitute property by establishing a period during which temporary residents were forced to move to return the houses and apartments to their owners¹²². Since evictions were slow, in 2003, the government provided compensation to owners whose property had not been returned within the specified period¹²³.

To assist IDPs in providing housing, the state also adopted the Act on Lease of Apartments (hereinafter referred to as the Act), which provided for rent at discounted prices¹²⁴. According to the Act, categories of citizens (tenants) defined by law pay a protected rent for the use of an apartment, determined based on the terms and standards established by the Government of the Republic of Croatia. Protected rent is paid by apartment users who:

- use apartments built with funds intended for solving housing issues of persons with an unsatisfactory financial standing;
- use the apartment on the basis of the provision on the rights of Croatian veterans;
- had the right to use the apartment before the date of the Act's enactment;
- were determined by special provisions.

The provisions of the Act do not apply if the apartment is used for temporary residence (tourists, students, etc.), as well as for apartments provided for use in connection with the lessor's business activities (tied apartment).

In addition, the Real Estate Agency was established in Croatia, the main task of which was the purchase of real estate in the previously occupied territories. The institution also dealt with the acquisition of existing houses and apartments, land plots and the construction of new residential buildings. A public housing stock was established for displaced persons¹²⁵.

Housing Recovery Policy

→ Damage assessment

The procedure for assessing war damages was carried out based on the Act on Determining War Damages¹²⁶ (hereinafter – the Act) and the corresponding Guidelines¹²⁷.

¹²² www.iusinfo.hr/zakonodavstvo/zakon-o-podrucjima-posebne-drzavne-skrbi-1997/clanak-7

¹²³ rm.coe.int/comparing-analysis-idps-ukr/1680a08f30

¹²⁴ www.iusinfo.hr/zakonodavstvo/zakon-o-najmu-stanova-1/clanak-6

¹²⁵ rm.coe.int/comparing-analysis-idps-ukr/1680a08f30

¹²⁶ www.zakon.hr/z/1855/Zakon-o-utvr%C4%91ivanju-ratne-%C5%A1tete

¹²⁷ www.zakon.hr/cms.htm?id=37311

The Act defines what exactly belongs to the concept of war damage and provides a list of bodies responsible for the process of inventorying and assessing war damages. In particular, the Act defines the structure of special commissions and their powers.

- 1 Republican Commission** Appointed by the Government of the Republic of Croatia from representatives of ministries, authorities, and organisations. The Commission monitors the activities of municipal and special commissions and makes the final decision on the amount of military damages. If necessary, the Republican Commission may attract special professional institutions to perform these tasks. The Republican Commission submits a report on its work to Parliament and the Government.
- 2 Special Commissions for War Damage Inventory and Assessment** Appointed by the Republican Commission. Set up to make inventories and assess the damage caused by the war to cultural monuments, national reserves, natural parks and unique systems that operate on the territory of two or more municipalities.
- 3 Municipal Commissions for War Damage Inventory and Assessment** They are appointed by the executive council of the municipal unit on the territory of which the damage was caused, or the consequences of it occurred.
- 4 Expert commissions for War Damage Inventory and Assessment** They are appointed by municipal and special commissions. Expert commissions collect data and evidence, list and assess war damages in the territory for which they are created, identify the perpetrator and the victim, and submit reports on their work to the commission that had created them, with all the documentation. Specialists of relevant fields are appointed to expert commissions. The expert commission consists of at least three people.

Municipal and special commissions combine the work of expert commissions created by them, determine the territory for which they will collect data and evidence, inventory and assessment, deadlines by which they must complete the work, and provide them with all other assistance. Municipal and special commissions process the submitted reports and,

if necessary, return them to the expert commission for correction and addition. Municipal and special commissions draw up a summary report for the district for which they are created and submit it to the Republican Commission.

→ **Reconstruction Procedure**

Housing reconstruction was carried out in accordance with the Reconstruction Act (hereinafter – the Act), and several bodies participated in its implementation¹²⁸. The Ministry of Development and Reconstruction was mainly responsible for the restoration of damaged and destroyed objects.

Among other things, the Act defined:

- the list of territorial units that were subject to reconstruction;
- the concept of the reconstruction object and what is meant by the restoration of tangible assets;
- categories of persons entitled to reconstruction and the terms under which this right can be exercised;
- priority of persons who have the right to restore, repair and equip material values destroyed or damaged during the war.

The sources of financing for the reconstruction, according to the law, were:

- the state budget;
- funds of the Croatian Bank for Reconstruction and Development;
- funds allocated to individuals and legal entities according to their capabilities;
- bonds to attract funds for reconstruction;
- financial assistance that Croatia receives as economic aid for reconstruction;
- reparations and restitution;
- the succession fund of the former Yugoslavia;
- donations and other means provided by special laws, decisions and budgets.

The reconstruction of destroyed or war-damaged residential buildings in the reconstruction areas is mostly financed directly from the state budget.

¹²⁸ narodne-novine.nn.hr/clanci/sluzbeni/1996_03_24_428

Pursuant to the Act, houses were classified into six categories according to the degree of damage.

The reconstruction of destroyed or war-damaged residential buildings and apartments, taking into account the degree of damage, the form of funding and the organisation of work, provided that:

- Repair and furnishing of residential buildings and apartments of the I, II and III degrees of damage was organised and carried out by the owners with the financial support of the state, namely: support for repairing damages and support for equipment. As a rule, furnishing assistance is approved for the essential household items procured by the Ministry of Development and Reconstruction through a public tender, during which goods and services of local companies have priority in the selection under approximately equal price and quality conditions.
- Restoration and furnishing of residential buildings and apartments of IV, V and VI degrees of damage was carried out by the state. According to the law, reconstruction included the repair or construction of load-bearing walls, interstorey structures and stairs, the construction of the roof or ceiling, chimneys and roof, and the installation of entrance doors and windows. In addition, reconstruction can include both repairing damage and building a new homes. Individuals and legal entities registered to carry out such activities that were selected on the basis of a public tender, could be qualified to perform the works. The Ministry of Development and Reconstruction organises the execution of works on the main repair and interior finishing works based on the available funds of the state budget and in the order of priority determined by the Law. The minimum area for the reconstruction of the destroyed or damaged family home or apartment is 35 sq. m for the first family member and 10 sq. m for each subsequent family member.
- Restoration or reconstruction of common parts and load-bearing structures of residential buildings. The Ministry of Development and Reconstruction organises and carries out works on the major repair or reconstruction of common use areas and load-bearing structures of residential buildings managed by housing funds, using the money from the state budget in the amount of actual reconstruction costs.

According to the Act, line ministries supervise the legality of works.

The Act provides for the imposition of fines for certain offences in the field of housing restoration. For instance, a fine in the amount of 1,000 to 10,000 kunas is imposed for submitting false information in a reconstruction request (*from \$141 to \$1,413 at the NBU exchange rate as of February 23, 2023*).

The Act also contains other important provisions that relate to the reconstruction and can be borrowed in the context of Ukraine's recovery (loans for economic revitalisation, the procedure and sources of funding for the reconstruction of infrastructure facilities, etc.).

Peculiarities of Restoration of Borderline and Occupied Territories

Special attention in Croatia was paid to the restoration of occupied and border territories. In May 1996, the Act on Areas of Special State Concern (hereinafter – the Act) was adopted, which defined the areas for which the Republic of Croatia was especially concerned (hereinafter – Areas of Special State Concern) and measures to stimulate their reconstruction and development¹²⁹. These areas were determined with the aim of eliminating the consequences of the war, accelerating the return of exiles and refugees, promoting demographic and economic progress, and achieving the most uniform development of all territories of the state.

Two groups were included in the areas of special state concern:

- Areas of municipalities that were occupied before 1995 and located directly at the state border, with the municipal centre located at a distance of no more than 15 kilometres in a straight line from the border and having no more than 5,000 residents, according to the 1991 census;
- Areas of municipalities, cities and towns that were occupied before 1995 were not referred to the first group.

Special incentive measures for settlement and development were determined for the specified areas, which included, among other things, the distribution of houses and apartments.

In accordance with the Act, the Ministry of Development and Reconstruction announces invitations to populate areas of special state concern at least twice a year.

Displaced persons are approved for settlement in accordance with the order of priority determined by the Act. Depending on the place of settlement and the type of activity they will be engaged in, they are provided with an apartment or a house for use, and if it is a farm, then with a land plot, too. The useful area of an apartment or a family home is determined in accordance with the criteria defined by the law and in accordance with the number of new settler's family members.

Real estate is provided to displaced persons for use by the decision of the Ministry, and after 10 years of continuous residence in an apartment or a family home in the area of special state concern, it becomes their property. If a person moves out of an apartment or a house before the end of the ten-year period, they must return the property within 30 days.

¹²⁹ www.iusinfo.hr/zakonodavstvo/zakon-o-podrucjima-posebne-drzavne-skrbi-1997/clanak-7

Real estate provided for use by displaced persons consists of:

- immovable property owned by the state and state or public legal entities;
- family houses and apartments, which will be built in the areas of special state concern under a special programme organised by the Ministry of Development and Reconstruction at the expense of the state budget if there are no vacant spaces in these areas for the needs of displaced persons.

The Act also defines other special incentive measures for the settlement and development of areas of special state concern:

- tax benefits from income tax when taxing transactions with real estate, inheritance and gifts;
- customs privileges;
- higher salaries in state bodies and public services;
- concessions on fees for the use of mineral raw materials;
- incentive measures in the sector of use, sale, donation, and lease of agricultural lands.

The above rights and benefits are exercised by citizens in the order of priority determined by the Act. The Act also defines the categories of persons who are not entitled to exercise these rights.

The Act is enforced by relevant ministries, and the Ministry of Development and Reconstruction exercises control over compliance with it.

The Government of the Republic of Croatia reports to the Parliament at least once a year on the implementation of incentive measures aimed at the settlement and development of areas of special state concern.

We should also note that within the framework of the procedures carried out in accordance with the Act, administrative, judicial, notary fees and other fees determined by special laws and regulations are not charged.

Loans for Housing Reconstruction

In 1993, the Parliament of the Republic of Croatia adopted the Act on Crediting for the Reconstruction of War-Damaged and Destroyed Residential and Commercial Buildings¹³⁰.

According to the act, the state shall annually provide funds for crediting the reconstruction of residential and commercial buildings destroyed by the war. Funds are provided from the available funds of the Croatian Credit Bank for Reconstruction (hereinafter referred to as the CCBR) and the state budget and are placed by the CCBR through commercial banks.

The abovementioned funds are used on the basis of the lending programme for the reconstruction of residential and commercial buildings destroyed by the war for each year, which is approved by the government at the request of the CCBR.

CCBR concludes an agreement on mutual rights and obligations with a separate bank when it comes to the transfer of funds. It is envisaged that the agreement will determine the return of funds if the bank allocates them inappropriately, as well as the return of loans granted to users who used them for purposes other than that intended. Banks can extend loans under the conditions established by the Act.

Banks provide loans for repair or construction of:

- residential houses and apartments – to the owners of this property;
- agricultural and other economic buildings belonging to citizens – to the owners of these buildings;
- apartments in buildings that are managed by housing funds– to the holders of the right of use;
- common areas of houses in buildings managed by the funds – to these funds.

The amount of the loan that the bank can approve depends on the type of building and the degree of damage. The interest rate is the same for all degrees of damage and is 1 per cent p.a. The grace period and repayment periods vary depending on the level of destruction.

Along with the loan application, applicants submit to the bank a damage assessment report certified by the authorised war damage inventory and assessment commission, a description of materials with specifications, and a document confirming ownership.

Control over the application of the Act, including the intended use of loans, is exercised by the CCBR and the banks providing loans, the building inspection and the financial police, each within their powers.

¹³⁰ narodne-novine.nn.hr/clanci/sluzbeni/1993_12_109_2111

The Act also provides for punishment in the form of a fine for the following offences:

- for a bank if it approves the loan contrary to the provisions of the Act;
- for the user of the loan if they use the loan inappropriately.

Cost of Restoring the Housing Stock

Post-war Croatia has almost completely renovated housing on its own, only about 4 per cent has been restored with international assistance. For the reconstruction of houses after the war, the state allocated a total of 17.6 billion kunas¹³¹ (*about \$2.5 billion* at the NBU exchange rate as of February 23, 2023).

Reconstruction Results

In total, 158,000 war-damaged houses and apartments were repaired in Croatia, which is 14.8 per cent of the housing stock of the Republic of Croatia¹³². The repairs lasted from 1995 to 2000, with more than 150 companies involved in them¹³³.

The Quality of Housing Reconstruction and its Impact on the Future

A devastating earthquake hit Croatia at the end of 2020. After that, reports began to appear in the media that hundreds of houses rebuilt by the state after the war were built in rather poor quality and in violation of minimum building standards¹³⁴. Therefore, the Office for Combating Corruption and Organised Crime asked the police to launch a criminal investigation to establish whether offences were committed during the post-war reconstruction of houses¹³⁵.

Transparency of the Reconstruction Process

After the aforementioned earthquake, journalists and non-governmental organizations started asking the authorities to provide a complete list of companies that carried out reconstruction work after the war. However, it turned out that the complete lists of such companies were not made public either during the reconstruction works or after their completion¹³⁶. Thus, the media and non-governmental organisations were virtually limited in their ability to monitor and oversee the reconstruction. In addition, the authorities refuse to provide the specified data 20 years after the reconstruction. This, accordingly,

¹³¹ www.24sata.hr/news/drzava-je-za-obnovu-kuca-nakon-rata-dala-26-milijardi-kuna-a-na-tome-je-radilo-oko-200-tvrtki-738066

¹³² www.24sata.hr/news/drzava-je-za-obnovu-kuca-nakon-rata-dala-26-milijardi-kuna-a-na-tome-je-radilo-oko-200-tvrtki-738066

¹³³ www.24sata.hr/news/drzava-je-za-obnovu-kuca-nakon-rata-dala-26-milijardi-kuna-a-na-tome-je-radilo-oko-200-tvrtki-738066

¹³⁴ slobodnadalmacija.hr/vijesti/hrvatska/njihove-se-kuce-nisu-trebale-srusiti-sve-su-dali-za-hrvatsku-a-pogledajte-kako-im-je-ona-vratila-kako-se-radilo-mislite-kako-se-kralo-1069015?fbclid=IwAR35kukRXNFyq3g9zgcqgIHR4xX6NeCaC4WGtDzs7hFEA10a2zgTwejAe6E

¹³⁵ doh.hr/hr/priopcenja/drzavno-odvjetnistvo-republike-hrvatske-odgovor-na-zaprimljene-upite-novinara

¹³⁶ dubrovackidnevnik.net.hr/vijesti/hrvatska/vlada-skriva-popis-tvrtki-koje-su-obnavljale-petrinju-i-glinu-nakon-rata

prevents the public sector and journalists from helping to investigate and establish the facts of low-quality post-war reconstruction.

CONCLUSIONS

As of December 2022, losses from the destruction of Ukraine's housing stock are estimated at \$54 billion. For over ten months of the war, a total of 149,300 residential houses were damaged or destroyed, including 131,400 private houses, 17,500 multi-apartment buildings and 280 dormitories¹³⁷. Consequently, as of the end of 2022, the damage caused by hostilities to the housing stock of Ukraine is close to the number of houses and apartments restored in Croatia after the war. However, the war continues, so it is obvious that the level of destruction will keep increasing.

First of all, the experience of reconstruction of certain countries, including Croatia, shows that a well-established and judgement based mechanism for assessing the damage caused is important in the reconstruction process. For this purpose, several special commissions were set up in Croatia, which consisted of specialists in the relevant fields. In addition, the process of determining damages was regulated in detail by a separate instruction.

The experience of Croatia in the reconstruction of residential facilities depending on the degree of damage is interesting when the state provided financial support for relatively minor damages and fully reconstructed damaged objects that suffered significant destruction. It is important that individuals and legal entities registered to carry out such activities that were selected based on a public tender could be qualified to perform the works. At the same time, the implementation of this provision during the reconstruction of Croatia raises certain doubts because, after the 2020 earthquake, the public and the mass media did not have information about the full list of companies that carried out the reconstruction.

It is evident that after the return of the temporarily occupied territories, Ukraine will face the issue of their recovery. In Croatia, a separate statutory instrument was adopted for this purpose, which contained incentive measures that should be considered and assessed in more detail for the possibility of their implementation in Ukraine. In particular, we are talking about the distribution of houses and apartments in the liberated territories. The Ministry of Development and Reconstruction, at least twice a year, announced an invitation to populate the liberated territories. Displaced persons were approved for settlement in accordance with the order of priority determined by the law. The useful area of an apartment or a family home was determined in accordance with the criteria defined by the law and based on the number of the new settler's family members. After 10 years of continuous residence in such an apartment or house, it became the property of the user.

¹³⁷ kse.ua/ua/about-the-school/news/zagalna-suma-pryamih-zbitkiv-zavdana-infrastrukturi-ukrayini-cherez-viynu-zroslo-do-mayzhe-138-mlrd

However, in our opinion, such a mechanism includes corruption risks. After all, there is a possibility of developing a system of illegal priority acquisition of real estate by people on waiting lists.

In addition, the Croatian law provided for some tax and customs benefits that were in effect in the liberated territories to stimulate the return of citizens and restore the economy. This approach can also be used in our case.

One of the possible ways to restore housing after the war in Croatia was loans at 1% per annum, which were provided by commercial banks at the expense of the state budget and the Croatian Credit Bank for Reconstruction.

When restoring Ukrainian housing, considerable attention should also be paid to construction standards, according to which new buildings will be built. After all, the earthquake in Croatia in 2020 revealed numerous facts about constructing post-war housing without observing the minimum building codes.

Summing up, Croatia's experience can be partially useful to Ukraine in the matter of housing restoration. At the same time, possible corruption risks should be taken into account, and a responsible approach should be taken to the standards according to which housing should be built or repaired.





Summarising the experience of housing reconstruction in countries that have suffered significant destruction, there are several common trends:

Swift solutions

The first steps to provide people with temporary housing or shelter were resettlement in collective centres and the construction of temporary houses. In countries like Georgia and BiH, public and administrative buildings were used for this, and in Puerto Rico, these were mostly hotels and motels. Some tried to build temporary housing. For example, the UK and Türkiye used prefabricated construction technologies. However, in these cases, people were forced to wait for shelter in tents, abandoned buildings, trailers, etc. In Türkiye and Afghanistan, people were forced to live in tent cities.

Despite attempts to quickly resolve the issue of resettlement and then pursue a policy of comprehensive reconstruction, many people remained living in temporary housing. The study shows that people stayed in collective accommodation centres for decades.

Housing recovery policy

In the approaches to comprehensive reconstruction and providing the population with long-term housing, two dominant approaches were actually used:

- mortgage lending,
- construction of new houses in cases of complete destruction and compensation (financial or with materials) for repair or partial restoration.

While low-interest reconstruction loans are also a way for governments to mitigate devastation, they are rarely applicable to post war and post-crisis societies and cannot solve the problem of social housing. For countries that have been at war for a long time and have a large number of IDPs, the issue of social housing is particularly pressing since the standard of living in general, as well as the capacity of the state, is significantly reduced. Accordingly, even with the help of international partners, countries have limited resources for housing construction per year. Therefore, one of the first issues is the priority of distribution of the constructed housing among the victims. Georgia, Croatia and Bosnia and Herzegovina tried to develop an institutional network that was supposed to ensure the reception of applications from the population, assess losses and distribute housing. While Croatia and BiH were more concerned with dispute settlement since the system developed there allowed temporary occupation of abandoned housing, Georgia elaborated a system for the resettlement of IDPs in general. Georgia's approach involved systematising data on IDPs and determining the priority of providing them with housing depending on the results of ranking families by living conditions and vulnerability. However, in all cases, the issue of providing social housing was time-consuming.

Quality of housing reconstruction

Problems with the quality of newly built housing were recorded in almost every case. In general, negative assessments were caused by two factors: the lack of involvement of communities in the planning and implementation of reconstruction, as well as the absence or violation of building codes. In the first case, this resulted in entire neighbourhoods with poorly developed infrastructure, which made it difficult to find jobs and receive educational, medical, and social services that also prevented IDPs from integrating into communities. The second aspect is more relevant for countries affected by natural disasters and where quality construction could significantly mitigate the disaster. In countries like Türkiye and Puerto Rico, compliance with building codes and fighting illegal development are the key to a safer future for the population.

A comprehensive approach to reconstruction planning, which does not include complaints about housing quality, was recorded in the UK, where reconstruction was planned and implemented by building new towns rather than simply rebuilding damaged neighbourhoods. However, this approach took quite a long time.

Transparency of reconstruction

Some countries tried to use certain mechanisms to ensure the transparency of reconstruction: for example, Croatia held tenders among construction companies for reconstruction works; NGOs were allowed to implement reconstruction in BiH; in Georgia, the line Ministry published information on housing distribution whenever it appeared. At the same time, we have identified some risks and drawbacks that have become fatal obstacles for countries: corruption during the implementation of construction contracts (closed procurement systems and gaps in tender law); the human factor in determining the priorities of housing distribution (commissions that were created to accept applications, record losses, and distribute housing could work not in the interests of the most vulnerable categories of the population). Another quite revealing, although not common in other countries, is the case of Afghanistan, which had almost the largest network of external monitoring and oversight bodies for dozens of donor housing construction projects, and eventually became one of the most corrupt examples of reconstruction where the projects never became successful.

Therefore, based on the study results, we have singled out *eight lessons* that Ukraine should take into account while reconstructing the housing sector:

1 A Lesson from Afghanistan

The experience of rebuilding Afghanistan includes several important lessons for Ukraine. One of the main reasons for the failure of both the general reconstruction of the country and the housing reconstruction process was corruption. Therefore, for Ukraine, which already receives significant financial resources from international partners, it is essential

to complete the anti-corruption reform and ensure effective control and management at all levels of reconstruction projects.

The lack of controllability among a large number of different organisations, funds and Afghanistan reconstruction programmes was also one of the challenges for the reconstruction. More than 200 organisations took care of reconstruction projects, which had a negative impact on the effective distribution and management of resources. For example, the Task Force for Business and Stability Operations (TFBSO) ended up spending more on its own administration than it invested in Afghanistan ([\\$359 million vs. \\$316 million](#) respectively). This is a vivid example of the inefficiency of a large number of funds and organizations that absorb a significant part of the allocated funds for their own support. What is more, excessive administration did not help to increase the efficiency of project implementation.

In the context of Afghanistan's experience, it is also worth considering that the new housing was actually inaccessible to low- or middle-income citizens. Thus, when building new housing, it is worth considering the solvency of the population and the availability of financial mechanisms aimed at purchasing housing.

2 A Lesson from Bosnia and Herzegovina

In Bosnia and Herzegovina, restitution was the primary way to solve the housing problem after the conflict. The main disadvantages of this method of providing the population with housing were:

- widespread cases of local corruption;
- artificially delaying the consideration of claims for the return of housing;
- conflicts between old owners and people who at one time took possession of houses without permission and could not find another shelter;
- the threat of persecution for ethnic minorities returning to their homes.

Less attention was paid to the programmes for housing construction and arranging places for mass accommodation of people. Compensation mechanisms for damaged/lost housing did not actually work. Returning home often brought new changes for its old dwellers, who had to return to new living conditions. Therefore, neglecting people's interests in post-war reconstruction and resettlement is one of the red lines for Ukraine, where it is necessary to take care of arranging not only physical infrastructure but also the creation of employment, education, and social infrastructure. Attention should also be paid to the inadmissibility of long-term residence of people in temporary mass resettlement centres because if they stay there too long, it can affect the quality of their life.

3 A Lesson from the United Kingdom

For Ukraine, the UK's experience in the matter of housing policy is useful in that a large part of its success was the comprehensive planned restoration and rethinking of the housing situation that existed before the war. For instance, before the post-war reconstruction, multi-storey buildings were not popular, but the destruction and the need for reconstruction and the introduction of new building technologies created an opportunity for their spread. Ensuring the quality, functionality and comfort of new districts and rebuilt cities was achieved. At the same time, in Ukraine's post war housing policy, more attention should be paid to assessing and analysing the population's housing needs and finding the best ways to meet them with limited resources.

4 A Lesson from Georgia

In general, Georgia is solving the issue of providing IDPs with housing systematically but slowly. Apartments are purchased out, and new houses are constructed annually. However, the scope does not allow for covering all the needs. One of the main miscalculations was to consider the issue of internally displaced persons as a temporary one, which, accordingly, did not encourage approaching the resolution of the problem of long-term housing for a long time. Because of this assumption, which turned out to be false, the country lost about a dozen years during which it could have been arranging the lives of displaced citizens. Based on this experience, it is also important for Ukraine that attempts to build separate settlements for IDPs in Georgia showed poor results. Several surveys indicate that this prevented IDPs from integrating into communities, finding jobs, and receiving education or medical services. Instead, the initiative to buy apartments from developers is highly appreciated, where IDPs get equal opportunities with the local population and adapt to life in a new place faster.

5 A Lesson from Lebanon

Over-centralisation of reconstruction and inflated expectations from the private sector have created the conditions in Lebanon for corruption to flourish and almost monopolise the construction industry in the capital. With no dialogue between the authorities, the population and the private company that carried out the development, a large gap between the needs of citizens and implemented projects arose in the country. Housing became too expensive, infrastructure was inconvenient, and the city's historical identity was partly destroyed. The issues of social housing in the country were little dealt with, just like the reconstruction of other regions of the country and the outskirts of Beirut. One of the main lessons that can be learned from the reconstruction of Lebanon for Ukraine is the need to involve the population in reconstruction planning, decentralise this process, and increase the level of competition among developers.

6 A Lesson from Puerto Rico

In Puerto Rico, the authorities tried to quickly solve the housing problem by issuing vouchers (grants) for the reconstruction or purchase of housing by individuals who suffered from the natural disaster. The negative consequence of such a system was that for the owners of destroyed houses, more favourable conditions were created not for the restoration of their own houses but for the purchase of new homes. As a result, this led to increased demand among the population in the real estate market, which entailed a sharp increase in the cost of housing, and the defined marginal value of the housing voucher was no longer enough to buy equivalent housing on the market. This situation contributed to the construction of cheap housing of lower quality.

Moreover, representatives of NGOs in Puerto Rico noted that the process of housing restoration was not transparent. Puerto Rico loses up to three billion dollars a year due to corruption and weaknesses in public contracting processes, resulting in low-quality, unreliable, and unnecessarily expensive essential services, from building the power grid to rebuilding the roads. Therefore, in the context of Ukraine's reconstruction, the importance of ensuring a transparent and open reconstruction should once again be taken into account.

7 A Lesson from Türkiye

After the earthquake, Türkiye tried to solve the issue of shelter, temporary and long-term housing for the affected people in a centralised way. Türkiye's geographical location requires strict standards for constructing quality homes, as there is a constant risk of earthquakes. Heightened requirements for construction and the resulting high degree of bureaucracy caused bursts of illegal development that the state could not effectively deal with. Consequently, the government occasionally legalises such development by issuing paid amnesties for houses that may not be of sufficient quality to withstand a natural disaster. Thus, the main lesson from Türkiye should be a balanced approach to the development of building documents and standards, which will ensure the proper quality of structures, but at the same time, will be accessible and adequate for developers and the public in terms of its procedures.

8 A Lesson from Croatia

In general, the housing reconstruction process in Croatia seems quite standardised. Several important acts were adopted that regulated the damage assessment process and methods of restoring housing. In particular, the experience of Croatia in the reconstruction of residential facilities depending on the degree of damage is interesting when the state provided financial support for relatively minor damages and fully reconstructed damaged objects that suffered significant destruction. It is important that individuals and legal entities registered to carry out such activities that were selected based on a public tender could be qualified to perform the works.

For Ukraine, Croatia's experience can also be useful in terms of restoring temporarily occupied territories. In Croatia, a separate statutory instrument was adopted for this purpose, which contained incentive measures which should be considered and assessed in more detail for the possibility of their implementation in Ukraine. In particular, we are talking about the distribution of houses and apartments in the liberated territories, which was carried out at least twice a year. However, when real estate is distributed in order of priority, it should be considered that such a mechanism presupposes certain corruption risks. After all, there is a possibility of developing a system of illegal priority acquisition of housing by people on waiting lists.



