

# Country profile: BOSNIA AND HERZEGOVINA



## Country facts

**Capital:**  
Sarajevo

**Main country facts:**  
declared independence Mar. 1, 1992;  
1992-1995 a period of civil war

**Population:**  
over 4.5 million

**Urbanization:**  
49% live in cities

**Life expectancy:**  
78 years

**Unemployment rate:**  
43 percent

**Population living below poverty line:**  
18.6 percent

## Habitat facts

**When started:**  
partnership with a local organization launched in 2010

**Highlights:**  
the first housing loan through the partnership issued in November 2010

**Families served:**  
More than 50

**Housing solutions:**  
Small loans for home improvement and energy efficiency upgrades

## Habitat for Humanity in Bosnia and Herzegovina

Habitat for Humanity and Microcredit Foundation LOK, one of the leading microfinance organizations in the country, entered into a partnership in the fall of 2010. LOK approached Habitat with a request to help design small housing loans. LOK had been providing microcredit to support employment and entrepreneurship for several years, and had identified the need for housing microloans among their existing clients. Habitat initially helped the microfinance organization conduct a market research and develop a housing microloan project. Funds for a pilot program of housing microloans were obtained through the Dutch International Guarantees for Housing Foundation.

## The housing need in Bosnia and Herzegovina

Reconstruction of the existing housing stock is the pressing problem in the country. Bosnia and Herzegovina was part of the former Yugoslavia and suffered much destruction and damage of homes in the civil wars of the 1990s. In 1991, the housing stock consisted of over 1 million private and publicly owned housing units in almost 7,000 settlements. The war destroyed almost half of these homes.

According to official data, over 450,000 housing units were partially or completely destroyed from 1992 to 1995. Almost 80 percent of these homes were destroyed or heavily damaged to the extent of being unlivable.

Since the 1995 Dayton peace accords, the people have faced the dual problems of rebuilding a war-torn economy and introducing market reforms to a formerly centrally planned economy. Many refugees and internally displaced people are still waiting to return to their damaged or destroyed homes. In 2005, over 47,500 families registered with the state authorities for reconstruction and return aid.

## How Habitat addresses the need

Habitat for Humanity works in Bosnia and Herzegovina through the local partner organization LOK. It is one of the leading microcredit organizations in the country. It has received a number of awards for international transparency and high quality standards of work. It operates in both the Republica Srpska, mainly populated by ethnic Serbs, and in the Federation, mainly populated by Bosniaks and Croats.

### Home improvement loans

Through LOK, two types of housing finance loans are offered to low-income households in Bosnia and Herzegovina. One of them provides financing for people who need individual home improvements in their houses. The second will be available for energy efficiency improvements. Loan amounts, terms, and repayment conditions allow families to substantially improve their living conditions without shouldering unbearably heavy financial burdens.

The €1 million pilot program aims to support 1,000 families in the first year.

## Meet a Habitat family

Kenan and Selma Sejfoski live in Zenica, the industrial center of Bosnia and Herzegovina. They have two sons, 16-year-old Jasmin and 13-year-old Almir. They live in a small house together with Selma's mother. Kenan is in the military and daily commutes four hours to Mostar to his post.

The family's old home consisted of just one room. They started building a bigger house close to their old one, however they lacked funds to complete the work. Kenan had a loan from LOK for other purposes and through that relationship heard about Habitat loans for housing. The new offer of an affordable home improvement loan came as a relief. All the external works on the house have been completed so far. With the new loan, the family plans to finish interior works and installations making it possible to live in their new home.

*"We are very grateful to our loan officer for offering us information on a loan in cooperation with Habitat. We got an opportunity to have smaller repayment and continue to work on the house,"* says Kenan.



## DONATE

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Habitat for Humanity International is a global charity dedicated to eliminating poverty housing. Since its foundation in 1976, Habitat has built and renovated more than 400,000 houses worldwide, providing simple, decent, affordable shelter for 2 million people.

In Europe and Central Asia Habitat for Humanity International works with families in need in 23 countries, building and repairing houses, offering housing microfinance services, improving water and sanitation, working on disaster response and advocating for affordable housing. In this region, Habitat has served more than 11,000 families together with volunteers and homeowners. Find out more at [www.habitateurope.org](http://www.habitateurope.org).