

CHAPTER 1

OBJECTIVES, APPROACH, METHODOLOGY AND STRUCTURE

This chapter first provides the underpinning of the proposed indicative National Programme in terms of the contribution to be made to Bulgaria's continuing growth and stability, the specific objectives inclusive of targets, scope and intended impacts followed by the pre-conditions and guiding principles forming the development approach. The operational components serving as the programme's structural building blocks and the assumptions, tools and steps making up the programming and monitoring methodology are then summarised, providing the basis for the subsequent chapters addressing programme resources and implementation.

The proposed programme at this stage is indicative, being based on an early set of assumptions leading to a first fully developed scenario. Although subject to an exhaustive review among all stakeholders at state, municipality and neighbourhood levels, it nevertheless serves the purpose of providing a broad-based foundation for informed decision-making and of demonstrating a complete programme composition alongside a comprehensive projection of resource needs for country-wide scaling up over a fixed time period.

1.1 Justification for the proposed indicative National Programme

Living Conditions – the Current Situation

In common with other countries in Central and Eastern Europe with significant Roma and other ethnic minorities, Bulgaria faces significant challenges in terms

of the social equity and inclusion of the Roma community. Recent regional surveys⁴ indicate persistent poverty levels and a growing gulf between conditions among the minority groups and those of the majority. These survey results point to a growing socio-economic and cultural exclusion of Roma communities across countries in Europe.

Of those Roma surveyed in Bulgaria 71% in urban areas and 83% in rural areas consider themselves poor or living in misery. As many as 82% consider lack of sufficient incomes as the highest level of threat. Some 87% of Roma households live at or below the poverty line of BGN 102 per month⁵. Life expectancy for the Roma in Bulgaria is on average 5 to 6 years lower compared to other ethnic groups. Roma infant mortality is twice the national average. Although Roma in Bulgaria have a sedentary lifestyle, most do not own land or have regular jobs. Over the past 15 years of the country's political and economic transition, they have been increasingly marginalised and have developed a tendency to consolidate and withdraw from general society. Adult illiteracy has doubled and between 60% and 80% of the Roma face permanent unemployment. Poverty and poor psychological and physical health erode the family structure. Social scientists predict the emergence of an underclass leading to severe social exclusion.

In addition to the approximately 370,000 Roma recorded in the 2001 census, a further 350,000 persons share socio-cultural characteristics that are close to those of the Roma community but such that they nevertheless identify themselves as Turks, Bulgarians or Roma. A po-

⁴ November 2001 survey for the UNDP/RBEC Regional Human Development Report "The Roma in Central and Eastern Europe: Avoiding the Dependency Trap"; October 2004 Vulnerability Profiles Survey for the UNDP/RBEC "Faces of Poverty, Faces of Hope: Vulnerability Profiles for Decade of Roma Inclusion Countries", 2005.

⁵ The poverty line of BGN 102 was calculated by the Ministry of Labour and Social Policy (MLSP) and the National Statistical Institute (NSI) in 2004 following a multipurpose household survey conducted by the NSI under a World Bank grant and following the World Bank poverty mapping methodology. Under this methodology the poverty line was set at BGN 102 of equalised monthly expenses per person. Taking into consideration that the average number of persons per Roma household is 4.8 persons (calculated on the basis of survey data from the UNDP/RBEC Regional Human Development Report "The Roma in Central and Eastern Europe: Avoiding the Dependency Trap") and the BGN 102 poverty line, UNDP Bulgaria has calculated that 87% of Roma households fall at or below this poverty line (the poverty line per Roma household using the BGN 102 equalised monthly expenses per person has been calculated at BGN 490 per month per Roma household).

sitive trend is the increase of around 11% in the self-identified numbers of Roma in Bulgaria's national statistics due not to population increase but to a new open and self-confident acceptance of their ethnic identity. Although overall illiteracy has not fallen, there is an increase in completed secondary and higher education. There is now a much more open debate on attitudes towards the Roma and on integration policies.

There are widespread, significant variations in the data on the Roma population, on dwelling units and on the extent and form of illegal status both within cities and within circumscribed neighbourhoods. The differing figures depend on who is providing the information. Authorities tend to rely on the 2001 census where there was a degree of Roma under-enumeration due to ethnic self-identity issues. The NGOs and communities rely more on up-to-date local knowledge which invariably leads to higher population estimates. However, there is a consensus that for effective planning and programming, the scale of the challenge must be better understood and that this calls for a commonly-agreed, more accurate set of estimates of both the current and projected future situation.

In consultations with officials, NGOs and Roma communities, priorities are usually stated as being secure employment and equal opportunities in education. There are nevertheless at the front of many residents' minds immediate concerns about living conditions and especially the problems of deteriorating municipal services and the affordability of utilities. Living conditions among the Roma and closely affiliated minorities in Bulgaria are clearly deteriorating. Overcrowding within the dwelling and increases in overall population densities are contributing to extreme stress on service delivery with the resultant impacts on public health and welfare (due to poor sanitation in Roma neighbourhoods and the associated health hazards for the population) and the physical environment (due to poor infrastructure and street networks, the predominance of shanty dwellings and the ghettoisation of Roma neighbourhoods as slums).

A clear distinction may be made between the level of service provision or "urbanisation" of Roma dwellings and the housing stock as a whole. Roma neighbourhoods are characterised on the basis of two groups of buildings: those supplied with electricity only and those supplied with water supply and electricity but without a sewerage

network. In one extensive survey, 92% of urban dwellings including those of the Roma had the full range of services, while for the Roma alone this was 46%. Such figures, however, usually conceal irregular operation and in some cases damaged and unusable services.

Significant shifts in household sharing and locational preferences are discernible. Overcrowding within the dwelling among extended family households is causing extreme social stress. Privacy for parents and teenagers and between nuclear families making up a combined household is becoming a crucial need. The requirement for a little undisturbed home study time and space for students was strongly expressed as more and more Roma children and youth become integrated within mainstream schooling. Separated living space for young couples was also a high social priority. Many newly-formed households prefer to be located away from the extended family. Traditional support systems embedded in collective family living arrangements are apparently becoming less important, although some young couples did seem to prefer to stay within the same neighbourhood as their families but in a completely separate dwelling.

There is widespread evidence of a lively informal housing market among the Roma alongside an increased concentration of the marginal minority groups particularly on the urban peripheral areas, where the process of social exclusion also takes the form of spatial segregation. House construction (whether improvements or new dwellings on the periphery) is prevalent, although there are severe constraints in access to land and examples of temporarily halted construction work suggesting insecure flow of resources.

Surveys also record around 25% of Roma housing as without legal status, although without clear criteria this is likely to be grossly underestimated. Especially among central and local government officials, legalisation is considered as the most critical obstacle to the integration and development of Roma neighbourhoods. Up-to-date cadastre mapping with accurate property registration is rare. Many of the locations have no formal Detailed Layout Plans (DLPs) and where available, there is evidence of widespread non-compliance.

The living conditions of the Roma and the opportunities for improvement are embedded within a general housing context, in which many aspects are far from favourable. This national situation is characterised by

limited affordability with no more than 10% of households able to buy at the current market prices or rent privately; poor management and maintenance of both public and private housing stock; an extremely high level of private ownership leaving little flexibility for the public sector to influence the low-income rental market; dwelling typology dominated by prefabricated panel block apartments; very high levels of energy consumption owing to poor thermal insulation; a surplus of dwelling units over the number of households leading to a high vacancy rate due to population movements and the subsequent low demand for housing in “unattractive” locations with lack of services and very poor physical conditions; access to services but low quality and poor reliability. The 2004 National Housing Strategy (adopted by the Council of Ministers on 14 May 2004) is designed to comprehensively confront these problems and an opening was provided for the subsequent formulation of a specific Roma housing programme. The proposed indicative National Programme has been formulated in line with this specific opening.

Key Issues

Several key issues⁶ were required to be resolved as part of the initial steps in the formulation of the proposed indicative National Programme. The responses, summarised here, were then used in setting the specific objectives, scope and approach for the proposed indicative National Programme.

Targeting and social inclusion

A key issue which emerged at the beginning of the formulation of the proposed indicative National Programme was how can a programme which is targeted at specific minorities contribute at the same time towards the goal of inclusion without reinforcing the isolation of the Roma, and whether it would not be more appropriate to integrate the housing needs of minorities within the parallel programme in the National Housing Strategy addressing low-income households in general.

In response to this issue one ought to take account of the growing gulf between the situation of the minorities and the ethnic Bulgarian majority and the wors-

ening absolute conditions among the Roma. Consequently, the proposed indicative National Programme which is socially targeted in this way is a means of accelerating the equalisation process and is convincingly justified. However, any legal reforms, subsidies and special provisions would need to be open equally to all low-income households. Every effort would also need to be made to ensure that capital investments, capacity-building and the development process as a whole have impacts over wide areas and bring all groups together in joint activities that further the common national goal of increased mutual understanding while respecting cultural diversity.

A separate programme for living conditions rather than a fully-integrated multi-sectoral attack on poverty and exclusion among minorities (embracing employment generation, education, health care and housing)

This issue is also related to whether a programme restricted to living conditions would lead to a fragmentation of effort, minimising the potential for constructive trade-offs between sectors, and whether such a programme should also incorporate already-formulated multi-sectoral parallel initiatives or only play a coordinating role.

It should be noted that where a programme is tightly organised in order to achieve total target population coverage over a fixed but realistic time period, a case can be made for a more focused sectoral approach specifically addressing living conditions. An overly diverse sectoral range would risk impeding effective performance by bundling too many variables. Nevertheless, the programme would need to be responsible for directly interdependent linkages such as those between dwellings and physical infrastructure, between these two elements and legalisation, and between housing and the construction of social facilities. Other important aspects that the concept of “living conditions” must incorporate are all those concerned with ensuring that community and official capacities are adequate for programme implementation. Every opportunity will however need to be firmly grasped in order to enable the less direct linkages with economic development, edu-

⁶ A more detailed analysis of key issues with respect to the proposed indicative National Programme is presented in Annex 6.

cation and health care to be thoroughly exploited through careful synchronisation and mutual support arrangements.

Location of the proposed indicative National Programme – urban versus rural

This issue is related to whether the proposed indicative National Programme should target both the urban and rural communities, especially as in some cases there is a grey area in terms of what is urban and what is rural, and also taking account of the views that some villages could provide opportunities for Roma resettlement from urban neighbourhoods.

Justification of an urban focus would rely on the view that the problems are more extreme and complex in the towns and cities, that the urban challenge of cultural, economic and particularly legal integration is therefore much more urgent and critical than in the rural areas and that the persistence of problems in the urban neighbourhoods would have a more extreme impact on the surrounding areas than would occur in villages.

Land and property legalisation – a priority component in the proposed indicative National Programme

This issue is related to the fact that: a) many of those in illegal dwellings don't feel under the threat that the authorities will demolish their neighbourhoods; b) that such households often have official water and electricity supply connections, receive garbage collection services and pay municipal tax and c) that they are not involved in formal credit systems that require documented property ownership as collateral.

In response to this issue it should be noted that there are cases where eviction and demolition threats to individual households or small groups are very real and this humanitarian aspect must be taken into account when developing a legalisation strategy. Furthermore, illegal status clearly limits the opportunities for the introduction of health and education facilities. Creating conditions for legalisation of neighborhoods is also extremely important not only for technical reasons related to living conditions (access to infrastructure, sanitation, street paving, garbage collection) but be-

cause it would become an important step towards the breaking up some of the ghetto fundamentals – its own unwritten “law” and regulations. It would additionally reduce the opportunities for cheaper, unregulated, unplanned living conditions that can make such types of neighborhoods still appear a benefit for its residents and newcomers. Although currently not involved in significant numbers in financing institutions, this situation among the Roma is changing and therefore legalised property will become increasingly important. Moving towards legalisation in an economically, socially and culturally effective manner, will nevertheless require careful participatory decision-making. In particular, the proposals for delegating standard-setting to municipalities and introducing a special low-income development category for DLPs merit urgent consideration.

Approach of the proposed indicative National Programme – in terms of upgrading in place, redevelopment and relocation within the existing location and removal and resettlement in new locations

This issue is related to the various alternative solutions being discussed and also implemented for illegal and substandard housing in minority neighbourhoods. It should be noted that once specific neighbourhoods are surveyed and assessed, the appropriate solutions will clearly depend on the conditions and opportunities in each case. For some situations, combinations of approaches could be acceptable. However, it will be important to establish a design starting point. For example, upgrading in place involves lower capital costs, minimum demolition and the minimum loss of household self-help investments, less social disruption and the maximum retention of community ties. It would therefore be more constructive to first apply this option rather than immediately jumping to the conclusion that complete redevelopment is the answer.

Capacity, political will and appropriate attitudes among professionals and administrators

This issue is related to whether there is sufficient capacity, political will and appropriate attitudes among professionals and administrators, such as planners, architects

and legal experts, to be able to understand and implement the kind of new approaches that the proposed indicative National Programme would introduce. It should be noted that from interviews and analysis, the capacities and culture of professionals appear in need of adjustment and the introduction of special short-term courses could be considered. Joint activities that bring together all parties including the NGOs and community representatives could make major impacts on knowledge-sharing, awareness-raising and attitude change.

Operational management of the proposed indicative National Programme

This issue is related to whether a new national level organisation should be established for the central management and coordination of the proposed indicative National Programme and what should be the appropriate roles for the concerned ministries and national bodies.

Satisfactory resolution of this issue would depend on whether the government accepts that a concerted attack on the problems of minorities in the form of an operationalised and costed programme calls for an alternative to the loose arrangements more acceptable for policy and strategy formulation. This implies that decisions are made on the relative roles of the Ministry of Regional Development and Public Works (MRDPW) and the National Council for Cooperation on Ethnic and Demographic Issues (NCCEDI), Council of Ministers, and that a frank assessment is undertaken of the capacities of the NCCEDI and the newly-established Directorate on Ethnic and Demographic Issues (DEDI) within the administration of the Council of Ministers. If a new ad hoc organisation that merges selected functions of MRDPW and DEDI is considered impractical, then a clearly demarcated primary responsibility would need to be determined. In this respect, the early institutional experiences of the EU Phare supported project "Improvement of the Situation and Inclusion of Disadvantaged Ethnic Minorities with a Special Focus on the Roma" (EU Phare MA 2004–2006), where NCCEDI has the lead role, will need to be closely evaluated.

Financing of the proposed indicative National Programme

This issue is related to how such a programme could re-

spond to the very low-incomes and corresponding limited purchasing power among the Roma households, what is the role of central and local government subsidies and whether there is a significant role for microfinance.

To accomplish the objective to improve living conditions would require a comprehensive and concerted effort across sectors, but one that is underpinned by local economic development set within the context of regional and urban economic growth. Government representatives have indicated that a housing programme for depressed ethnic communities cannot be implemented on the basis of full cost recovery and that neither can it be completely free to the beneficiaries. Partial recovery, therefore, is a key objective, but for the proposed indicative National Programme to continue, subsidies or grants will need to constitute a major source of funding. Subsidies should be based on the approach of demand-side direct grants (subsidies) for households with demonstrated needs rather than supply-side subsidies on prices and interest rates. Support for community-based microfinance would help build community organisations and promote self-sufficiency, but a strategy for progressive assimilation into the more formal banking and non-bank sector would need to be introduced.

1.2 Objectives

The overall objective of the proposed indicative National Programme is to make a major contribution to poverty reduction and social inclusion at the national level through raising living standards and generally improving the quality of life among the most disadvantaged urban communities. Within the framework of the Government's new social policy, the proposed programme concurrently aims to significantly develop social capital by actively involving the people in the improvement of their own lives and by strengthening partnerships across communities, civil society, private enterprise and public administration. Apart from the direct benefits in terms of improved living conditions through upgrading existing neighbourhoods and supporting the provision of new housing, this programme will be expected to have positive impacts on health, security, productivity and on community and household investments.

The priority given to urban areas takes account of the effects of the severely deteriorating conditions on the

quality of life in the target communities and also on the wider urban population. The problems of poorly serviced, unregulated, congested and environmentally hazardous settlements are more extreme and complex in the country's urban sector and the issues of cultural, economic and legal integration within the overall social and physical environment of towns and cities are considerably more challenging than in the rural areas.

Recognising the predominance of the Roma people in urban low-income neighbourhoods and the particularly critical conditions of their housing and public services, the proposed programme will have a special focus on this ethnic minority.

Specifically, the proposed programme scales up individual initiatives currently addressing housing, physical infrastructure (urbanisation), legalisation and employment generation among disadvantaged ethnic minorities in order to reach all the target urban communities throughout the country over a period of 10 years from 2005 to the end of the Roma Inclusion Decade in 2015. The direct beneficiaries and participants in the programme will accordingly be the populations living in the predominantly Roma neighbourhoods, which account for around 412,500 persons making up 85,900 households in around 100 neighbourhoods among 88 towns and cities out of the estimated present total urban and rural population for Roma and affiliated minority groups of 750,000 persons.

The objective in terms of the intended scope of the programme is to address the dwelling and its physical and social infrastructure together with the required organisational, financial, planning and legal support systems. In this way, housing is perceived not just as a fixed physical asset or transferable investment product but as a complex process linking household formation and the supply of dwelling units to poverty reduction, economic stimulus and good governance. Such a definition embraces urbanising trends and population shifts; preventive primary health care through access to safe water and sanitation; spatial planning; public transport; land administration and security of tenure; land and property markets; environmental management; community empowerment and participatory development; access to public services and utilities; institutional and regulatory frameworks; taxation; formal housing finance; the development of household savings; community-based microfinance, building and

engineering design and the construction industry.

Policy-making and programming for housing will accordingly need to involve a wide range of developmental responsibilities at state, municipality and community levels. This in turn calls for inter-ministerial arrangements, as well as arrangements with innovative techniques for a high degree of sectoral integration. Housing is thus where many key development elements come together at both the user and producer levels and where powerful synergies for poverty reduction can therefore be exploited.

As an integral part of the National Housing Strategy the proposed programme will contribute to impacts across this broad interlocking set of elements, leading to long term sustainable improvements in the living conditions of the urban population as a whole. For the immediate target group throughout the predominantly Roma neighbourhoods, this first programming scenario comprises the following set of expected capital investment outputs: upgrading of infrastructure in existing neighbourhoods, directly benefiting around 43,000 households; access for around 21,000 households to construction material loans for dwelling improvements; support for the construction of new dwellings to meet the needs of newly formed households, to reduce overcrowding and facilitate legalisation, benefiting around 47,000 households; and access to small business loans for around 14,000 borrowers. In addition, allocations are made for the renovation and new construction of health, education, recreational and public administration facilities. Each of these investment components, together with the proposed set of support components, are separately summarised under the explanation of the programme structure in Section 1.5 of this chapter.

The proposed programme has the added value of providing an instrument for synchronising current and planned initiatives having a similar target population and sectoral range, such as the Project "Urbanisation and Social Development of Areas with Predominant Minority Populations" implemented by the National Council for Cooperation on Ethnic and Demographic Issues, with the support of UNDP Bulgaria and funded by EU Phare, as well as the applicable activities under the EU Phare Multi-Annual Project – "Improvement of the Situation and Inclusion of the Disadvantaged Ethnic Minorities with a Special Focus on the Roma". Looking towards the

near future, the proposed programme will serve a similar purpose for the expected post-accession investments. The proposed programme will also act as a forceful donor coordination tool, avoiding fragmentation and assisting in operationalising parallel initiatives such as the relevant provisions of the National Action Plan of the Roma Inclusion Decade.

1.3 Approach

The adopted approach for programme formulation and component design is based on the following preconditions and development principles:

Preconditions

- The scope and complexity of the proposed programme requires that a prompt decision be made on the state level management and coordination responsibilities together with the distribution of executing roles between state and municipality levels. A further decision is needed on the role of NGOs as intermediaries.
- Taking account of the low and insecure incomes of the target households with an estimated 87% at or below the poverty line of BGN 102, it is required that an increased and more focused effort be made towards local economic development among the target communities within the context of regional and urban economic growth. The programme itself would contribute but cannot on its own make sufficient impacts. Failing these major efforts, neighbourhood improvements will not be sustainable without large-scale subsidisation, leading to the very real risk of slum conditions persisting as communities consolidate and expand.
- A decision is required to be made at state level on the recommendations made by the UNDP programming team's legal advisers concerning the options within the current legislation and regulations for discretionary powers at municipality level for adjusting the planning and building standards to meet the special needs of the target neighbourhoods. Without such an initiative, which may involve minor legal amendments, the process of legalisation among the target neighbourhoods is very likely to remain ineffective with little progress made on regulating the existing situation and on guiding and controlling expansion.

Principles

- a) The upgrading of existing neighbourhoods constitutes the optimum approach through redressing infrastructure inadequacies, improving the quality of the dwellings within a regulated layout, providing secure tenure and involving the absolute minimum of demolition and resettlement. This reduces social disruption and the loss of household investments in dwellings and minimises the need for external resources and for additional land areas. Where support for additional dwelling construction is required in order to accommodate unavoidable resettlement and meet the needs for reducing overcrowding within dwellings and for newly formed households, close collaboration with the future occupants on affordability and user requirements ensures household satisfaction and willingness to contribute resources.
- b) For severely disadvantaged, low-income households some repayment, no matter how modest, encourages a culture of cost recovery, but the programme will need to depend on subsidies or grants as a major source of funding, based on the approach of demand-side direct grants for households with demonstrated needs rather than supply-side subsidies on prices and interest rates.
- c) Programme support systems for building capacities, commitments and motivation for participation, organisation, legalisation, implementation and information, ensures high performance in achieving investment targets while at the same time being justifiable as stand-alone components for developing social capital as a key national asset.
- d) The role of the public sector as an enabling agent, facilitating access to land, financing and technical assistance and ensuring a supportive legal framework, promotes beneficiary participation and initiative and builds confidence and trust on all sides.
- e) Accepting and respecting the role of the communities as equal partners in problem identification, design, local resource mobilisation, implementation, management and monitoring constructively complements the role of the public sector.
- f) Comprehensive coverage, involving linkages to health, education and economic development, exploits inter-dependencies, but community-specific priorities and entry points need to be respected.
- g) Participatory community-based development promotes self-sufficiency and ownership, but building strong external partnerships and working towards

inclusion within the wider urban multi-ethnic population are vital parallel activities.

- h) Area-based development (using geographically defined low-income neighbourhoods as the development unit) facilitates beneficiary identification and the integration of inputs within communities with shared problems, regardless of the diverse subgroupings and ethnic origins of those living in the neighbourhood, but at the same time this requires the recognition of inter-dependencies within the overall physical urban context.
- i) Savings and credit schemes play a major role in poverty reduction and self-reliance through generating financial assets while at the same time developing management, accounting and investment skills. The collective and cooperative process in which group savings schemes are embedded also strengthens community organisations, provides a framework for participation, encourages accountability and promotes more responsible leadership. In this way, microfinance that is owned and driven by communities themselves is a significant step towards integration with the formal finance sector and may be seen as more than just delivering credit to the poor, but also as a vital national development mechanism.
- j) Building on relevant good practices, particularly from case studies among the disadvantaged minorities in Bulgaria, provides a sound basis for programme formulation through exploiting known solutions with proven operational experiences and actual costs. Such practices, where still in progress, also provide opportunities for immediate actions to initiate the programme alongside emergency projects and priority activities to kick-start the programme support systems.

1.4 Method

The work schedule of the proposed programme development spanned a period of around four months from 1 November 2004 to 16 February 2005 as follows:

- three week mission preparation period for collection of background material and drafting the mission agenda;
- three week international mission period for meetings and field visits across seven municipalities and further material collection, leading to an interim report presenting preliminary findings, a detailed work programme and the identification of pilot projects;

- six week inter-mission period for return visits, planning design and affordability exercises and collection of economic and financial material;
- four week international mission period for the economic and financial analysis, the programme formulation, report drafting and presentations.

The indicative programme is generated by a complex set of assumptions leading to the costed components which make up the inputs for the programming model. The methodology was designed to rapidly produce results based on the maximum use of existing survey data, some of which were published while the work was in progress.

Quantified assessments of existing conditions and needs depended mainly on interpretations and assumptions using the 2003 Background Survey on Urbanisation and Housing in Roma Neighbourhoods, prepared by FAS International Consortium under the EU Preparation of Phare 2002 Economic and Social Cohesion. A sample of 88 predominantly urban locations (towns and cities) was selected by this survey out of 161 municipalities with 2001 census population of over 10,000. Within these 88 towns and cities, the Roma population was 177,928 using the self-identification census numbers. The programme assumes that these 88 locations account for the bulk of the programme target of 412,500 persons or 85,900 households within the current national total of 750,000 persons after adjustment for self-identification. This survey did not estimate the numbers of separate identifiable Roma neighbourhoods within these locations. Furthermore, in-depth material was obtained by the survey from 14 case study locations chosen from the total of 88 towns and cities. Based on the information from these case studies, the programme targets 100 separate neighbourhoods throughout the 88 towns and cities. The Background Survey data relating to dwellings and infrastructure needs was grossed up to meet the programme target of 85,900 households. It was assumed for the programme that household size is equivalent to the number of persons per dwelling and therefore that there is no significant sharing of dwellings by separate Roma households.

On advice from the National Statistical Institute, it was assumed that the 55% urban share of the Roma population in 2001 remains constant over the programme period of 10 years from 2005 to 2015, that natural increase would also remain constant and the urban Roma household size of 4.8 persons (from the 2001 survey

for the UNDP/RBEC Regional Human Development Report “The Roma in Central and Eastern Europe: Avoiding the Dependency Trap”) would fall to 4.0 persons over the 10 year programme period. Roma income distribution was calculated mainly using data from this regional survey. The complete set of assumptions and fully referenced sources are provided in Annex 1.

In summary, the detailed steps in the methodology were:

- a) assess needs for upgrading neighbourhoods in terms of the numbers of existing dwellings requiring improvements to:
 - the supply of clean water, sewerage, paved streets, electricity and streetlighting;
 - the quality of construction of existing dwelling;
- b) assess needs for new housing in terms of the numbers of dwellings and their physical infrastructure:
 - to be relocated and rebuilt in order to conform with the street and land use patterns in revised Detailed Layout Plans (DLP);
 - to accommodate those households requiring new dwellings in order to reduce congestion within parcels and overcrowding within dwellings;
 - to accommodate new households formed due to a reduction in household size over the 10 year programme period;
- c) assess needs for renovation or new construction of neighbourhood-level social facilities (health, education, recreational, cultural, public administration);
- d) determine the overall programme composition covering the capital investment and support components, and including a range of options for new housing;
- e) fix all standards and estimate costs;
- f) test affordability throughout the different income levels of the target population based on the income distribution;

- g) allocate the range of options for new housing across income levels;
- h) distribute all costs over the programme period;
- i) determine the outlays and targeting of subsidies;
- j) identify various sources of funds and allocate across components;
- k) determine implementation arrangements;
- l) formulate an Operational Model of the proposed programme that could serve as a comprehensive demonstration model in one location (Iztok neighbourhood, Pazardzhik) and select pilot demonstration projects supporting the kick-start of the programme over 2005–2007;
- m) develop a Financing Model to allow for maximum flexibility in the design of the proposed housing programme.

The model is set up as a Microsoft Office excel spreadsheet. This enables alternative estimates to be made and refined as more data became available. The model is designed so that the user may change the basic assumptions relating to programme components, their cost estimates, phasing of expenditures and financing sources. Inputs are possible, where appropriate, for base costs, design, supervision and contract management, physical contingencies and value added tax (VAT). Total cost estimates, including these items, were then phased over the 2005 to 2015 period. The costs are also computed in current prices through the addition of price contingencies with an estimated inflation rate applied for each year. A complete description of the Financing Model including the list of tables is presented in Annex 7. The Financing Model Microsoft Office excel spreadsheet is available at UNDP Bulgaria.

1.5 Programme Structure

The proposed programme has a twin structure constructed from a set of five capital investment components and five support components:

Capital Investment Components

Support Components

C.1	Physical infrastructure upgrading	S.1	Mobilising community-based organisations
C.2	New housing	S.2	Capacity-building and partnership development
C.3	Housing materials loans	S.3	Land and property management
C.4	Small business loans	S.4	Neighbourhood local economic development strategies
C.5	Social facilities	S.5	Information systems

With the exception of C.3, each of the capital investment components builds on previous and current projects while adopting principles, standards and unit cost rates applicable for a country-wide scaling-up objective. The support components are all activities that are customised to suit the specific characteristics and scale of the investment components. However, even without the proposed programme they would be justifiable as important stand-alone components for national urban development interventions within the current less integrated, more sporadic project framework. Assumptions on standards and unit cost rates for each component with descriptions of how quantities were calculated are presented in Annex 1. Total cost estimates for each component accompanied by further explanations are provided in the following chapters.

C.1 Physical Infrastructure Upgrading

- Within existing neighbourhoods in order to improve current provisions or to provide extended or new networks, benefiting the number of dwelling units as shown below for each element of physical infrastructure.

infrastructure element	dwelling units
paved streets	11,631
sewerage, including street reconstruction	27,821
piped water supply, including street reconstruction	11,721
electricity supply	4,387
street lighting	42,950

The overall number of households benefiting from the upgrading of one or more element will be that for the largest in the above group: around 43,000 households.

C.2 New Housing

- Additional dwelling units with their physical infrastructure, totaling 47,475 units, in order to accommodate the needs arising from legalisation, the needs for reducing overcrowding within dwellings and for newly formed households.
- Five housing models as illustrated in Figure 1.1, providing a range of options linked to affordability, varying from 20m² to 87m² floor areas and from BGN

11,998 to BGN 41,650 (all-in capital costs at end 2004 prices inclusive of design, supervision, contract management, contingencies and VAT).

C.3 Housing Materials Loans

- Upgrading of existing dwellings within the target neighbourhoods, with the provision of a revolving credit scheme for construction materials to promote self-help improvements for an estimated initial set of 21,475 households with an average notional loan of BGN 1,800.

The notional loan amount is based on the following range of choices in BGN:

new roof	1,500
internal plumbing	300
new windows	1,200
electrical installation	440
plastering /painting	1,060
heat insulation	2,000

C.4 Small Business Loans

- Support for small businesses in the form of credit, involving the provision of a notional loan of BGN 2,700 for 13,740 households, based on evaluated recent experience and the continuation and scaling-up current projects with similar objectives.

C.5 Social Facilities

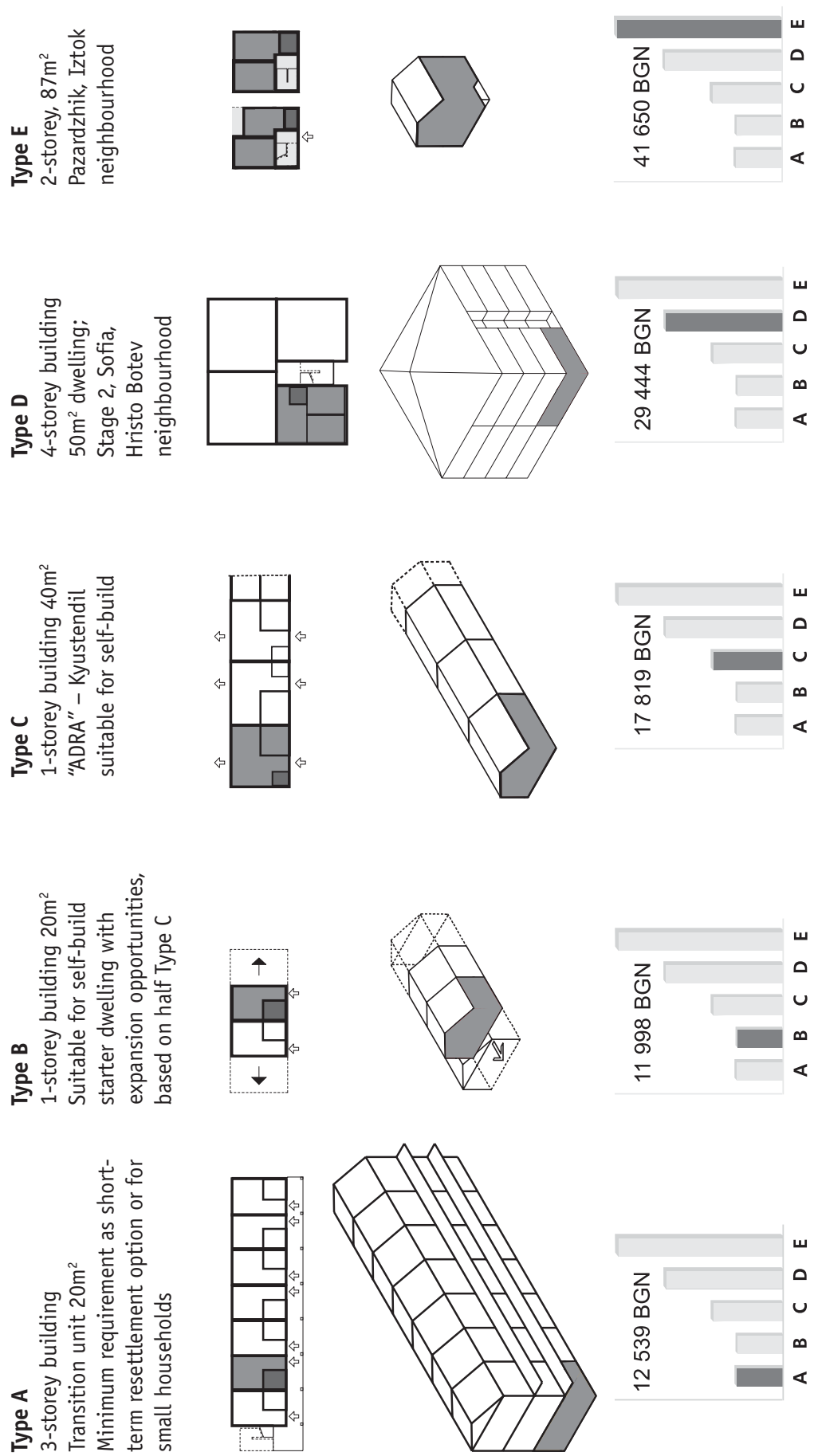
- Renovation or new construction of buildings, excluding equipment and furniture, using floor area standards per ha of housing development and resulting in a total of 108,000m² of buildings for health, education, recreation, culture and public administration.

S.1 Mobilisation of Community-Based Organisations

- Training of 180 facilitators, training of residents' initiative groups made up of an aggregate of around 2,400 residents, targeting all 100 neighbourhoods, in 88 towns and cities.
- Advisory support, mentoring, office support, explor-

FIGURE 1.1 THE OPTIONS FOR NEW HOUSING

These options are used for exploring the varying capital investments with their equivalent housing standards and costs that correspond to the levels of affordability across the Roma income distribution. In order to illustrate this programming methodology in terms of actual designs, the five dwelling types have been either selected from current house types for new Roma housing or adapted from these types. It should be noted that these five options represent just one way of reflecting the range of costs with the corresponding affordability. They are not therefore recommended as the actual designs that must be applied in the programme.



ing instruments for collective activities such as savings and credit groups and construction cooperatives, in-country neighbourhood exchange visits.

S.2 Capacity-Building and Partnership Development

- Joint training and practical activities of around 2,250 participants with 60 trainers, in batches over the programme period, bringing together municipal and state officials, Roma NGOs and community representatives, targeting all 88 cities and towns in around 30 clusters with the main centres addressed individually, smaller ones in groups.
- Support for network strengthening and the establishment of an NGO coalition, targeting NGOs working with the Roma and affiliated minorities in all aspects of minority affairs. Start-up assistance over the first two years for providing an NGO forum, for networking through meetings and communications,

for clearing house functions for assembling, processing and disseminating information on community activities and best practices, preparing an NGO directory and strengthening the Ethnos website.

S.3 Land and Property Management

- Revised and new Detailed Layout Plans (DLP) and cadastre mapping for the total land areas of existing neighbourhoods and the areas for new housing, covering the full set of DLP and cadastre components including the necessary physical field surveys—aided by the satellite imagery for up-to-date detailed base mapping (see also S.5).

The imagery product will provide rectified imagery and can be used for accurate measurements for planning purposes, but will not be at the level of accuracy required for cadastre survey and mapping. An example is illustrated in Figure 1.2.

FIGURE 1.2 SATELLITE IMAGERY OF IZTOK NEIGHBOURHOOD, PAZARDZHIK



Source: EUROSENSE, Bulgaria

S.4 Neighbourhood Local Economic Development Strategies

- Local economic assessments, within the context of the Municipal Development Plans, for each of the large neighbourhoods and clusters of smaller neigh-

bourhoods, identifying opportunities and comparative advantages for investment and employment, bringing together all stakeholders at community and municipality levels and including the private business sector.

S.5 Information Systems

- Acquisition of sets of satellite imagery in years 1 and 7, for each of the major target neighbourhoods, as part of the proposed national coverage of major towns and cities, building on the Sofia experience and the arrangements being explored by Pazardzhik and Plovdiv municipalities (see also S.3 and Figure 1.2).
- Demographic/socio-economic surveys in years 1, 4, 7 and 10, aiming for 100% household coverage and targeting the 100 neighbourhoods, implemented by community activists and volunteers, coordinated and facilitated by 50 mobile teams drawn from the target population, training for the 250 team members and community support for the field activities—aided by the satellite imagery for up-to-date detailed base mapping. Serving as information gathering for improved understanding of problems and opportunities, community self-awareness and programme performance tracking.

This programme support component is linked to an option for establishing an Ethnicity Research Centre within the National Statistical Institute to promote consistency, improve quality and coordinate all local, national and regional information.

1.6 Programme Monitoring and Evaluation

The support components have built-in monitoring and evaluation functions. The DLP activities in S.3 will provide baseline physical and cadastral data. This is reinforced by the time series of satellite imagery under S.5 to support the baseline data and track physical changes. The sequence of community self-surveys also under S.5 in years 1, 4, 7 and 10 will record baseline socio-economic data and trends and track overall programme performance.