Survey on Homeowner Associations in Bosnia and Herzegovina

Center for Education and Raising Awareness of Energy Efficiency - Energis USAID REELIH - HFHI January 2013

This report is the outcome of a survey on Homeowner Associations conducted by the Center for Education and Raising Awareness of Energy Efficiency – Energis in conjunction with the project RESIDENTIAL ENERGY EFFICIENCY FOR LOW INCOME HOUSEHOLDS (REELIH) in Bosnia and Herzegovina commissioned by USAID.

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LIST OF ABBREVIATIONS

BAM – Local Currency (convertible mark)

BiH – Bosnia and Herzegovina

EBRD – European Bank for Reconstruction and Development

EE - Energy Efficiency

EU - European Union

EUR – Euro

FBiH – Federation of Bosnia and Herzegovina (entity)

HFHI – Habitat for Humanity International

HOA – Home Owner Association

KM – Local Currency (convertible mark)

REE – Residential Energy Efficiency

REELIH – Residential Energy Efficiency for Low Income Households

RES – Renewable Energy Sources

ROI – Return on Investment

RS – Republika Srpska (entity)

SFRY - Socialist Federal Republic of Yugoslavia

EXECUTIVE SUMMARY

- The document Survey on Home Owner Association in Bosnia and Herzegovina was prepared by a team of experts from the Center for Education and Raising Awareness of Energy Efficiency - Energis, from November 2013– December 2013, on the request of Habitat for Humanity International, in full compliance with the terms of references defined by the same contracting authority. The main goal of this document is to provide an overview of the legal framework and the functioning of the Home Owner Associations in Bosnia and Herzegovina.
- A detailed overview of the local legal framework of the Homeowner Associations is provided in Chapter 2 of this document. Chapter 2 also contains a detailed analysis of the structure of HOAs and details about fee collections from the tenants, as well as other sources of income. Special attention will be paid to the decision making process and consensus to be made when HOA considers energy efficiency (EE) measures and what can be done to facilitate the decision making process.
- Chapter 3 of this document provides information regarding previous works and renovations that the HOA implemented or plan to implement in their residential buildings. The dynamic of the maintenance of residential apartment buildings is also briefly analyzed in this chapter.
- Chapter 4 focuses on previous experiences in receiving/applying for grants, loans, or any other funds for residential energy efficiency. The general awareness level of the HOA regarding residential energy efficiency (REE) is also analyzed in this chapter.
- The last section of this document will provide a short case study of a residential building in the city of Zenica, current activities in the field of energy efficiency in Bosnia and Herzegovina, and general measures for improving energy efficiency in residential buildings. The very last section is focused on currently all available funding sources for residential energy efficiency improvements on the BiH market.

1. INTRODUCTION

In the early 1990s, housing privatization was one of the first steps taken during the transition from socialism to a market economy in the former Socialist Federal Republic of Yugoslavia (SFRY). Large apartment buildings, built and maintained by the central government and rented to citizens at highly subsidized rates, were sold on extremely favorable terms and sometimes given away to the tenants who occupied them. The buildings were transferred to the condominium form of ownership, with the residents becoming owners of their own apartment and a share of the common property. In most countries in the SFRY – BiH included. More than 90 percent of former state tenants became homeowners within a few years.

Acquisition of ownership at little or no cost was a mixed blessing, however. The new owners became responsible for maintaining and repairing buildings that were poorly constructed and largely ignored thereafter by the public maintenance enterprises. After privatization, it became apparent that improvements to the condition of the housing stock would only occur if there was a strong legal framework for ownership and management by the new owners. The most successful privatization programs mandated or at least strongly encouraged the formation of legal entities known as Homeowners' Associations (HOAs) that were authorized to represent the individual residents, could plan, finance, and implement repairs and capital improvements through contracts with third parties, and could enforce the owners' obligation to pay their share of common area expenses.

Habitat for Humanity International (HFHI) has a vision of a world where everyone has a decent place to live. Anchored by the conviction that safe and affordable housing provides a critical foundation for breaking the cycle of poverty, Habitat has helped more than 3 million people worldwide to construct, rehabilitate, or preserve their homes since 1976. Habitat also advocates for fair and just housing policies and provides training and access to resources to help more families improve their shelter conditions.

Residential heating accounts for more than 40 percent of energy use in most Balkan countries because previous construction and heating methods did not focus on energy efficiency. As a result, highly inefficient energy use exacerbates the negative effect of escalating energy prices on low-income households.

It is important to address the problem of residential energy efficiency because it can reduce energy consumption and help the country move forward on the road to energy reforms.

The majority of BiH's housing stock, especially in urban areas, consists of pre-fabricated multi-story apartment buildings that are generally of low quality, poorly insulated, and poorly maintained. As a result, they provide a low level of comfort. Current construction standards and practices for residential buildings lag behind European and international standards and are not effectively applied in building and in the refurbishment of old buildings.

In the first phase, Residential Energy Efficiency for Low Income Households – REELIH will seek solutions

for financing, through a combination of subsidies and commercial loans. The project will target at least one demonstration building in each partner municipality in BiH. The buildings will be selected based on clear selection criteria that are developed jointly by local financial partners, local governments, and HFHI. Most importantly, homeowners within selected buildings must reach a consensus not only on the energy efficiency renovations that they would like to implement in their individual apartments and common spaces, but also on their readiness to co-finance these renovations, if necessary by taking an individual or a collective loan.

The REELIH program will facilitate this process by providing all necessary information and a tailor-made training program on residential energy efficiency to homeowner associations and apartment owners. The program will also assist homeowners associations as they select the construction companies they want to work with, independent works supervisors, and energy audit companies.

Through the REELIH project HFHI wants to demonstrate a market solution for bringing residential energy efficiency to low-income households in Bosnia and Herzegovina.

The field of energy efficiency has been recognized by the European Union (EU) as the field that has the greatest potential to reduce total energy consumption, which ultimately has a direct effect on emissions reductions.

Directive 2002/91/EC – the Energy Performance of Buildings Directive (EPBD), adopted at the end of 2002 by the European Parliament, is the European Union's most important Directive on the subject of energy efficiency of buildings. The EPBD imposes the obligation of saving energy in buildings in the EU as well as in the candidate EU countries. This Directive established a new legislative framework in the field of energy efficiency of buildings that is unique to all member states and aims to promote the improvement of energy performance of buildings by increasing the potential for energy savings and CO2 emission reductions in buildings.

All buildings that are being constructed, sold, or rented/leased will be issued an energy certificate containing data on annual energy consumption for heating the building. This certificate will be publicly displayed or disclosed to all interested parties.

It is estimated that in Bosnia and Herzegovina, buildings consume as much as 52 percent of energy, while the European level is at approximately 40 percent. The current EU legislation states that the maximum annual energy consumption in buildings is 95 kWh / m2. On average, the buildings in Bosnia and Herzegovina consume more than 200 kWh / m2, while private households consume as much as 350 kWh / m2.

Bosnia and Herzegovina consumes five times more energy per unit of Gross Domestic Product (GDP) than the EU countries and two and a half times more than the world average. At the same time, the total energy consumption per capita in the country is lower than the world and EU average. Residential buildings are the largest single consumers of energy and a major source of greenhouse gases, especially CO2.

Therefore, the Residential Energy Efficiency for Low Income Households - REELIH project seeks to demonstrate that integrated efforts in this sector - both at the regional and national levels - addressing market, capacity and knowledge gaps will bring significant improvements to the living conditions of low-

income families in the region, reduce energy costs, reduce carbon emissions, and overall, contribute with tangible experiences in the ongoing dialogue and reform processes.

Furthermore, the contractor provided the terms of reference which consider the local legal framework and the structure of the HOAs in Bosnia and Herzegovina. This document will be used as a baseline survey for the REELIH project. More concretely, it will give the project a detailed overview of the legal framework and the HOAs in general. This provides a starting point for implementing the project's future activities.

1.2 METHODOLOGY

This report is an outcome of activities implemented in November and December 2013. Activities included:

I – Interviews with HOAs: Please see Annex I for the full list of references;

II – Detailed overview of local legislation regarding HOA;

III – Survey analysis and report writing.

The methodological approach is focused primarily on the desktop and field research of how the HOAs are formed and how they operate in Bosnia and Herzegovina. Fieldwork was conducted in order to briefly examine the structures and talk to the representatives in person.

The main goal of the survey is to gather as much baseline data as possible about the activities of the HOAs. A series of interviews were conducted with a total of 50 HOAs and 10 building management companies. The HOAs were selected by the contractor.

A full list of participants as well as interview questions can be found in the appendices of this report.

2. OVERVIEW OF THE LOCAL LEGISLATION

The term “Homeowner Association” (HOA) is a relatively new term in the legal system in Bosnia and Herzegovina and therefore requires particular legal regulations.

Historically, the HOAs in the Federation of Bosnia and Herzegovina (FBiH) were regulated by the Law of Partial Building Owners (Official Gazette of SR BiH No. 35/77, 38/78, and 22/84) and the Law on the Basis of Property Rights (Official Gazette of RBiH No. 37/95). These laws cease to affect the Law of Property Rights’s entry into force (Official Gazette of FBiH No. 66/13).

The Law of Proprietary (Official Gazette of FBiH No. 66/13) entered into force on September 6th, 2013 and will be officially applied on March 6th, 2014, while the Law on Property Rights of Republic of Srpska (RS) (Official Gazette of RS No. 124/08) was applied on January 1st, 2010.

The Law of Proprietary of FBiH and RS handle HOA issues in a more detailed manner than previous regulations.

At the cantonal level, there are laws that address the maintenance of the common parts of residential buildings, building management of the common spaces of the building, rights and obligations of the apartment owners, offices and garages, residential commercial buildings, and the rights and obligations of the building managers in terms of maintaining common spaces. At the level of RS, the laws that address the maintenance of the common parts of residential buildings are the Law on Proprietary ("RS Official Gazette", no. 44/95, 46/98, 1/2001).

Bosnia and Herzegovina, as a signatory of the Energy Community Treaty, must implement Directive 2010/31/EU on the Energy Performance in Buildings (EPBD). The Directive 2010/31/EU on the Energy Performance in Buildings (EPBD) is one of the most complex energy efficiency directives for implementation in BiH. Based on the constitutional structure of Bosnia and Herzegovina, the energy efficiency sector is under the jurisdiction of entity governments. Entity ministries are responsible for energy and physical planning.

At the state level, the Ministry of Foreign Trade and Economic Relations (MOFTER) is responsible for transposition and implementation of EPBD. In terms of implementing tasks within BiH’s jurisdiction relating to policy definition, the ministry is responsible for basic principles, coordination of activities, plans of entity authorities, and international institutions in the energy sector (Law on ministries and other administrative bodies “Official Gazette BiH 32/02, Article 9). Also, the ministry is responsible for the international coordination of the Energy Community Treaty, including the requirements of EE *acquis communautaire* related issues.

The Federation of BiH’s transposition and implementation of EPBD is under the jurisdiction of the Federal Ministry of Physical Planning and is based on the law on physical planning and land utilization (“Official Gazette of FBiH”, No. 2/06, 72/07 and 32/08). Under this framework, secondary legislation on calculating energy performance in buildings, energy audits of buildings, and energy certification of buildings has been adopted and implemented. The draft Law on Energy Efficiency was adopted by the House of Peoples of the Federation on November, 14, 2013 at the 18th assembly of the House of Peoples of the Parliament of FBiH. The government of FBiH is obliged to organize a public hearing within a period of 60 days from this date. This law will take over provisions of the current law related to implementing EPBD requirements, while the secondary legislation will be amended with missing provisions that are important for complete

transposition of the EPBD. Different ministries will share responsibility for implementing the new law as it relates to the final energy consumption in different sectors. The Federal Ministry of Physical Planning will retain responsibility for the building sector. Institutionally, the process of implementing EPBD is not completely established on the countrywide level due to the variety of responsibilities that are owed to different building types and sizes between the FBiH and cantonal levels. The process of transposition of EPBD requirements on the cantonal level has started, yet there are no visible results of their implementation. The full implementation will start after the adoption of NEEAP that foresees the creation of Cantonal KEEAPS. However, it is foreseen that the National Energy Efficiency Action Plan (NEEAP) will be adopted and will cover all the EPBD requirements for public buildings. It should be emphasized that the basis of these laws adopted in **BiH do not explicitly treat residential buildings**, which make up about 90% of the total building stock, but mainly public buildings. According to the Energy Community Roadmap for BiH, the NEEAP-B for buildings will also be created and added to the NEEAP covering the energy efficiency obligations of the EPBD for residential buildings as well. This is optimal timing for the introduction and implementation of the REELIH project in Bosnia and Herzegovina.

The Energy Road Map for Bosnia and Herzegovina can be seen below.

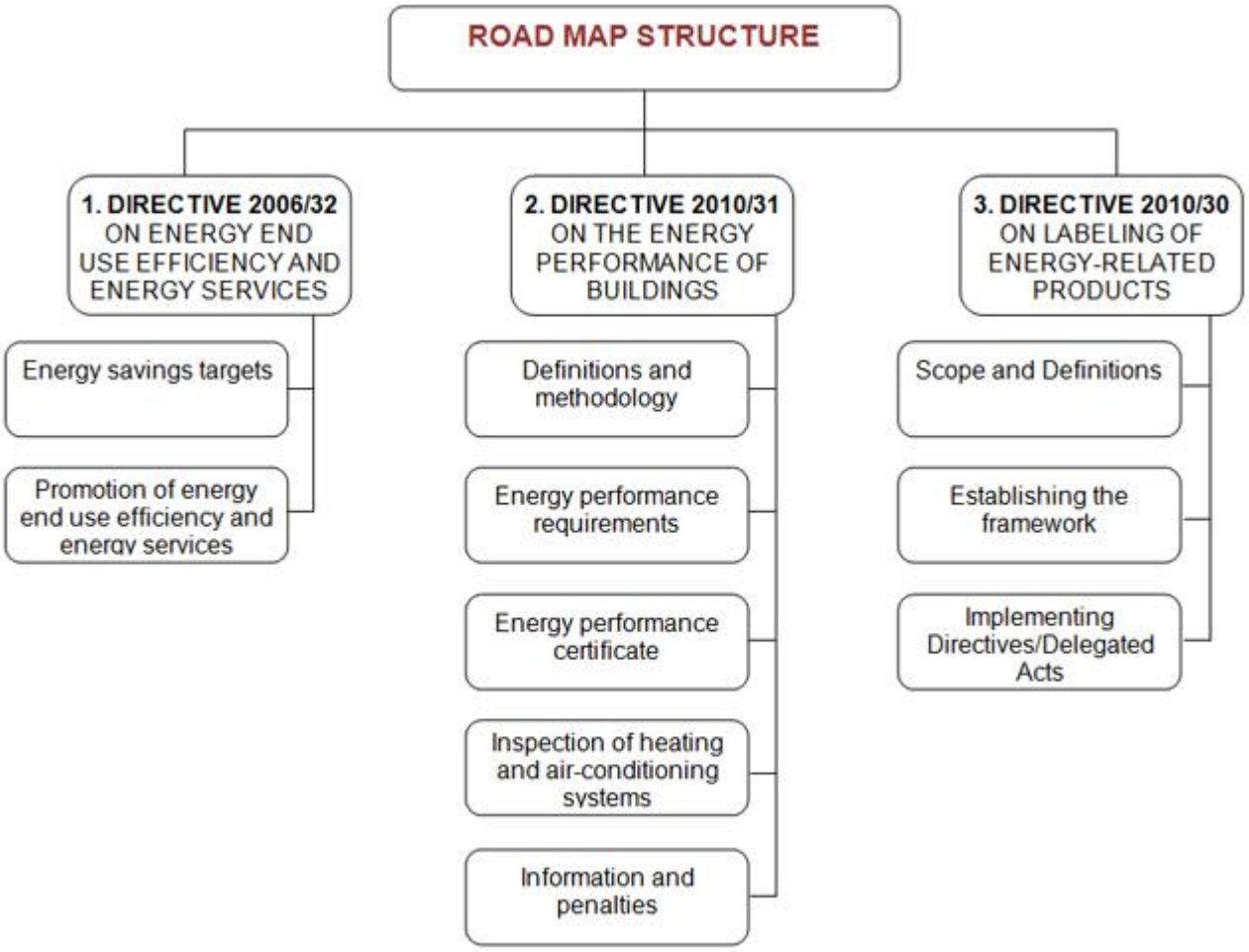


FIGURE 1 ENERGY ROAD MAP FOR BOSNIA AND HERZEGOVINA

In Republika Srpska, the transposition of the EPBD is to be implemented through the new law on physical planning and construction. The draft law was adopted on June 27, 2013. Furthermore, the secondary legislation corresponding to the EPBD requirements has been drafted (EU IPA 2007). Unfortunately, it has not been officially adopted yet. Institutionally, The Ministry of Spatial Planning, Civil Engineering and Ecology of RS the responsibility over implementing the law and related secondary legislation.

In Brcko District, there has not yet been recorded progress on transposition of EPBD requirements into local legislation. It is expected that after laws and bylaws are adopted in the FBiH and RS, the same process will be performed in BD.

Issues of energy efficiency in buildings in FBiH is solved by the following regulations:

- Ordinance on the technical requirements for thermal protection of buildings and rational use of energy
- Ordinance on the technical requirements for heating and cooling systems in buildings
- Ordinance on the technical requirements for ventilation and air conditioning systems buildings
- Regulations on the energy certification of buildings
- Regulation on conditions for persons who perform energy audits and certification
- Law on Construction
- Law on Spatial Planning and Land Use
- Laws on Spatial Planning and Development at the cantonal level
- Decisions about municipal work at the municipal level
- Law on Obligations
- Law on Property and Ownership Relations
- Housing Act
- Law on Maintenance

3. DETAILED STRUCTURE OF HOAS

3.1 HOUSING PRIVATIZATION

Housing played a critical role in the transition from socialism to market economies in the former Socialist Federal Republics of Yugoslavia. No other sector has directly affected the lives of so many people and their ability to participate in the new free market for goods and services. From the time of the major economic reforms of the early 1990s, there have been two major initiatives related to housing: (1) the end of widespread central government control and subsidization of housing production and allocation, and (2) the increase in the range of choices available to citizens in the location and quality standards of their housing. The major effort underlying both initiatives was housing privatization—the transfer of ownership of multifamily housing stock from the state to the apartment tenants, together with the responsibility for maintaining and operating the buildings. Almost uniformly across the Balkans region, apartment buildings were privatized by transferring ownership of individual apartments together with an ownership interest in the common property (the roof, stairways, foundation, mechanical systems and so on).

This legal form of ownership is generally known as “condominium” and has been widely adopted in Bosnia and Herzegovina.

3.2 Cost and Condition of Housing

The privatization law in Bosnia and Herzegovina provided that housing units were to be sold to the **sitting tenants** in almost all cases, usually at steep discounts from what was calculated to be market value. Prices were based on apartment size, type, and year of construction. Location and current condition were not considered. In some cases, the housing was given away, either because of its age and poor condition, or under special programs for the elderly, disabled, war veterans, or others in disadvantaged circumstances.

Since state-built and owned multifamily housing had been so pervasive throughout the region—particularly in urban areas and population centers built around state-owned factories and enterprises—the change of ownership represented a massive shift of wealth from the central governments to the citizens. However, the condition of the housing was usually so poor that the value was less than it might have seemed at first. The multifamily housing was often shoddily built at the outset using substandard materials, such as industrialized concrete panel block that had already exceeded its technical life span, and was almost always poorly maintained by the state-owned enterprises responsible for housing allocation and repair. After factoring in deferred maintenance and the cost of putting the building into decent operating condition, the cost might have represented something close to true value at the time of privatization, at least until the market for secondary (post-privatization) sales took off. Improvements have been most likely to occur in the more desirable housing areas, like central cities. Secondary sales in such places began to proliferate in the late 1990s and have continued since, often at prices close to western European levels.

It is significant to mention that the Professional Maintenance Company (PMC) performs tasks that are in the public interest and it’s licenses are provided by the Cantonal governments. If one HOA has any due obligations, they are not allowed to change their PMC. Also, the process of suing the apartment owners for not paying their monthly dues is a very long and difficult process.

3.3 Owners' Responsibilities and the Need for HOAs

In the aftermath of privatization in Bosnia and Herzegovina, the new owners were required by law to assume management responsibility for their buildings, but very rarely had the financial, legal or technical skills to fulfill their obligations. Today, **condominium owners in BiH continue to face problems such as unclear delineation of their rights and responsibilities, lack of meaningful choices in contracting for management and maintenance services, and inadequate financial resources to make needed repairs or undertake renovations of their apartment buildings. Without a well-drafted condominium law and the formation of an HOA, there is no system for managing the common spaces of the apartment buildings and enforcing rules and obligations imposed on the apartment owners. Therefore, building conditions have remained the same or have continued to deteriorate.**

Common spaces in residential buildings are:

- Supporting structures of the building (foundations, bearing walls, columns, floor joists, roof covering),
- Roofs (insulation, tile, asbestos, etc.)
- Passable and impassable common terraces,
- Building facades, doors and windows of common space,
- Roof and other metal ware (gutters, etc.)
- Chimneys, ventilation ducts, fire hydrants, fire extinguishers, hoses with nozzles,
- Common staircases, railings, fire exits,
- Elevators including all installations providing normal safe use,
- Electrical installation of the main fuse to the utility distribution boxes in apartments,
- Plumbing from the main meter to the consumer (all installations in walls and drains in the floor), and rehabilitation after the intervention,
- Sanitary plumbing and sewage system in the common spaces,
- Vertical installation of sewer drain switching from flat to collecting manholes,
- Electrical installation of staircase lighting (Slots, switchboard, meter and timer)
- Common spaces of the installation of central heating systems up to and including a valve on the heating bodies, as well as heating bodies in common spaces,
- Telephone wiring within the apartments
- Installation of electric door locks, intercom, call keyboard, and bells,
- Devices for water supply (water pumps)
- Waste dumps, laundry - kitchen, basement and attic rooms,
- Common cleaning of septic tanks
- And all other parts and devices that serve a common purpose.

Because of the housing's poor condition, it became clear rather quickly to housing experts that providing an effective legal, operational, and economic framework for the operation of condominium housing would be critical. This is especially true because housing under socialism was usually not assigned in accordance with the income of the tenants, apartment buildings were generally similar, and rent was extremely low for all without regard to ability to pay. The state collected rent and used the proceeds to provide maintenance. **This service usually incurred heavy state subsidies since the political purpose of the state-owned maintenance companies was to provide employment for workers**

rather than to provide maintenance services to tenants. Therefore, both the financial ability and the interest among post-privatization owners to participate in renovation programs presented a decidedly mixed picture. A legally empowered HOA that could make decisions and enter into contracts on the basis of a majority vote of the owners proved to be not only the best framework for improvements in general maintenance and repairs, **but is probably essential for accomplishing major repairs and renovation, such as new roofs and facades or energy retrofitting**, either from the owners' own funds or through access to bank credit.

3.4 Detailed Structure of HOAs

Homeowners are persons who legally own an apartment, garage or business facility within a residential building regardless of the nature of how the property was acquired. Properties can be acquired through inheritance, purchase, exemption from nationalization, purchase on the basis of the Law on Sale of Apartments with Tenancy Rights. These properties include condominiums purchased on the market, as well as apartments that have not been redeemed.

The owners have an inseparable common right to ownership of the common spaces of the building and indivisible joint ownership rights to the land beneath the building, as well as the obligations arising out of them.

The mutual relations, rights and obligations of condominium owners in the residential buildings are regulated by a mutual agreement. According to the Law on Property Rights (Official Gazette FBiH No. 66/ 13,) this mutual agreement must be made in writing and signed by all the condominium owners of the building and the signatures must be certified by a notary or other authorized body. The rights and obligations regulated by the mutual agreement also apply to those condominium owners of the building who had refused to sign an agreement made by appropriate majority at the HOA level. An agreement is valid if it was signed by more than 50 percent of the condominium owners whose ownerships' shares represent more than 50 percent of the value of all the separate parts of the building and if the area of their special parts the building is more than 50% of the total area of the building. However, the Law on Maintenance of Common Spaces in Canton Sarajevo states that if a decision is made by flat owners who own more than 66.7 percent of the total usable area of the building, the decision is a must for all flat owners in the building. However, this specific rule is not mentioned in any of the laws in the Tuzla Canton.

The mutual agreement also regulates the responsibilities of the management and maintenance of the common spaces of the building and the organizing of meetings for the HOAs. For example, meetings can be held only if more than 50 percent of the flat owners of the building are present. Decisions can be made only by a majority vote of those present. Also, the mutual agreement allows the maintenance company to carry out activities related to the maintenance of commercial and residential buildings, the financing costs of the maintenance of common spaces, as well as all other obligations of condominium owners. It is important to note that, as an example in Sarajevo Canton, the monthly fees depend on whether the building has an elevator or not. These fees can amount to a maximum of 0,25 KM/m2 for building with no elevator while this amounts to 0,38 KM/m2 for buildings with elevators.

The owners are required to participate in property management. The most important management issues related to the common spaces can be decided and agreed upon during the meetings. At the meetings, the condominium owners consider and decide on the following:

- Election of the president/representative of the HOA for their respective entrance, each entrance elects their own representative
- Appointment of the board members of the HOA
- Drafting an investment plan of the building maintenance
- Adoption of an annual building maintenance report
- Signing of mutual agreements between owners, assigning the fee for performing administrative tasks in terms of the building management, and other decisions that exceed the framework of regular building management.

Also, at the meetings the HOA decides on routine maintenance procedures for common spaces of the building. The representative of the HOA organizes and calls for a meeting. In order to agree on a certain issue, flat owners of at least one third of the buildings usable space must be present at the meeting.

Minutes of the meeting must be kept and signed by the recording secretary and representative of the condominium owners. Minutes of the meeting are conducted in accordance with the official template "Minutes of the meeting" which must include: time and place of meetings, agenda, and list of attendees.

Decisions are considered merited if they are declared by condominium owners who own more than 50 percent of usable/livable area.

If for any reason a meeting cannot convene with the required quorum, the representative is allowed to get an individual consent of flat owners by collecting signatures on the official decision form. Decisions taken at the meetings or collected signatures are considered to be a binding contract for all flat owners in the building and is valid in all the cantons.

All decisions must be made in writing including the regular building management and emergency management operations.

Energy efficiency measures are included under the improvements of common parts and facilities of the residential building. **Article 99 of the Law on Property Rights (FBiH Official Gazette No. 66/13)** stipulates that the decision on taking actions for the improvement of common parts and facilities such as **energy efficiency improvements and renovation of common spaces and facilities requires consent of all flat owners on the property.** However, **the consent of all flat owners is not required** if the homeowners decide to make improvements or bear the costs of repairs themselves. It is also not required if the costs can be covered by the HOA's reserve funds without jeopardizing the ability of the reserve to meet the needs of regular maintenance. This is a step forward for this particular law as energy efficiency is being mentioned for the first time.

More specifically, under the conditions laid down in the above-cited law, a minimum of 51% of the co-owners may decide to implement EE measures. In the case that the 51% of the co-owners do decide to implement EE measure, these provisions would oblige the other owners as well. However, the other co-owners are not required to participate in the costs or use reserve funds for financing of EE measures but on the other hand, they cannot obstruct the implementation of EE measures and still need to continue paying their monthly payments for routine maintenance.

Given that this method of decision making is proscribed by law, mutual agreements cannot derogate from the law in a way that results in a small percentage of homeowners (i.e. 30%) making decisions regarding measures to improve the common parts and facilities. This law should be put into action in March 2014

and all the cantonal law regulating the maintenance and investments in buildings will have to take this into account.

All condominium owners must pay a monthly fee (in accordance to their flat size). The accumulated money represents a contribution to the common reserve (bank account) and is used towards maintaining and improving the property. The reserve is also used to repay loans (if approved) to cover the costs borne by all flat owners in proportion to their owned space size.

Flat owners vote on how much money the owners are required to pay towards the common reserve. The common reserve is intended to cover the costs of maintaining and improving the property and to repay any loans that were used to cover these costs. The joint reserve is managed by the flat owners and/or property manager.

No single legislation stipulates a limit on cash contributions to the common reserve. Of course, the contributions should be increased if the HOA decides to implement EE measures. However, it is closely related to decision-making on measures to improve the common parts and facilities. As noted above, if there is no agreement of all the owners, reserves can be used only if it does not endanger the routine maintenance. The same applies to the repayment of the loan to cover the cost of improvements to the common parts and facilities. So, if there is no agreement of all the homeowners then the owners who did not agree with the implementation of EE measures cannot be further burdened by monetary payments. The contribution to the common reserves thereby cannot be increased.

The condominium owners appoint the HOA and the representative. HOAs usually consist of five members, a representative, and a HOA president. **Mutual agreements** are signed by the flat owners and determine the governing powers of the HOA, the terms of office, and the decision-making process (eg. by a majority vote of the members present).

On behalf of flat owners, the HOA is allowed to do the following:

- Elect the president of the HOA
- Execute decisions together with the flat owners
- Propose an annual building maintenance program and oversee its realization
- Submit a financial report on the implementation of the annual program of building maintenance
- Conclude contracts on maintenance building
- Organize the collection and receipt of payments intended for building maintenance
- Propose methods of common space usage
- Engage entities that may conduct emergency procedure to troubleshoot faults on equipment and building installations
- Propose a way to ensure building insurance of basic risks
- Perform other tasks necessary for building management

The president of the HOA is required and authorized to legally represent the building in front of governmental administrative bodies and judicial affairs. In addition, **the president oversees building maintenance and manages the entities** entrusted with the maintenance of buildings or works.

The decision making process of the HOA or flat owners is regulated by law, by-laws, and mutual agreements. As a result, currently it is not possible to give HOA’s greater powers than the law prescribes.

However, it is possible to achieve higher performance with energy efficiency measures by strengthening the capabilities of the HOA..

For example:

- Raising awareness of energy efficiency among the HOA
- Applying existing regulations for thermal protection and energy savings based on energy efficiency standards
- Gaining subsidies through financial instruments/mechanisms

All flat owners should participate in the meetings where the HOA or the building managers can raise the level of knowledge and awareness of energy efficiency through education, leaflets, best practices, life examples, etc.

The implementation of existing regulations for thermal insulation and energy savings should be based on the latest energy efficiency standards. For example, the provisions of Article 35 Paragraph 1 of the Consumer Protection Act in Bosnia and Herzegovina ("Official Gazette of BiH", No. 25 / 06) states that the sale of energy (electricity, heating, gas, etc) and water to consumers should be calculated on the basis of actual consumption and meter readings. Paragraph 2 of the same Article stipulates that if the sale is not calculated on the basis of actual meter readings and by the request of the consumer, the supplier has to deliver the energy services listed in paragraph 1 of the same Article to the customer for free and shall install meters at the supplier's expense

By installing meters, the consumer can achieve control over their energy consumption, and create savings by lowering their consumption.

The HOA needs to be informed about different financial mechanisms for energy efficiency on the local and cantonal level. The HOA should also be knowledgeable in the use of commercial bank loans as possible ways of financing long-term energy efficiency measures.

In terms of the interviewed representatives, all of the conducted business/transactions are 100 percent transparent. All flat owners are transparently involved in day-to-day operations (such as the maintenance of the common spaces, decision making, etc.). Everything is discussed and agreed upon during the meetings. The representative calls for a meeting and in case that some of the flat owners could not participate, the representative visits them on a one-on-one basis with the summary and minutes of the meeting. The following chart shows how often the apartments are included in the daily operations of the HOA, how often the monthly fees are collected, and shows the delinquency rate and how it is the direct result of interviews with HOA presidents. In terms of transparency, all co-owners have the right to view the bank statements, agreements, and all other important documents related to the HOAs.

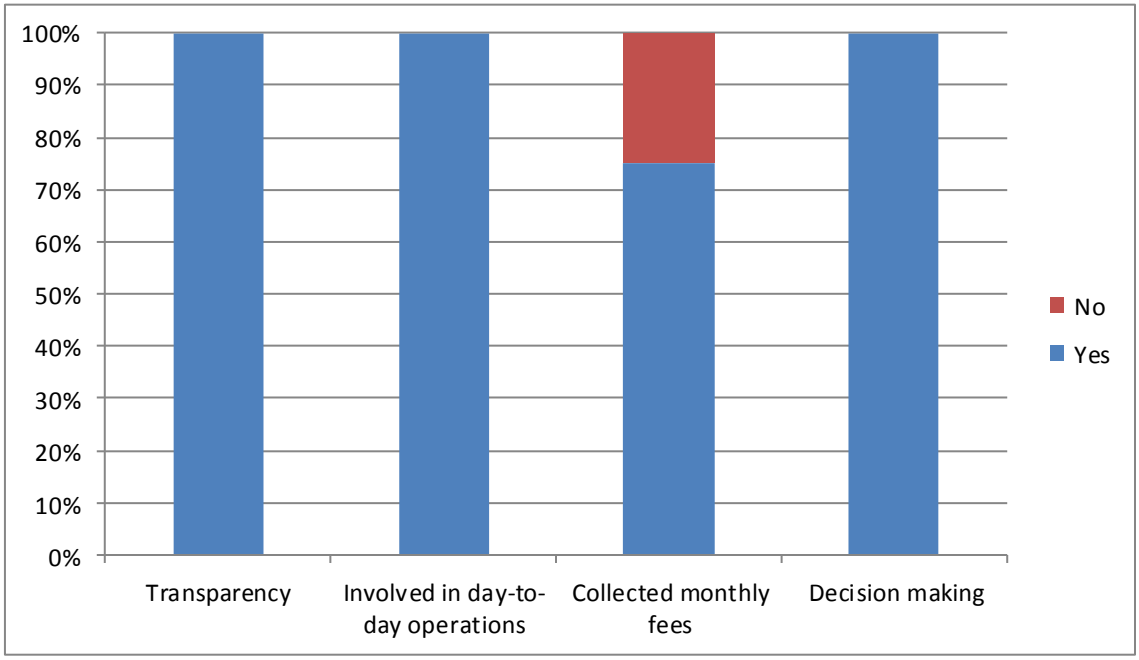


FIGURE 2 TRANSPARENCY, DAY-TO-DAY OPERATIONS, MONTHLY COLLECTIONS, AND DECISION MAKING

The common spaces are taken care of by the co-owners. On average, above 95% of co-owners are involved in day-to-day operations. They pay the energy bills together from the fund.

The Professional Maintenance Companies (PMCs) do not have a limit on how many HOAs they can maintain. It is an open market and they are allowed to maintain as many as possible.

Their job description includes but is not limited to the following tasks:

- keeps all necessary records on the flats, apartment owners, and commercial premises,
- oversees the maintenance and management agreements for the common parts of residential buildings with owners of apartments and business premises,
- collects payments of fees for the operation and maintenance of the common spaces of residential buildings,
- keeps separate accounting records on operative financial management and maintenance of the common spaces of residential buildings for each HOA
- maintains housing, liability, and fire insurance and proceeds resulting from damage that occurred to the building.
- prepares annual plans and programs to maintain the common spaces of residential buildings, and presents them to the apartment owners,
- drafts and submits reports to owners,
- makes arrangements for adopting the annual plans,
- provides information to the representatives of the owners of the building,
- coordinates with representatives of the owners of the building,
- tenders with construction companies,
- monitors the works/renovations,

- develops annual plans and programs for major repairs, improvement, replacement of worn elements of residential buildings, as well as the modernization plan of the building at the explicit request of the representatives of the building,
  makes calculations, organizes bids and offers, and oversees the selection of contractors and supervision of the works.

The PMCs perform on behalf of the flat owners in accordance with their mutual relations, rights and the obligations defined in the contract.

After mass privatization, and even to this day, a lack of understanding prevails about who has responsibility over what. In many cities, apartment owners believed that from the moment of privatization of their apartments, they had no further obligation to pay anything associated with the apartment. Many citizens were unaware that their previous rent payments included payment for all communal services and maintenance as well as rent for the apartment. As a result, nonpayment escalated, which made it even more difficult for service providers to improve the level of common property maintenance.

The lack of meters in buildings also means a lack of incentives for HOAs. Typically, many of the apartment complexes were built without individual metering. Without meters, it is nearly impossible to enact cost recovery measures or to provide incentives for energy efficiency and cost savings. More efforts need to be made to install meters.

Funding for capital improvements remains a major obstacle to reform. Municipal, cantonal, and entity level budgets are too financially constrained to tackle the problem of chronic underinvestment in maintenance. Therefore, the majority of the multifamily stock is at a critical stage where a major infusion of capital is needed to bring them up to standards. The financing of rehabilitation requires specially designed credit lines and some incentives (tax exemptions, rebates, etc) to facilitate the process. The key issue is how best to mobilize funds, savings, loans, and mortgages to pay for rehabilitation and renewal. Various mechanisms can be used to encourage financial institutions to develop competitive products such as public / private guarantees, shallow subsidies, or insurance. This needs to be complemented by targeted subsidies for the most vulnerable apartment owners, and possibly reverse mortgages for low-income owners to allow renovation measures to proceed at a large scale for the whole building.

The REELIH project can utilize outside international entities to assist in creating a strong system of information dissemination and technical assistance to help HOAs participate in funding or advocate to set up subsidy programs from local municipalities.

4. Type and Number of Buildings and Planned Renovations

The survey was conducted in five cities (Sarajevo, Tuzla, Banovici, Zivinice, Tesanj) in Bosnia and Herzegovina. Therefore, the number and types of buildings varied from city to city, even from neighborhood to neighborhood.

The chart below shows the average building age, number of floors, and most common building materials used to construct the buildings.

	Average Building Age	Average Floors	Average Building Characteristcs
Sarajevo	1965	3	Concrete
Tuzla	1966	4	Concrete
Zivinice	1968	4	Concrete
Banovici	1966	4	Concrete, block
Tesanj	1966	4	Concrete

Figure 3 Picture taken in Tesanj to show an example of a typical building

The main question asked during the interviews regarding previous renovations was “What renovation/investment projects (other than small maintenance and cleaning of common spaces) were undertaken by the HOA within the past 5-7 years?”

The results of the survey can be seen in the chart below. The left chart shows a trend of past investment projects while the right chart shows the future investment projects needed for improving residential energy efficiency.

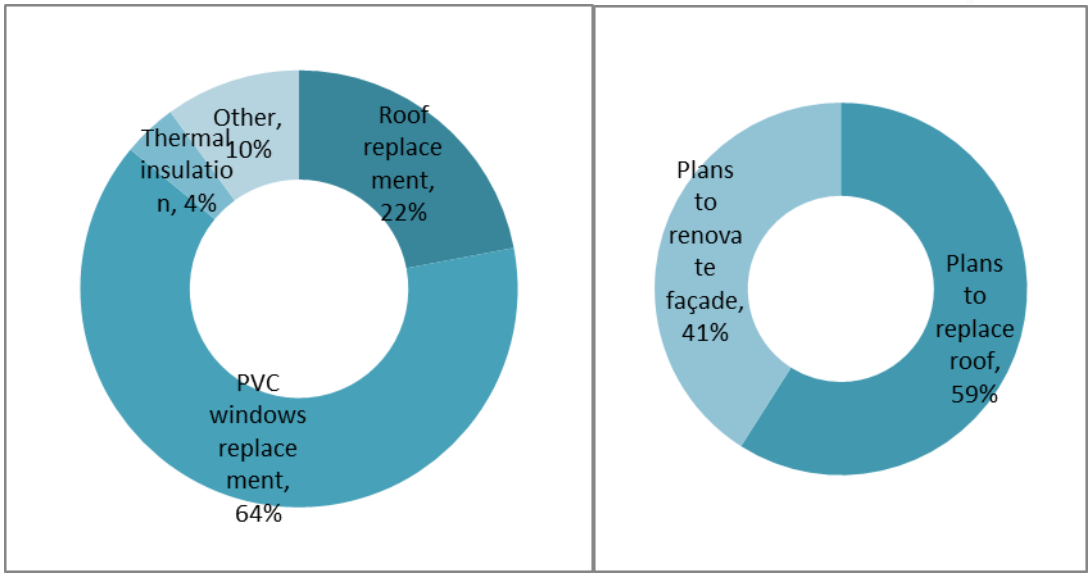


FIGURE 4 PAST VS FUTURE REE INVESTMENTS

The above two charts clearly show the previous and planned investment projects in these five cities. On the left, the circle shows the percentage of previous works while the right circle shows the HOA's planned activities.

Most previous investment projects were activities for improving thermal bridges/gaps by installing new PVC windows. This is an individual activity that was completely financed by the flat owner and did not need any consent from the representative of the HOA. Recommendations can be made that state the outside of the building should have a unified look, utilizing the same wall colors and windows placement. Traditionally, in BiH no one considers the look of the outside of the buildings while retrofitting windows in particular. This desire should be enforced by the municipal inspectors. Because of the high cost of completely replacing a roof of a residential building, the flat owners came together and financed the refurbishment of parts of the roof, mainly where leakages were found. Only a few buildings had installed thermal insulation on parts (i.e. one side) of the building. Generally, this is a very poor approach. The façade often falls off the building when it is not properly insulated.

FIGURE 5 BUILDING ILLUSTRATION IN THE CITY OF ZAVIDOVICI

The two pictures above are taken in the city of Zavidovici and shows the diversification of the installment of PVC windows. Approximately 50 percent of the flat owners of these buildings have installed new PVC windows and a new more energy efficient main entrance door.

It can be clearly seen that 59% of HOAs have problems with the roof and addressed its renovation as the main priority. A total of 41% of the HOAs stressed that their building envelope is in really bad shape and needs thermal insulation to improve the building's energy efficiency and cut its energy costs. Since the roof replacement can be followed by the insulation of slab, this pairing can be a need indicator for REELIH and REELIH-like projects, which focus on energy efficiency improvements in BiH. Some of the retrofits were related to professional maintenance companies (PMC), while others hired private companies to do the retrofits. In order for the HOAs to hire private companies to do the retrofits, they had to have written consent from the PMC. The maintenance company insignificantly raised the monthly bills in order to get their investment costs back for the retrofits that were completed by the PMC.

Some of the difficulties or challenges that were present during the previous renovations were financial concerns and inability in gain consent from all co-owners to pay for the investment. In some cases, initiative was shown from some of the co-owners to go ahead with the renovations while others did not have the financial stability nor the interest in moving forward..

The following chart shows the flat owners' satisfaction rate with the public works in their building in these five cities (Sarajevo, Tuzla, Banovici, Zivinice, Tesanj). The blue bar shows the percentage where the co-owners were satisfied with the company and their work while the red bar shows the opposite. In Sarajevo, the satisfaction rate was around 89%.

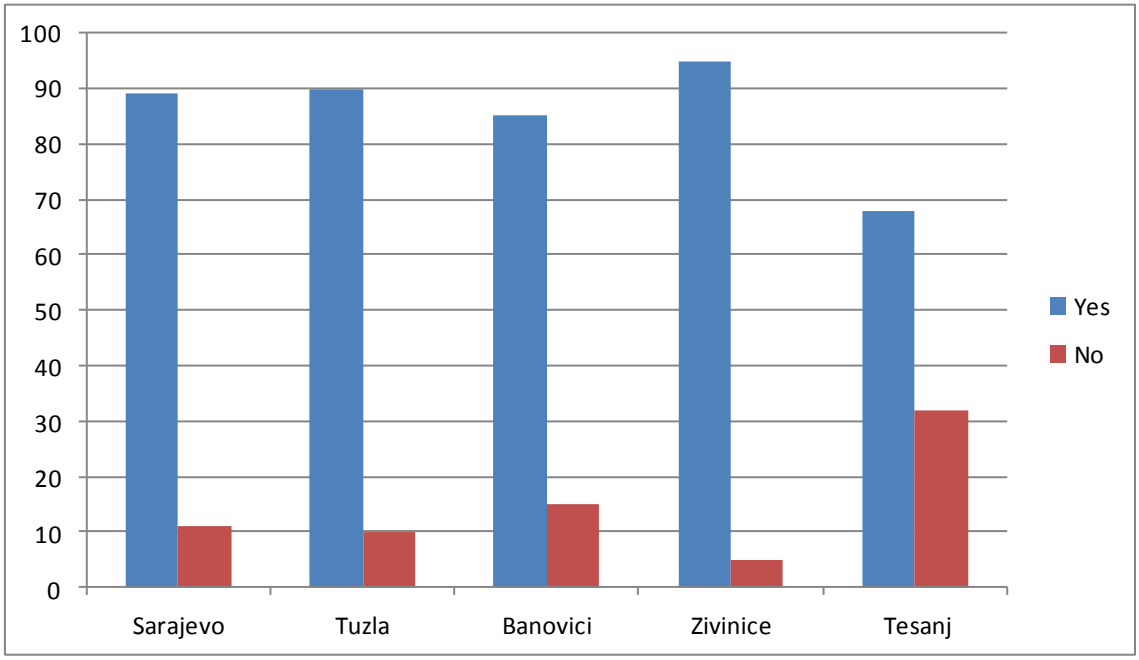


FIGURE 6 SATISFACTION RATE THROUGHOUT THE FIVE CITIES

The following chart shows the average current status in terms of ownerships of real estate and or movable assets, as well as the average percentage of senior citizens living in these buildings. The first column shows around 98% of the representatives of HOAs that were interviewed were owners of the apartments in which they live in. The third column shows the percentage of senior citizens and financially unstable persons living in the apartments where the representatives of the HOAs were interviewed. Several of the apartments in some of these buildings were either empty or rented out. The representatives assured the survey takers that they are in contact with the original owners and that they are paying their monthly dues accordingly.

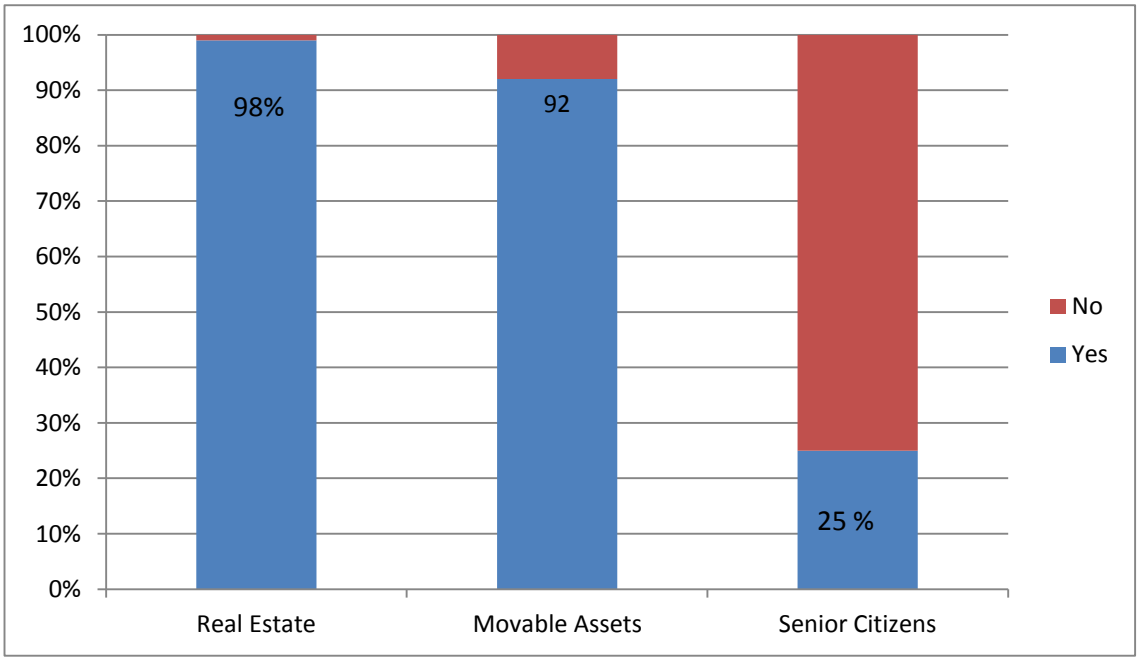


FIGURE 7 REAL ESTATE/MOVABLE ASSETS OWNED BY HOA - CONDOMINIUMS OCCUPIED BY SENIOR CITIZENS

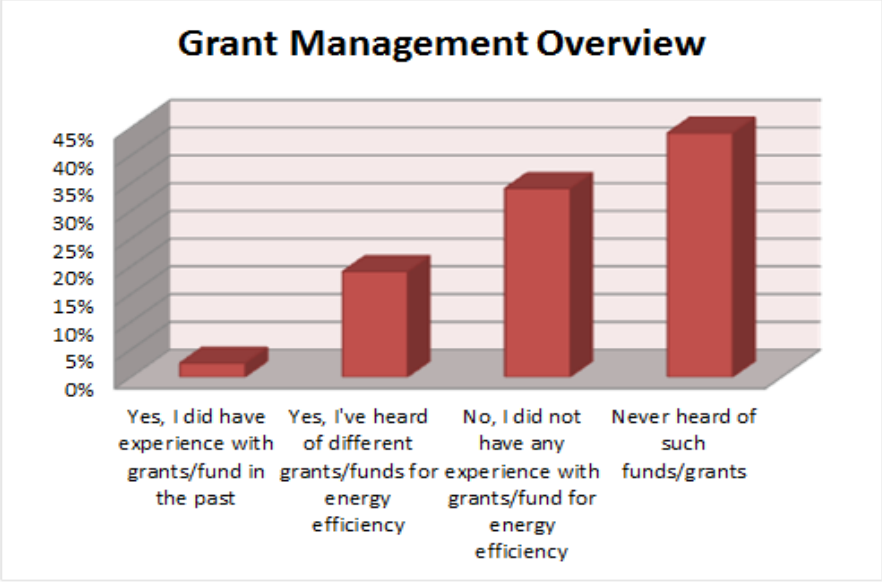
5. Grant Management Experiences and Energy Efficiency Awareness

Upon completing interviews with the representatives of the HOAs, it can be concluded that none of the representatives were familiar with any grants, funds or any other sources of funding available for energy efficiency improvements, apart from commercial bank loans. Therefore, none of them had any experiences with grant/fund management of any kind, especially not for energy efficiency. The HOAs in all of these five cities did not conduct any energy efficiency campaigns for the flat owners. Furthermore, the building maintenance managers are not doing anything to raise awareness of energy efficiency, even though they play a crucial role in it.

Also, the individual condominium owners did not have any previous experience with similar grants, funds or subsidies for energy efficiency improvements. Most of the energy efficiency measures undertaken involved installing new windows. This measure was individually financed through private funds.

Energy efficiency awareness is generally low among the tenants. **Most of them did not know what energy efficiency means**. A small number of the representatives and tenants that knew what energy efficiency meant also knew its benefits. These tenants were also willing to co-finance these measures. The two main questions that were asked during this part of the interview were “Are the HOAs aware of types of grants in energy efficiency?” and “has the HOA managed any grants or loans on behalf of its members if there were any or have they been trained if there would be any?”.

From all the surveys conducted there were only two building where all of the flat owners are ready to co-finance energy efficiency measures.



6. CASE STUDY "ČURKOVIĆA 8 – ZENICA"

Case Study "Čurukovića 8 – Zenica:

The Home Owner Association consists of 15 residents from 15 flats in a residential building "Ćurukovića 8 - Zenica". They have determined that they have problems with heating their residential building because the building had damaged and dilapidated facades, (Figure 1), a bad roof, and old gutters. By signing a mutual agreement (please see an example in Annex III), they **unanimously** decided to undertake required activities for thermal insulation of the building.

As this residential building has no official building manager, the flat owners voluntarily initiated activities for the building insulation. They insulated the building with an 8 cm thick Styrofoam, replaced the gutters, and many tenants also replaced their windows.

Mr. Mirsad K., tenant and building representative pointed out that after the building was insulated with thermal insulation and the gutters and windows were replaced, the building significantly improved it's heat consumption. According to his allegations, the residents enjoyed twice the savings.

Some of the problems that arose in the implementation of these activities in the building "Ćurukovića 8 - Zenica" were the lack of funds for the thermal insulation (Fig. 2), and roof replacement.

According to the Decision of the communal order of Municipality of Zenica (Number: 01-23-16701/11 Official Gazette of the Municipality of Zenica) Article 5 states that owners, co-owners, or operators of residential buildings that plan to undertake any renovations or maintenance of facades are required to **obtain a specific authorization** for the execution of works. The HOA of this specific building did not do it.

Even though you are required to seek approval for construction works like these,, when it comes to such socially and environmentally useful projects, the municipal authorities do not often raise a problem and insist on administrative procedures. It is important to inform only the municipal inspection works.

Investment: 17,900.00 KM
Investment type: thermal facade, windows, window sills

7. Energy Efficiency in Residential Buildings

7.1 Current Activities in the Field of Energy Efficiency

Based on best practices throughout the world, the following actions have been found to be the most effective ways to increase energy efficiency in residential buildings:

1. Raising awareness of energy efficiency measures, energy efficient building materials, appliances available on the market, energy certification of buildings, energy labels for equipment and appliances, as well as publishing and distributing leaflets, brochures and practical guides for energy management in buildings;
2. The adoption and implementation of regulations for thermal insulation and energy savings based on energy efficiency standards;
3. Support for research and development of energy efficient technologies;
4. Subsidizing energy efficiency through financial mechanisms.

In Bosnia and Herzegovina there are a number of different publications, guidelines, and manuals for efficient energy management in various types of buildings. These publications aim to introduce the target group to energy efficiency measures and introduce different ways to implement them. They are mostly a product of foreign international organizations through various projects that deal with energy efficiency. Most of these publications can be made available to all HOAs and the organizations can redistribute them to the flat owners.

In Bosnia and Herzegovina there is no Department of Energy on the state level, which makes it difficult to draft decisions and implement regulations at the state level. The energy field is largely legislated at the entity level. The primary laws governing energy–the Law on Energy Efficiency in FBiH–has not been adopted. It should be adopted in July 2014. The law was adopted on June 27, 2013 in the RS.

The implementation of Directive 2002/91/EC Energy Performance in Buildings will reduce energy use in buildings by about 50% through the following local regulations:

- Regulation that addresses the technical requirements for thermal protection of buildings and the rational use of energy
- Regulation that addresses the technical requirements for heating and cooling systems in buildings
- Regulation that addresses the technical requirements for ventilation and air conditioning systems in buildings
- Regulations that address the energy certification of buildings
- Regulation that addresses conditions for persons who perform energy audits and certification
- The Law on Construction
- The Law on Spatial Planning and Land Use
- The Laws on Spatial Planning and Development at the cantonal level
- Decisions about municipal work at the municipal level

The support for research and development of energy efficient technologies in BiH primarily comes from domestic entity level institutions such as the Ministry of Environment and Tourism of FBiH, Fund for Environmental Protection of FBiH, and the Ministry of Spatial Planning, Civil Engineering and Ecology of the RS. Support also comes from international organizations through its projects for exchange of experiences and knowledge, financing research, and the development and application of new technologies.

The international organizations that support the research and development of energy efficient technologies in BiH are mainly the German organization for Technical Cooperation GIZ, USAID, EU, and UNDP[1].

A study made by the Buildings Performance Institute Europe on the use of financial instruments by the EU Member States in relation to energy efficiency identified three key multilateral financial organizations that play a key role in the buildings' performance on the European level:

- The European Investment Bank (EIB) handles finance of large scale projects;
- EU funds primarily focus on grants;
- The European Bank for Reconstruction and Development (EBRD) handles financing small-scale and large-scale projects.

Bosnia and Herzegovina is currently a potential candidate for membership in the EU and therefore has limited access to the financial instruments mentioned above.

7.2 Energy Efficiency Measures in Residential Buildings

When categorized according to investment costs, energy efficiency measures in residential buildings can be divided into four groups as follows:

1. **Energy efficiency measures that require zero investment**
   Energy efficiency measures that have zero investment costs are those that do not require many money to put into practice. The costs are very low, up to 25 KM, but require certain actions to be undertaken. Examples include turning off lights and appliances when not in use, using natural daylight, regulating thermostats on heaters, installing thermostat regulators for boilers, and covering windows at night. Thesemeasure that do not require any investment costs and can result in substantial savings.

2. **Low investment energy efficiency measures**
   Measures with low investment costs are measures that do not require more than 250 KM for energy efficiency improvements. For example, the installation and use of various regulators and timers, installation of energy saving light bulbs, setting curtains on the windows, and caulking

[1] GIZ ORF – Monitoring and Verification Platform, Implementation of the EPBD Directive
GIZ – Energy Management in Municipalities
USAID – Enterprise Energy Efficiency (3E) Project – Pilot projects for improving EE
EU – Harmonization of local energy legislation with EUDdirectives
UNDP – Green Economy Development Project

windows, doors and various cracks, etc. A characteristic feature of these measures is to have a short payback period of up to two years.

3. **Energy efficiency measures with medium investment costs**
   Measures with medium investment costs are measures that cost between 250 KM and 1000 KM. For example, transitioning to energy efficient household appliances and installing more efficient heating systems fall within this category. These changes can result in positive savings. A characteristic feature of these measures is to receive a return on investment within 3 – 4 years.

4. **Long-term energy efficiency measures**
   Long-term energy efficiency measures are measures whose investment costs exceed 1000 KM. Most often these types of investments are not urgent, but are necessary because they result in large energy savings. For example the installation of quality thermal insulation (façade), conducting roof renovations, installing energy efficient windows, installing new gutters, adding solar panels/thermal, and replacing boilers, etc.

   These long-term energy efficiency measures are just a few examples of the basic recommendations that have the potential to improve energy efficiency in buildings.

Modern civil engineering involves applying energy efficiency standards, both in existing and newly constructed buildings. The Law on Construction of FBiH, Article 4, Part II provides technical characteristics that are essential to the buildings' energy efficiency.

The ultimate goal of energy efficient construction is environmental protection through a systematic approach of reconstructing existing buildings and adding adequate thermal insulation to new buildings. This results in comprehensive energy savings.

Basic recommendations for improving energy efficiency in buildings involves implementing long-term energy efficiency measures related to thermal insulation. Insulation is used to reduce the heat flow through the gaps and areas in building envelopes.

The coefficient of heat transfer [W/m2K] is used to measure the quality of insulation. Insulating materials can be of foam, fiber, or light cellular materials with gas pores and cavities. The latest technological developments include transparent facades and vacuum insulation.

By insulating the following areas, one can achieve the highest level of energy efficiency:

- External walls (building envelope), windows and doors (30%-40% of energy savings)
- The roof or ceiling on the top floor (15-25% of energy savings)
- The ceiling in the basement (10-20% of energy savings),
- Thermal bridges (especially on the balconies) (10-20% of energy savings)
- Gaps between walls and compound walls on the roof (5-15% of energy savings)
- Sealants around windows and doors (5-10% of energy savings).

It is necessary to have the consent of flat owners in residential buildings before doing any long-term energy efficiency measures that require a larger investment. *(For clarification of this statement please refer to Chapter 2.2 Detailed Structure of HOAs)*

8. AVAILABLE FUNDING FOR RESIDENTIAL ENERGY EFFICIENCY IN BIH

The biggest barrier to implementing energy efficiency measures in Bosnia and Herzegovina is the lack of available financial instruments. Subsidies for residential energy efficiency in BiH is still relatively poorly conceived or nonexistent.

In anticipation of the implementation of the Law on Energy Efficiency in RS and the entry into force of the Law on Energy Efficiency in FBiH, there are rare and valuable individual examples of subsidizing residential energy efficiency. These examples include the grant applications issued by the Ministry of Economy of Zenica-Doboj canton in 2013 for the subsidy costs of energy certification of buildings. These grants will also be available in 2014 but are limited due to the lack of funding.

At the end of 2010 USAID financed Enterprise Energy Efficiency -3E project organized a roundtable discussion with banks in BiH on the topic of "Challenges of Financing Energy Efficiency Projects." There, USAID launched an initiative for lending to the general population and legal persons in BiH for energy efficiency projects. The general outcome was to raise the banks' awareness of energy efficiency projects in Bosnia and Herzegovina. Also, they were introduced to financial mechanisms, incentives, monitoring/evaluation, and other methods of performance evaluation for these types of loans.

Commercial banks already offer loans for energy efficiency, either through their own capital or through loan funds for commercial banks issued by the European Bank for Reconstruction and Development - EBRD and the German KFW Development Bank.

Funds from the EBRD are mainly used to finance loans from commercial banks for energy efficiency of legal entities, whereas the loans from KFW are intended for individuals.

A strong emphasis was placed on different methods of financing energy efficiency measures while talking to the representatives of the HOAs in the five selected cities. Researchers concluded that 100 percent of the interviewed representatives in the five cities preferred that the building managers take the risk of the loan. These managers can increase the monthly contribution towards the loan to a reasonable agreed-upon amount. The HOAs are not legal entities and therefore cannot take a loan in Bosnia and Herzegovina. A positive example comes from FYR of Macedonia where the HOAs are registered as legal entities and have the right to take commercial loans from the bank. Though 100 percent of the representatives preferred that the building managers provide them with a loan, they do not exclude individual financing.

The following chart shows the average willingness to co-finance individual homeowners in the five selected cities. As it can be concluded by their willingness, the majority of HOAs are ready to co-finance REE projects for the sole purpose of reducing their energy costs.

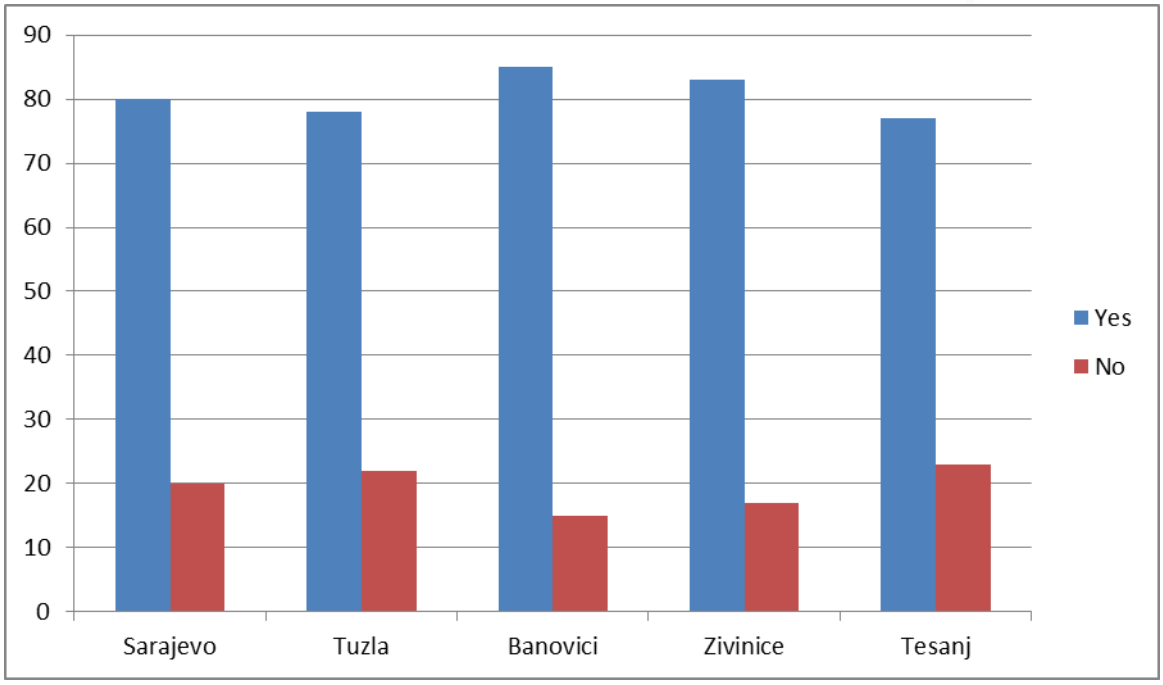


FIGURE 8 READINESS OF CO-FINANCING REE PROJECTS

In Bosnia and Herzegovina the banks do not have any credit lines for professional maintenance companies. Only individuals and private entities can take loans. There are no options for "group loans." The REELIH project can be a positive step towards changing the current laws and regulations, so that BiH, like Macedonia, can one day define HOAs as legal entities.

8. Conclusions and Recommendations

This survey analyzed the capacity, structure and legal framework of the Homeowner Associations in Bosnia and Herzegovina. According to the Agency for Statistics in BiH, It can be concluded that buildings in Bosnia and Herzegovina consume as much as 52% of the total energy (both electricity and heating) that is used in-country and has the largest energy efficiency savings potential of all energy sectors. All of the interviews conducted with the HOAs proved that these statistics are true. The residential buildings are in very bad shape and consume a lot of energy.

In the Federation of Bosnia and Herzegovina, the legal framework (provisions, rules and guidelines) must be harmonized on all levels of government (municipal, cantonal and federal) to achieve more fluent and transparent implementation. This survey recommends that the REELIH project works with decision makers through advocacy, raising awareness, and training to make amendments to the Law on Homeowner Associations in both entities. The project should advocate for HOAs to be registered as legal entities, as seen previously in Macedonia. As legal entities, the HOAs can be more organized, have more power over their property, and can have the authority to apply for group loans to be used for energy efficiency renovations. In this sense, the REELIH project needs to use its advocacy expertise. Banks do not want to take the risk and give group loans to groups who are not legal entities. Therefore, trainings and workshops need to be organized with the banks to raise their awareness of investments in residential energy efficiency by providing them with different financial models, tools, and mechanisms to handle these loans.

The mix of occupants within buildings often makes it difficult to form and sustain HOAs. Differences in income and lack of awareness are two of the primary reasons to invest in residential energy efficiency. When households from very different economic strata live under the same roof, households will be capable of handling very different levels of cost. Financial resources for most of the condominiums are limited because of the residents' insolvency, which could impede residential energy efficiency investment projects. The HOAs are aware of this problem and emphasize that the biggest obstacle to investing in long-term energy efficiency measures are finances. About 98% of the HOAs interviewed stated that there are always some flat owners that do not pay the monthly fee for building management and therefore are not willing to pay for a loan for reconstruction.

Also, the survey shows that energy efficiency awareness is very low. This low level of awareness accounts for high levels of energy intensity, heat loss, and energy bills. Therefore, researchers recommend an energy efficiency awareness raising campaign among the HOAs. Respondents' answers have shown extremely limited knowledge of the following subjects:

- Condominium management body structure
- Responsibilities of the Condominium management body
- Theory and practice of decision making processes
- Loan/credit project management skills
- Residential building energy efficiency
- Resident benefits that result from investment in energy efficiency renovation projects

Recommendations:

In terms of investment projects, most of the condominiums are not experienced with management. Those that do have experience with previous renovations faced rather ad-hoc management. Therefore, HOAs and all other condominium owners should be trained in project management, effective communication, transparency, and the benefits of energy efficiency measures. These trainings will strengthen capacity through enhancement of knowledge and fund raising skills.

The following subjects are recommended to be included in the training curriculum. This list is not exhaustive.

- Condominium management body structure
- Responsibilities of the condominium management body
- Theory and practice of the decision-making process
- Loan/credit projects management skills
- Residential building energy efficiency
- Residential benefits that result from investing in renovation projects that are aimed to raise energy efficiency
- Fund raising for investment of the renovation project aimed to raise the residential building's energy efficiency.

Financial resources for most of the condominiums are limited because of resident insolvency, which impedes investment in residential energy efficiency projects.

For the next phase of the Residential Energy Efficiency for Low-Income Households Project, it is recommended that the project considers pilot projects for:

- condominiums which have more than 70% fee collection,
- condominiums that consist of panel/monolithic type buildings;
- helping managers understand the importance of development projects for their residents;
- situations where the effective implementation of the work will increase the size of the fees.

The REELIH project should provide incentives for HOAs, like free energy audits. This can be done as a co-financing mechanism. For example, when implementing pilot projects, the REELIH project would provide free energy audits, the apartment owners would pay for the materials, and the municipality would subsidize the low or no income households.

ANNEX I – LIST OF INTERVIEWED HOA

No.	City	Representative of the HOA	Telephone	Place
	Sarajevo			
1	Put Famosa 17	Delalic Muamer	061 545 980	Hrasnica
2	Put Famosa 15-16	Cernica Armin	062 315 225	Hrasnica
3	Gaj 2	Kardas Izet	061 564 534	Hrasnia
4	Nerkeza Smajlovic br. TBC	TBC	TBC	Novo Sarajevo
5	Abdulaha Ef. Kantamirije 8	Vejzovic Suada	061 740 565	Ilidza
6	Mustafe Iceljovice 4	Kolar Ismet	061 262 140	Ilidza
7	Glise Jankovica 9	Kalem Suad	061 225 399	Ilidza
8	Fadila Hadzica 36	Kalebic Salih	061 270 162	Otes
9	Voje Dimitrijevića 17 stanova 6, garaža 4	Avdić Azem	061/205-772	Novi Grad Dobrinja
10	Rudolfa Rude Tomića 7, stanova 4, garaže 4	Čamo Blaženka	033/467-926	Novi Grad Dobrinja
11	Akifa Šeremeta 41, stanova 8, garaža 3	Vukas Hedija	033/452-197	Novi Grad Dobrinja
12	Zagrebacka 67	Mehmed Halibasic	033 810 411	Novo Sarajevo
13	Zagrebacka 69	Mensur Orucevic	061 555 667	Novo Sarajevo
No.	**Grad**	**Predstavnik OEV**	**Tel**	**Opcina/Naselje**
	Tuzla			
14	Batva 2	Isic Sefkija	061 820640	
15	Batva 4	Gajic Zoran	062 677 887	
16	Fride Laufer 10	Hidanovic Mirsad	061 392 615	
17	Fride Laufer 12	Begovic Sead	062 598 933	
18	Amalije Lebeničnik 8	Basic Suad	062 290 422	
19	Amalije Lebeničnik 10	Masic Hazim	066 095 863	
20	Zgrada preko puta pozorista	TBC	TBC	
21	Rudarska 36	Mihajlovic Milo	287 089	
22	Slatina 13	Rahmanovic Sead	062/244-807	
23	Slatina 15	Omerovic Nedzad	061/258-880	
24	Vladimira Nazora 12	Kicic Hilmija	061 630 910	
No.	**Grad**	**Predstavnik OEV**	**Tel**	**Opcina/Naselje**
	Banovici			
25	119.Muslimanske brdske brigade 138	Kudumović Nihad	*	
26	Patriotske lige 12	Šehić Ekrem	*	

27	7.novembar 5-7	Rahmanović Kenan	*	
28	Alije Izetbegovića 11-19	Brkić Petar	*	
29	Rudarska 9	Šehić Ekrem	*	
30	Rudarska 15	Karahodžić Šemso	*	
31	Patriotske lige 12	Mehinović Meho	*	
32	10.septembar 1	Jeftić Božica	*	
33	Habetova 9-11	Herić Mihret	*	
34	Habetova 7	Kapetanović Ekrem	*	
35	7.novembar 5-7	Rahmanović Kenan	061-705-050	Centar
	* Mirnes Dostovic, upravitelj ce dostaviti brojeve!!!			
No.	**Grad**	**Predstavnik OEV**	**Tel**	**Opcina/Naselje**
	Zivinice			
36	T. Ulica 158A	Muhlisic Salko	775 383	
37	Ul Oslobodjenja	Nisic Himzo	772 165	
38	Alije Izetbegovica 44/2	Avdo Goletic	061 49 59 13	
39	Alije Izetbegovica 15	Mengic A. (?)	061 666 559	
40	25 Novembra blok 3	Ahmetovic Hajrudin	061 944 021	
41	25 Novembra blok	Fajic Mirzet	061 966 228	
No.	**Grad**	**Predstavnik OEV**	**Tel**	**Opcina/Naselje**
	Tesanj	**TBC**		
42	Krndija Tesanj	Aziz Poprzanovic	061 829 565	
43	Krndija Tesanj	Azra Jasic	032 665 314	
44	Krndija Tesanj	Dzevad Ceman	032 665 317	
45	Ul. Brace Pobrica bb	Avdo Krdzalic	032 653 866	
46	Titova 1	Delveta Ramovic	061 447 260	
47	Titova 7	Emina Gazic	032 650 055	
48	Trg Alije Izetbegovica bb	Sefket Turalic	061 805 671	
49	Ul. Brace Pobrica bb	Suada Skapur	032 651 934	
50	Ul. Brace Pobrica bb	Nisveta Dzonlagic		
51	Kod “Tepe”	Azra Delic	061 976 048	

ANNEX II – QUESTIONNAIRE FOR THE INTERVIEWS

Some of the guiding questions for the research are the following:

1. **Detailed local legislation regarding HOA/Condominiums,**
   a. When were the HOAs established? What national and local/municipal HOA relevant regulations are in place? How do the Law on the Usage, Management and Maintenance of Common Parts and Facilities in Apartment Buildings and the Decision on Building Rules in Residential Buildings affect the way that HOAs operate against reconstructions? What are the obligations of HOAs in regard to the Laws?
   b. How current legislations affect renovation methods and energy efficiency standards?
   c. How do local legislations affect construction standards?

2. **Detailed type and number of buildings in condominiums analysis**
   a. How many buildings can the PCM serve?
   b. Apartments served by an HOA – average size and conditions? Estimated number of unoccupied apartments?
   c. Describe the common/mutual spaces in each building. How is ownership of these common spaces recorded? Does anybody take care of energy in these parts (like for huge losses of energy in stairways due to chimney effect)?
   d. How do the empty apartments in the building affect the decision-making process of the HOA? How does this affect decisions regarding investment in common spaces?
   e. What kind of buildings (type, number of floors, construction technology, etc..) are included in the HOA?
   f. Does the HOA have any kind of real estates and/or movable assets?

3. **Detailed Structure of HOAs**

a. What is the management structure of the HOA?
b. What is the delegated authority of the leaders of the HOA/condominium? I.e. what can they decide on their own and when do they need to consult the other residents?
c. Describe the decision-making process in theory and practice? How effective are both the theoretical and practical processes? Analyze the differences.
d. How are apartments included in the daily operations of the HOA?
e. How do HOA leaders communicate with apartment owners? How does this communication take place? What is the opinion of the “normal residents” regarding the functioning of the HOA? Why do they have this opinion?
f. Who are other stakeholders that affect the functioning of HOAs? Who governs? levels, ministries and institutions?

4. **Details about fee collection from the tenants as well as other sources of income**
    a. How often and how are fees collected? What is the delinquency rate?
    b. How does the HOA use tenant funds? What transparency is provided?
    c. Who takes charge of collecting money from tenants?
    d. Is there any other kind of income sources, if yes describe them and the amount of each source? Please fill in the table below for all analyzed HOAs (to be confirmed if this data can be shared with professional maintenance companies):

5. **Detailed information about any kind of works which the HOA implements or plans in buildings**

    a. What renovation/investment projects (other than small maintenance and cleaning) were undertaken by the HOA?
    b. Describe the decision-making process in theory and in practice. Analyze the differences.
    c. Is the HOA or are individual tenants planning any construction projects or works in the building in the foreseeable future? If so, what are they planning? Please describe the planned project, decision making process, timeline and financing arrangement.
    d. Does the building have regular project/design documents?

6. **Details about any experience in receiving/applying grants, loans or any other funds**

    a. Are the HOAs aware of the types of grants that are available for energy efficiency?
    b. Has the HOA managed any grants or loans on behalf of its members? Are there any future plans for these?
    c. If so, what were the experiences of the HOA and individual residents with these funds?
    d. Have individual homeowners previously taken loans or applied for subsidies to invest in their individual apartments or common spaces? If so, approximately how many homeowners and for what purpose?

7. **Detailed dynamics of HOA's and the maintenance of residential apartment buildings**

    a. How often do HOAs conduct routine maintenance activities? What do these activities include?
    b. How do HOAs select and pay building maintenance companies?
    c. How are residents involved in the building maintenance decision-making process? How many apartment owners participate in HOA meetings? What is the needed number of people (quorum) for HOA meetings to take place?
    d. Are residents generally satisfied with the quality of the works and the value for money received? Why are they satisfied or why not?

8. **Detailed REE awareness level of HOA's etc.**
    a. What is the general awareness level of the HOA regarding REE?
    b. Is the HOA aware of the potential benefits that can be obtained from investing in REE renovations?
    c. What concerns does the HOA have about investing in these renovations?
    d. What energy efficiency related activities is the HOA currently involved in?

9. **Detailed information on similar project/or any kind of works implemented within HOA area.**
    a. Has the HOA invested in EE in the past? If so, what was the focus of the investment?
    b. How was this investment funded?
    c. Has the HOA been involved in any awareness raising activities on REE? Did these activities focus on the non-cost EE measures , paid EE measures, or both?
    d. Are you ready to finance or co-finance the costs of EE measures? How ready are the apartment owners to finance EE measures ? By your estimation, what percentage of the apartment owners can afford to cover the costs of EE?

ANNEX III – LOANS FOR ENERGY EFFICIENCY IMPROVEMENTS

EBRD Credit Line

In Bosnia and Herzegovina, EBRD has signed agreements with two commercial banks, UniCredit Bank and Raiffeisen Bank, which states they are willing to lend for the purpose of supporting energy efficiency renovations in legal entities:

UNICREDIT BANKA

Purpose of Loan:	• Energy Efficiency in Industry; • Energy Efficiency in Buildings; • Renewable Energy Projects.
General Eligibility Criteria for Specific Sectors:	• The ratio of energy savings should be equal or greater than 30% in the construction sector and the coefficient of energy savings equal to or greater than 20%. In all other cases it will be measured on an annual basis; • The reduction of emissions, measured per ton of CO2, should be equal or greater than 20%, based on annual measurements.
Consulting Assistance Provided for:	• Identification of suitable projects and assisting in their preparation in order to meet the requirements • Assessing the technical and financial viability of the project • Plan preparation for energy efficiency / energy audits for each eligible projects where necessary • Upon completion of the project, the delegated verification consultant will verify whether the objectives of the EBRD credit lines are met (ie. Whether the project is completed in accordance with the relevant plan revisions of energy efficiency, based on which it is entitled to payment of incentives / subsidies)
Repayment:	• 10 years, including a grace period of one year which is determined depending on the needs of a specific project
Loan Amount:	• Max 2.000.000. EUR
Compensation / incentive to the Borrower for the Successful Completion of the Project:	• Project for energy efficiency in industry: typically 15%, 20% for replacement of boilers and implementation of small cogeneration or tri-generation • Project for renewable energy: 15% for projects eligible for feed-in tariffs and 20% for projects that do not qualify for feed-in tariffs • And usually 20% for energy efficiency in buildings

Offer from Unicredit Bank for financing the loans to PMCs (Professional maintenance companies (*upravitelji*)

	Loans for PMCs **Offer I- long term loan**	**Loans for PMCs** **Offer no. II-** long-term Lombard loan (with fixed deposits)
1.Purpose	Investments in energy efficiency measures in residential buildings	Investments in energy efficiency measures in residential buildings
2. Currency	BAM directly linked with EUR	BAM directly linked with EUR
3.Loan amount	Minimum of KM 2.000 or more	Minimum amount of KM 2.000, maximum amount in 90% of the term deposit
4. Loan duration	Up to 60 months from the day of credit issuance	Up to 60 months from the day of credit issuance
5.Grace period	Up to 6 months	Without grace period
6. Way of using the credit	Total amount at once or in stages by paying to implement EE measures on buildings as per submitted invoices	Total amount at once or in stages by paying to implement EE measures on building as per submitted invoices
6. Pay off method	In monthly installments	Monthly installments. Deadline for return of the loan must comply with the deadline of fixed deposits
7. Interest rate	7,15% changeable (EIR for 5 years. - 7,62%)	Interest rate equals the height of the interest rate of deposit +2,5% (interest rate for deposits >36 months equals 3%) (Effective interest rate for 5 years equals 5,73%)
8. Own participation requirement	- min. 20% of own participation	-
9. Additional fee	* **Fee for processing the loan** - 1% for approved amount of loan	* **Fee for processing the loan** – 0,5% for approved amount of loan
10. Guarantees/collateral	- bianco personal bank bill with the bill authorization for fulfillment; -contractual authorization for collecting the receivables from all the clients accounts ; - pledge right on real estate (first row), and / or movable property - tied insurance policy in favor of the Bank	- bank bills of the company owners/co-owners with belonging bank bill authorities for fulfillment - Contractual authorization for money collection from all loan takes clients accounts - A pledge in the form of submitted term deposit - Deposit must be registered in the registry of deposits

2. Unikredit bank offers small loans directly to apartment owners under following conditions:

Loan amount: without guarantors up to 10,000 KM (20,000 KM for VIP clients) and with guarantors for up to 30,000 KM (40,000 KM for VIP clients

Duration: without guarantors to 60 months (up to 84 months for VIP clients), the guarantors from 13-120 months

Payouts: Loan payments on current bank account of the loan taker
Loan repayment: equal monthly installments in KM
Creditworthiness: according to the internal regulations of the Bank[2]

Interest rates:

4.99 % annual, variable , for loans with repayment periods up to 12 months (EIR 8.04 % *)

5.99 % annual, variable , for loans with repayment periods up to 36 months (EIR 7.32 % *)

6.99 % annual, variable for loans with repayment periods up to 60 months (EIR 7.97 % *)

RAIFFEISEN BANK

ENERGY EFFICIENCY LOANS – EBRD WESTERN BALKANS SUSTAINABLE ENERGY CREDIT LINE FACILITY

Purpose:

Industry Energy Efficiency Projects – replacement of old boilers by new efficient ones, switch from electricity heating to fuel based direct heating, installation of absorption chillers and enhancing the efficiency of existing chillers, improvement of thermal plants, improvement of insulation, replacement of windows, implementation of partial solar-thermal heating, and replacement of old electric motors with new efficient ones

Building Energy Efficiency Projects - replacement of old and low efficiency boilers with new efficient ones, implementation of on-site micro-cogeneration/tri-generation, rehabilitation of heat substations and implementation of heat meters, implementation of building management systems, replacement of existing windows with new, double-glazed windows, low-emission glazing, thermal insulation of the building envelope (external walls, roofs, basements), replacement of existing heating system with a new one (thermal insulation of pipes, tanks and machinery equipment), placement of existing low efficient energy using processes with new ones, replacement of

existing lighting with high efficient one (dimming, presence sensors, algorithmic lighting), additional shading (jalousies, structural elements, etc.), air-volume air-conditioning systems, installation of rolling doors.

Renewable Energy Projects - solar-thermal water systems, solar-thermal drying systems, biomass combustion systems generating heat and/or electricity, gas engines using biogas, geothermal heat pumps, solar-thermal water systems for the production of hot water for industrial processes and/or space heating/cooling, biogas stations, geothermal heat pumps

On a case-by-case basis: small hydropower plants (not exceeding 2MW) or small wind turbines; the terms of these transactions will be arranged separately between the bank and the customer.

Sector specific eligibility criteria

Eligible investments are investments contributing to the improvement of the energy performance of buildings or industry sector, which comply with at least one of the following eligibility criteria:

- An energy saving ratio equal or greater than 20%, as measured on an annual basis;
- A reduction of greenhouse gas emissions measured in tonnes equivalent of CO2 equal or greater than 20%, as measured on an annual basis.

Eligible borrowers are legal entities that are:

- registered in B&H;
- privately owned, i.e. not majority-owned or controlled by the state;
- creditworthy according to the Bank's business policy.

Proceeds of this credit line may not be used to finance:

- public corporations and local self-government units
- companies that are majority-owned or directly controlled by the state
- refinance the existing debt of the customer
- the purchase, rent or leasing of land, and existing buildings
- fines, financial penalties, and expenses of litigation
- second hand equipment
- any leasing costs
- investments in new buildings that are already subject to energy efficiency standards set on the country level
- investments referred to in the exclusion list of the EBRD

To ensure that eligible projects are satisfactorily completed and the required energy efficiency is achieved, the EBRD has secured free project consultancy for all prospective borrowers.

Consultancy support consists of:

- identifying eligible projects and providing help to develop them to ensure that all existing requirements are met;
- evaluating the project's technical and financial sustainability;
- preparing the Energy Audit and Rational Energy Utilization Plan for every eligible project, where necessary;
- preparing opinions and proposals regarding compliance with the project eligibility criteria for loans from the EBRD credit line;
- after project completion, designated verification consultants will verify that the objectives of the EBRD credit line are met by checking and confirming that the project has been completed in accordance with the relevant Rational Energy Utilisation Plan.

By appropriately spending the proceeds of this credit line, the borrower not only saves energy costs but also becomes eligible for a completion fee from the EBRD (15% to 20% of the loan amount) based on the consultant's verification.

Maturity:

- 5 years including a grace period not exceeding 2 years, the length of which will be determined according to the specific project's requirements

Loan amount:

- From EUR 100,000 to EUR 2,000,000 (the equivalent in KM at the mean exchange rate of the Central Bank of B&H)
- Own participation, as calculated by the consultant and arranged with the Bank

Repayment method:

- According to the repayment schedule, in equal monthly annuities, after expiry of the grace period

Incentive payment to the borrower for successful project completion:

- from 15% in general, to a maximum of 20% for replacement of boilers and implementation of small cogeneration/tri-generation;
- the incentive is payable directly to the borrower as a percentage of the EBRD loan amount after the receipt of the project verification by the verification consultant.

KfW ENERGY EFFICIENCY CREDIT LINE

Loan purpose:

- Financing energy efficiency projects and energy savings projects
- The purpose of this credit line is, among other things, to promote efficient energy consumptions in Bosnia and Herzegovina in a sustainable and efficient manner.

Eligible borrowers:

- Public companies and institutions
- Small and medium enterprises
- Private persons and households

Interested parties:

- Design companies
- Equipment producers and importers
- Contractors
- All other legal entities developing energy saving projects

Lending conditions:

- Sub-loan amount: up to EUR 1,000,000 (equivalent to KM 1,955,830)
- Grace period: up to 3 years, depending on the project
- Maturity: up to 7 years, grace period included

Eligible projects and required documentation:

For the energy efficiency measures listed below, the borrower needs to provide equipment and/or works pre-invoice , as well as a copy of the energy sticker , in the case of white goods.

- Household appliances and air-conditions with EU energy sticker
- Thermal insulation of buildings and replacement of windows/doors
- Thermostat-radiator valves
- Energy-efficient lighting systems
- Solar-thermal systems
- New boilers

- Fuel switching

PROCREDIT BANK

Eco-Loans for Legal Entities

Eco-Loans are offered to legal entities to improve energy efficiency, increase competitiveness, and positive impact on the environment.

ProCredit Bank supports investments in the following areas:

- **Production process improvements**

  (Replacement of old machinery or to purchase additional machinery or equipment)

- **Electrical Equipment**

  (high-efficiency electric motors, reactive power compensators, new air compressors, new lighting systems, appliances marked with A + and more etc.)

- **Heating and Cooling**

  (Central heating and cooling systems, new water heaters, AC, etc)

- **Transport**
  (Procurement of vehicles with EURO 4 standards)

- **Improvement of business premises**

  (Thermal insulation of roofs, building envelope, new windows, doors, etc)

What are the characteristics of Eco-Loans to Enterprises?

- The amount of the loan depends on the client's purchasing power
- Maturity of up to 10 years

- The ability to offer various security instruments

Energy Efficiency Credit Line for Legal Entities

KfW Credit Line

Raiffeisen Bank

Purpose:

- Purchase of construction material
- Installation or modification of:
  - windows
  - doors
  - roofs
  - facade
  - floors
  - ceilings
  - thermal insulation
  - heating systems
- And all other works that have energy savings of min. 20%

Borrower:

Any individual who is a citizen of Bosnia and Herzegovina, creditworthy, with regular monthly income
Amount: up to 50.000 KM
Maturity: up to 10 years
Interest rate:
from 6.99% (EIR* 8,51%) with a repayment period for up to 3 years and a fixed interest rate
from 7.99% (EIR* 8,77%) with a repayment period for up to 3 years

Energy Efficiency Loans for Individuals

Bank funds:

Micro-credit Foundation EKI
www.eki.ba

Loans under the name “Warmer Home” are up to a maximum of 10,000 KM, with repayment period up to 60 months.

LOK Micro-credit Foundation

LOK HOUSING 1 Credit Line

Purpose:

- Purchase of construction material
- Installation or modification of:
  - windows
  - doors
  - roofs
  - facade
  - floors
  - ceilings
  - thermal insulation
  - heating systems

Borrower:

Any individual who is a citizen of Bosnia and Herzegovina, creditworthy, with regular monthly income from 300 KM – 2000 KM
Amount: up to 500 KM - 10.000 KM
Maturity: up to 60 months
Interest rate: 22.80 % annual (1.80% monthly)

ANNEX IV - EXAMPLE OF A MUTUAL AGREEMENT

17 Aug 2012 12:05 JU SLUZBA ZA ZAPS. ZDK 032 405-173 p.1

Na osnovu člana 6. Zakona o održavanju zajedničkih dijelova i uređaja zgrade „Službene novine Zeničko – Dobojskog kantona" broj: 1/2000 vlasnici posebnih dijelova zgrade objekat na Tepetu (U daljem tekstu: etažni vlasnici) dana _____ u Tešnju zaključili su

MEĐUVLASNIČKI UGOVOR

Član 1.

Etažni vlasnici ovim ugovorom uređuju međusobne odnose u korištenju upravljanja zajedničkih dijelova i uređaja zgrade objekat na Tepetu u pogledu njenog održavanja.

Član 2.

Etažnim vlasnicima u smislu člana 1. ovog Ugovora smatraju se:

1. Mešić Inda ..... stan broj: 1. površine 44,89 m2
2. Aljoski Eldan (Dujaković Velemir) ..... stan broj: 2 površine 60,90 m2
3. Hedić Mirso ..... stan broj: 3 površine 60,90 m2
4. Aljoski Ramadan ..... stan broj: 4 površine 44,89 m2
5. Zagorica Rasim ..... stan broj: 5 površine 44,89 m2
6. Katica Nermin ..... stan broj: 6 površine 60,90 m2
7. Kapić Enisa ..... stan broj: 7 površine 60,90 m2
8. Delić Azra ..... stan broj: 8 površine 44,89 m2
9. Prnjavorac Fuad ..... poslovni prostor površine 98,00 m2
10. JU Služba za zapošljavanje ZE-DO kantona, Biro Tešanj ..... poslovni prostor površine ~~111,00 m2~~ 98,00

Član 3.

Zajednički dijelovi i uređaji zgrade su: temelji, nosivi zidovi, krovni pokrivač, tavan, krovna izolacija, krovna i ostala limarija (slivne vertikale, oluci), dimnjaci, ventilacioni kanali, fasada, stubište, električne instalacije od glavnog osigurača do pomoćne razvodne table, vodovodne instalacije od vodomjera do potrošača kao i svi kanalizacioni vertikalni odvodi, štubišna rasvjeta, stubišna ograda, stubišni prozori, instalacija centralnog grijanja zaključno sa ventilom, instalacija gromobrana, instalacija televizijskih antena, zvona, telefonska instalacija do utičnice i ulazna vrata.

Član 4.

Etažni vlasnici su obavezni plaćati mjesečnu naknadu za održavanje zajedničkih dijelova i uređaja zgrade. Godišnja naknada se utvrđuje u iznosu od 2,00 KM po m2 stana iz člana 2. ovog Ugovora.

Mjesečna naknada se uplaćuje mjesečno i to najdalje do 20. u mjesecu za protekli mjesec.

Naknade se uplaćuju na poseban račun ili putem blagajne.

Član 5.

Naknada iz prethodnog člana se uplaćuje na poseban račun broj: 506112000203-37136 otvoren kod ABS Banke, Filijala Tešanj.

Član 6.

Etažni vlasnici utvrđuju slijedeće organe upravljanja:

- skup etažnih vlasnika,
- kućni savjet.

Član 7.

Skup etažnih vlasnika obuhvata sve vlasnike iz člana 2. ovog Ugovora.

Skup etažnih vlasnikaodržava se najmanje jedanput godišnje i odlučuje o:

- godišnjem programu rada i održavanja,
- godišnjem izvještaju o radu Kućnog savjeta,
- godišnjem izvještaju o utrošku sredstava.

Član 8.

Kućni savjet sačinjavaju tri člana i to:

- predsjednik kućnog savjeta,
- sekretar kućnog savjeta,
- blagajnik.

Član 9.

Kućni savjet bira skup etažnih vlasnika na period od četiri godine.

Član 10.

Kućni savjet priprema prijedlog dokumenata iz člana 7. ovog Ugovora i odlučuje o:

- utrošak sredstava,
- zaključivanje ugovora o održavanju zgrade sa nekom od organizacija koja obavlja ovu djelatnost.

Član 11.

Skupom etažnih vlasnika i kućnim savjetom presjedava predsjednik kućnog savjeta.

Član 12.

Organi iz člana 6. ovog Ugovora odluke donose na redovnim i vanrednim zasjedanjima

O svim zasjedanjima vodi s ezapisnik.

Zapisnik vodi sekretar kućnog savjeta.

Član 13.

Etažne vlasnike i kućni savjet pred sudovima, državnim i drugim organima i organizacijama predstavlja i potpisuje predsjednik kućnog savjeta.

Član 14.

U slučaju spora po ovom ugovoru nadležan je Općinski sud u Tešnju.

Član 15.

POTPISNICI UGOVORA:

1. Mešić Inda Mešić Jubira l.k. 04CVA9626
2. Aljoski Eldan (Dujaković Velemir) l.k.
3. Hedić Mirso Hedzic Azemina l.k. 05CVC2668
4. Aljoski Ramadan Aljoski Ramadan l.k. 05CVC8527
5. Zagorica Rasim l.k. 04CVA5174
6. Katica Nermin l.k. 04CVA3443
7. Kapić Enisa Kapić Enisa l.k. 04CVA1532
8. Delić Azra Delic Azra l.k. 04CVB1902
9. Prnjavorac Fuad l.k. 04CVA3148
10. JU Služba za zapošljavanje ZE-DO kantona, Biro Tešanj

broj: datum: potpis DIREKTOR SLUŽBE

BR: 04-14-3454/08

04-11-2008