

ANNEX 6

ISSUES AND LESSONS

6.1 Purpose of the Annex

This Annex addresses the resultant issues arising from the responses presented in Annex 5 and from the assessment of the existing situation presented in Annex 2. The Annex also presents the lessons that can be drawn from these country experiences and also from the wider regional and global perspective.

6.2 Issues

Each issue is presented in the form of a question, supplemented by explanatory notes. For such a complex and far-reaching area of socio-economic development, with highly sensitive political and societal undertones, a fully comprehensive list of all issues that need to be addressed and progressively resolved throughout the proposed programme elaboration and implementation would be exhaustive. For the purpose of this Annex the identified issues are limited to those which were uppermost during the work of the proposed programme formulation team in preparing the first indicative programme scenario which is the subject of this report.

1. How can a programme which is targeted at specific minorities contribute at the same time towards the goal of inclusion? Doesn't such an approach reinforce the isolation of the Roma? Wouldn't it be more appropriate to integrate the needs of minorities within the parallel programme in the National Housing Strategy addressing low-income households in general?

Taking account of the growing gulf between the situation of the minorities and the ethnic Bulgarian majority and the worsening absolute conditions among the Roma, action which is socially targeted in this way as a means of accelerating the equalisation process could be 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. An area-based targeting approach involving geographically-defined neighbourhoods would go some way to overcoming the risk of an exclusively ethnic-oriented programme with a Roma focus. But on the other hand, this could appear to be consolidating the ghetto phenomenon. Notwithstanding the various corrective measures, achieving a delicate balance between effective targeted support and inclusion will remain a major challenge throughout the proposed programme elaboration and implementation.

2. Why have 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? Wouldn't a programme restricted to living conditions lead to a fragmentation of effort, minimising the potential for constructive trade-offs between sectors? Should the programme incorporate already-formulated multi-sectoral parallel initiatives or should the programme only play a coordinating role?

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. A further significant point is that there appears to be a consensus among all the parties con-

cerned in acknowledging the difficulties and risks in improving living conditions and that this topic is one of the rare cases that doesn't provoke the offers of superficially easy and rapid solutions. Every opportunity will however need to be firmly grasped in order to enable the less direct linkages with economic development, education and health care to be thoroughly exploited through careful synchronisation and mutual support arrangements. The EU Phare-supported Multi-Annual project addresses a wide range of sectors as does the National Action Plan of the Roma Inclusion Decade. The challenge here and in relation to other strictly sectoral strategies and programmes for education and health care is for the government to exploit the options for operationally merging common components, assimilating resources and reconciling differing priorities in the area of living conditions without severely compromising the general thrust of these parallel initiatives. Accordingly, the programme would need to sensitively combine the roles of integrator and coordinator.

3. Shouldn't the programme 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 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.

4. Should a new national-level organisation be established for the proposed programme central management and coordination? What are the appropriate roles for the concerned ministries and national bodies?

Satisfactory resolution of this issue would depend on whether 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 MRDPW and

NCCEDI and that a frank assessment is undertaken of the capacities of the NCCEDI and the Directorate on Ethnic and Demographic Issues (DEDI), 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 Multi-Annual Project, where NCCEDI has the lead role, will need to be closely evaluated.

5. Why should land and property legalisation be a priority component in the programme when there is ample evidence 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?

Government credibility has been severely devalued due to the lack of guidance, enforcement and unwillingness to explore solutions which recognise the particular conditions in the neighbourhoods. In many people's eyes this is seen as de facto official acceptance of the illegal status quo. However, 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 because it would become an important step towards 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 neighbourhoods 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 neverthe-

less 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.

6. Is there the sufficient capacity, political will and the 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 programme would introduce?

From interviews and analysis, the capacities and culture of professionals appear in need of adjustment and the introduction of special capacity development approaches (e.g. 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.

7. Given the various alternative solutions being discussed and also implemented for illegal and substandard housing in minority neighbourhoods, what is an appropriate approach for the programme in terms of upgrading in place, redevelopment and relocation within the existing location and removal or resettlement in new locations?

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 such as in the Kazanluk case is the answer. A vital action, whatever the option adopted, would be a strict freeze on any further unplanned construction as soon as the decision is made to proceed with the revised DLPs and the associated works.

8. How could the programme respond to the very low-incomes and corresponding limited purchasing power among the target households? Is there a significant role for microfinance?

This issue is addressed in depth in Chapter 2. Alongside the other issues it is worth repeating here that 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 the proposed 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 programme to be implemented, subsidies or grants will need to constitute a major source of funding. 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.

6.3 Lessons

The following lessons for the proposed programme represent only a very limited preliminary selection. As a vital input to the continuing programme formulation and subsequent implementation, all those concerned will need to ensure that further relevant practices are identified and that in-country actions are thoroughly evaluated and the resulting outcomes used to progressively adjust the proposed programme components. This learning process will also require constant networking with world-wide and European activities, with particular reference to the experiences emerging from the national action plans of the Roma Inclusion Decade. Some of the examples provided here are in the form of general principles learnt from a wide range of experiences assembled by various international agencies, while others are more specific individual cases.

There is a wealth of valuable global experience accumulated over the last four decades. Much of this records the actions of the urban poor themselves in Asia, Africa and Latin America and the results of the financial and technical assistance received from official aid programmes and NGOs. Global lessons from slum and squatter upgrading practice are of particular relevance. In this respect it needs to be acknowledged that, despite the European context and historical background, the conditions in the most disadvantaged urban com-

munities in Bulgaria match in many ways those found throughout the towns and cities in the world's poorer countries.

Generalised global lessons

a) Based mainly on lessons from Asia but also drawing on global experience, the recently completed UNDP regional project, The Urban Governance Initiative (TUGI) for Asia Pacific Region, laid down five principles for shaping the future of urban communities under the headings of: social justice; ecological sustainability; political participation; economic productivity and cultural vibrancy. Especially applicable to the proposed programme are the following:

"Social justice will be achieved by the extension of basic services and facilities to all members of society without social, cultural or gender discrimination and at an affordable cost. This implies a focus on servicing the poorest, minority and disadvantaged groups with minimum standards of service and cross-subsidising them by charging higher or at least full costs for higher levels of services."

"Political participation will be achieved through developing or advocating structures and processes which consult with and involve community groups, NGOs and the private sector in the planning and management of public services and facilities. This requires a clear process and structure for popular participation. If given the opportunity, people can govern themselves through participation in existing structures or by creating new ones."

"Economic productivity will be achieved by special support being given to community-based activities and socially-useful and eco-friendly enterprises. The challenge of human resources and the rights of the informal sector must be addressed in a constructive, productive and humanistic way. Economic productivity is the heartbeat of any community."

b) Important lessons, specifically for the most disadvantaged communities, were distilled in a set of "messages" set out in the 2003 United Nations Human Settlements Programme (UN-Habitat) publication "The Challenge of Slums: Global Report on Human Settlements". These are summarised as follows:

- physical upgrading is not enough; it does not get to the root of the problem; actions must attack urban poverty and dramatically raise levels of urban livelihoods;
- city-wide and country-wide scaling-up programmes must replace the project-by-project approach if major sustainable impacts are to be achieved; this requires bold, long-term commitments by governments and donors;
- socially inclusive policies must underpin programmes; this involves community empowerment and participation, enabling community control of decisions and resources;
- security of tenure is vital to successful development; this will remove the threat of summary eviction and encourage household investments, but may involve a variety of forms of tenure apart from full ownership of the land and dwelling;
- slum upgrading must be supplemented by strategies to discourage expansion and emergence of new slums through parallel opportunities providing access to formally planned, affordable new housing.

c) After the first ten years of urban lending which included many slum upgrading and low income housing projects, the World Bank published in 1983 a thorough and frank evaluation entitled: "Learning by Doing". Despite subsequent waves of reforms, much of the findings, as listed below, remain applicable in many countries and are still useful lessons worth keeping in mind:

- individual operations have to be designed to suit local conditions and to fit within longer-term sectoral strategies;
- unresolved problems include inadequate institutional capacity, difficulties with land acquisition and tenure, insufficient cost recovery, project agencies' shifting designs towards higher standards, poor project management and inexperience with special components such as health and employment;
- there is insufficient focus on institutional development, which is essential, if projects are to be replicated on a scale commensurate with urban expansion and deterioration;
- the major challenge is to assist borrowers to replicate successful projects in broader programmes that draw on a variety of resources; experience has shown that replicability will require doing more than just repeating projects on a larger scale; it

will require addressing housing market constraints, institutional capacity, access to finance and urban management.

d) The Network on Community Exchange initiated by the Asian Coalition for Housing Rights (ACHR) is an international NGO and CBO network that has successfully demonstrated the value of building a “pool of people’s wisdom” through group exchanges between poor, disadvantaged urban communities. Starting with in-country exchanges in 1985 and with initial donor skepticism, this has led to a vibrant intercontinental programme of exchange visits. Some of the key lessons learnt are about the learning process itself:

- those who face problems know best what needs to be done and how to do it;
- we learn more from what we see and hear than what we’re taught;
- learning within a reality that is messy needs to be a little messy itself;
- you learn best when you teach, and teach best when you’re learning;
- when ideas move in people’s hands, they change, adapt and create new solutions;
- the further away you travel, the more you can understand about yourself;
- you only do those things collectively which you cannot do individually;
- you can make real changes without large numbers of people and big-scale actions;
- to make change, people at many levels need to believe that change is possible;
- change takes time and it never happens according to schedule;
- linking within wider alliances brings the global process into your own backyard.”

Individual cases in the global perspective

Individual examples with relevance to the Bulgarian situation, as presented below, are in some cases operationally relevant. In others they are less so but should serve as inspirational models. This small but representative selection mainly draws on the database: “Best practices for Human Settlements: MOST Clearing House”, compiled by UN-Habitat and with the support of UNESCO.

a) Positive Action for Training in Housing (PATH) – UK

PATH was established in 1986 to provide training and work experience in housing-related activities to people from ethnic minorities who were under-represented in these fields. As a result, people from ethnic minorities are able to compete for jobs on equal terms and secure a more representative share of the jobs available in housing and increasingly in private sector organisations with social housing components such as developers and architects.

Two publications in 1983 and 1985 (“Race and Housing”) showed that employment by housing associations of people from ethnic minorities in professional posts was extremely limited. Associations were seeking to provide people in the greatest housing need with affordable housing. These generally include a greater proportion of people from ethnic minorities than the community at large, and can be up to 60% in London. If associations as employers were to be representative of the communities they were aiming to serve, the barriers that were causing this imbalance had to be determined and tackled. Part of the solution lay in better monitoring of applications, interviews and appointments to make sure no discrimination, conscious or unconscious, was taking place. The Federation of Black Housing Organisations, the National Federation of Housing Associations and groups of housing associations therefore decided to set up PATH.

Through monitoring the ethnic origin of people applying for and securing employment, one of the reasons why ethnic minorities were under-represented was found to be their lack of opportunity to gain training and experience in related fields. PATH provides such training through a day release course at college and on-the-job experience, plus complementary short courses. Courses run for one, two or three years. The initial focus was on housing management, but it has run training courses in a total of fifteen closely related technical and administrative job disciplines.

“Positive Action” provides measures which employers can legally take under the Race Relations Act 1976 to help people from ethnic minorities to compete on equal terms for posts in labour forces where they are under-represented. Where a difference between the percentage in employment and the local community is identified, associations would now look to a PATH scheme as

one of the measures to be taken to correct the situation. Support is particularly strong since the aim of the scheme is to overcome the effects of previous discrimination in education or of a loss of confidence because of the difficulties of overcoming discrimination; but the trainee then secures employment in open competition. There is no question therefore of putting people in a job solely to meet a quota or target. Employment is secured on merit. Following the success of PATH (London), other PATH schemes have been set up elsewhere in the country, both on behalf of housing associations and on behalf of local authorities. Trainees average 40 per year. 96% of those trained have entered full time employment or further education within 4 months of completion. Although obviously not all attributable to PATH, the representation of ethnic minorities in London is increasing: around 30% compared to 10% in the early 1980s.

b) The Bronx Center Project: "Don't Move, Improve" – New York, USA

The Bronx Center project, a collaborative, community-based plan to revitalise a severely deteriorated 300 block section of the South Bronx, is unprecedented in method and scope. As a multi-discipline plan, the Bronx Center encompasses a gamut of different projects such as economic development, health and human services, education and culture, housing and transportation. In method, Bronx Center features an approach to addressing urban problems that connects community members, academics, urban development professionals, not-for-profit organisations, local businesses, cultural and social institutions, and city officials/politicians in a problem-solving process that is active and collaborative. Most importantly, Bronx Center mandates the creation of jobs and job training programmes to enable area residents to increase their earning potential and to expand their economic opportunities – as workers, entrepreneurs, and investors to develop civic responsibility and rebuild civic life.

The most important lesson learned from the Bronx Center experience is that through bottom-up, participatory and responsive processes, public trust in government and the planning process (particularly among disadvantaged groups with discrimination grievances) can be restored as vehicles for positive change in society. One of the most painful experiences learned through past failures is that without broad and inten-

sive public enthusiasm and support, no development plan can survive the political hurdles of planning and funding decisions that lie primarily in the hands of city, state and federal officials. Without wide popular support and a community invested in the success of a plan, the private sector and community groups will not take the many future actions needed to translate the plan into action.

c) Samudhaya Nirman Sahayak (Nirman) fund management organisation – India

This was set up in partnership with SPARC and the National Slum Dwellers Federation in 1999 to manage a growing set of revolving loan funds from a wide range of government, international NGO and ODA sources, which provide financing for livelihood, housing and infrastructure. SPARC (Society for Promotion of Area Resource Centres) is an NGO that started its work with pavement and slum dwellers in Bombay with a special focus on the role of women. The need for such a fund management initiative arose when SPARC risked being overwhelmed by around US\$ 5.4 million of donor support. Nirman provides for a broader national coverage with demand for loans coming through local federations. It has developed an innovative arrangement whereby livelihood loans go to individuals, those for housing to cooperatives and for infrastructure to city slum federations. Well over 140,000 households have benefited. Operational costs are around 5% of the loan turnover. Nirman demonstrates how an NGO grouping can effectively work alongside government in taking responsibility for large-scale, complex fund management.

d) Community Organisations Development Institute (CODI) – Thailand

CODI explores and implements innovative, flexible and efficient ways of channeling government and ODA resources to support poor people's activities, covering housing, infrastructure, income generation, social welfare and community enterprise. It's an autonomous legal entity acting both as a development fund and government institution with the status of a public enterprise, having a mixed governing board comprising government officials, NGOs, private professionals and community leaders. CODI makes bulk loans and grants from a variety of funds to savings groups, individual communities, community networks, and provincial

groupings of networks, which each set their own systems of determining loans and manage collection and repayments. Beneficiaries number around 2.4 million households with around US\$ 34 million worth of loans disbursed. It has demonstrated a successful institutionalised partnership for policy development, national programme formulation, technical support and fund management—operating in a way that is not locked into government fiscal systems, that can rapidly react to changing needs and can make room for community-level participation. Suitably adapted, CODI could serve as a worthwhile model for institutional development in Bulgaria, particularly in relation to the central management and execution of the proposed programme.

e) The Build-Together National Housing Programme – Namibia

Post-apartheid, independent Namibia had to produce an appropriate response to rapid urban growth, to migrant labour caught up in all-male overcrowded hostels, rural households without physical infrastructure, rapidly rising cost of urban serviced land and sporadic, fragmented government projects. The Programme consists of 10 integrated components made up of loans and technical assistance including urban and rural new housing, Informal Settlements Upgrading, social infrastructure and communications and “learning together”.

Beneficiaries of the graduated interest rate of subsidised loans are low-income families in formal or informal employment, communities living in squatter areas or shacks and those without access to middle-income housing from banks or buildings societies. Loans can be paid off in 20 years. Dependence of low-income households on the government or professionals (architects, contractors) has been reoriented. People are building more according to their own needs, priorities and resources. The private sector is used in a support role. All loans are disbursed and repayments collected by private banks and the Post Office. The Government had reached all 13 regions between 1992 and 1996. Well over 3,500 new housing units had been constructed. The Community Housing Development Group negotiates for land and the people take development into their own hands. Land has become more affordable, overcrowded areas are de-densified and people’s capacity to shelter themselves enhanced through the paradigm of “de-professionalisation” of housing. This example demonstrates a participatory, people-centred

approach that has the full backing of government and donors and that has produced rapid country-wide results.

f) Housing Capital Subsidy Scheme – South Africa

Land is a burning issue in South Africa. Invasions of land followed by evictions are frequent occurrences. There are around 15 million people squatting in shacks around the country. Following the 1994 elections, government promised to build one million houses through the Housing Capital Subsidy Scheme. Households with monthly low income levels qualified for subsidies, with the subsidy as a lump sum going through a housing developer rather than directly to the eligible households. In reality the subsidy became eroded by developers’ profit margins, land costs, municipal fees and infrastructure costs. With these costs plus legislative blockages and property protections, the scheme ran into major problems. By 1997 only 92,000 houses had been constructed. Without secure land tenure and savings, communities were not able to access subsidies directly. Within this context the South Africa Homeless People’s Federation and the People’s Dialogue sought to develop an alternative housing delivery process based more on people’s control. These problems arose despite all the efforts put into the 1994 national housing policy, which on paper depended on a participatory approach – demonstrating that perhaps even with the best intentions, sound housing policies and strategies don’t necessarily translate into effective operations and that subsidy schemes require careful targeting and involvement of the beneficiaries in both the agreement of principles and the management process.

g) Local Initiatives Programme, Lublin – Poland

Lublin municipality has succeeded in creating an effective framework to structure the interface between the municipality and the community relying on participatory processes, partnership and empowerment. In 1990, the Urban Planning Unit of the City of Lublin, Poland initiated a participatory process to engage residents in the development of their neighbourhoods and to rehabilitate older districts. The new approach was initiated in two lower-income districts, Bronowice and Kosminek. In 1994, the Local Initiatives Program was institutionalised in order to guarantee its continuity as a key environmental improvement strategy. The programme ensures that public and private stakeholders

engage in cost-sharing partnerships to develop infrastructure and finance environmental improvements. The City has created an enabling environment for private investment in housing and micro-enterprises.

Results over the first two years were very positive and spill-over effects have far exceeded expectations. In the first two years, 137 houses were renovated in the two pilot areas and 50 new buildings constructed. Only 6 shops existed in the neighbourhoods before regularisation; today, 55 shops have been opened in the rehabilitated buildings and 18 buildings have been entirely converted to commercial use. Close to 120 people are working in these micro-enterprises. In addition to the inputs of residents themselves, construction activities have provided work for over 100 persons engaged in the building trades.

The Local Initiatives Programme has demonstrated that participatory planning and community-based development processes adapted to the dynamics of the local economy can ensure the sustainability of revitalisation effort with diminished public sector inputs on a pay-as-you-go approach to capital financing, and fostering the replicability of successful initiatives from one street to the next, and one neighborhood to the other.

h) Local Economic Development Strategy – UK

This approach was pioneered in UK but has been adapted and applied in other countries. It allows and encourages people to work together to achieve sustainable economic growth and development, thereby bringing economic benefits and an improved quality of life for all residents in a local area. As a programme it is intended to maximise the economic potential of localities, and to enhance macro-economic growth through increased local economic growth, employment creation and development initiatives within the context of sustainable development. The “local” in economic development points to the fact that the political jurisdiction at a local level is often the most appropriate place for economic intervention since it carries the accountability and legitimacy of a democratically elected body. The typical arrangement in UK was for a private team of professionals to be established through the city administration but with an independent operation and with a remit only for the period of the strategy formulation, after which it was disbanded.

Neighbourhood strategy formulation is part of a broader strategic planning process for a municipal area. Locally, the approach supports the strategy for the growth of a community, which needs to ensure that priority issues are addressed and resources are well targeted. A five-stage planning process is generally followed but often is adapted to meet the needs of each area. This process together with additional explanation has been already discussed Chapter 2, Section 2.4.

i) The Cooperative Housing Federation–Canada

Volunteer-managed Canadian housing co-operatives boast a successful twenty-five year record of sound and cost-effective management, self-governance, sustained public-private partnerships, and participation in broader social issues. This success can be traced directly to the empowerment of ordinary Canadians to own and democratically manage their housing. Among the most significant of the accomplishments are:

- supplying modest, affordable housing to Canadian families with low and moderate incomes;
- enabling community-based not-for-profit organisations to build, own and manage housing;
- empowerment of ordinary, low-income Canadians to control and manage significant housing assets with a minimum of government oversight;
- encouraging participation by housing co-operative members in supporting social justice for the benefit of all Canadians.

As Canada entered the 1970s, the Canadian public was disillusioned with earlier government programmes to house low-income households. The failure of 1960s housing models of North American urban renewal policies – large government-owned housing projects – had become clear. Developments became “instant slums”, populated by tenants trapped in “artificial” communities with homogenous low incomes, isolated and alienated from surrounding communities. These housing projects reinforced people’s dependence on government handouts, entrenching the so-called “poverty cycle”. As well as diminishing the quality of life in their neighbourhoods Canadians saw these projects as breeding grounds for urban crime and other social problems. With other activists and social thinkers, Canada’s fledgling co-op housing movement encouraged the national government to change its policies, to support smaller scale, mixed income housing; sponsored,

built, owned and managed by community-based not-for-profit groups. These principles formed the foundation of government housing policy in the 1980s.

Housing Co-operatives differ from other tenure forms in several important ways. Individual members do not own their own housing units; rather, housing assets are owned in common by all of the co-op's members. Members are empowered to manage all aspects of their housing democratically. At regular meetings, and through elected volunteer Boards of Directors and resident committees, ordinary co-op members establish policies, approve operating and capital budgets, and set the charges for each housing unit. From the first handful of co-operatives built in the 1970s, Canadian co-ops have grown to more than 2,000, housing about 90,000 households and 250,000 people in all parts of Canada. Co-ops range from less than ten to more than 200 units, but typically contain between 50 and 80 households.

Co-ops have not been content simply to build accessible housing. As Canada's ethno-cultural fabric has changed through immigration, co-ops have been leaders in housing newcomers (immigrants) to Canada. Since the mid-1980s, in fact, many housing co-ops have been founded and developed by minority ethnic community groups, to link housing with other programmes which integrate newcomers to Canada's social and economic life. Canadian co-op members have also chosen to share their housing knowledge with people in other countries. Rooftops Canada Foundation was created by co-op members who believed that the Canadian co-op model could be modified to create and manage member-owned housing in other countries.

Lessons from Roma studies/surveys

a) The Review of EU Phare Assistance to Roma Minorities, December 2004⁶¹, focused on lessons learnt and good practice in the five recipient countries (Bulgaria, Czech Republic, Hungary, Romania and Slovakia). The following are direct quotations of those lessons with immediate relevance to the proposed programme addressing living conditions among disadvantaged urban minorities:

- Although poverty, unemployment and exclusion affect other communities, there is still a need for guaranteed allocation of financial support specifically for the Roma.
- Although each country has established some form of national Roma office, these do not have the political leverage and staffing levels to be fully effective.
- Discriminatory practices are endemic throughout public institutions, creating barriers and exclusion from public services.
- Top-down interventions when they relate to infrastructure upgrading in detached Roma neighbourhoods do little more than make slum conditions marginally more habitable and cannot bring the goal of inclusion (or integration) any closer; to achieve sustainable objectives such infrastructure projects need to be embedded in an adequately resourced regeneration strategy.
- To ensure that projects have a greater chance of a successful and sustainable impact on Roma communities, there needs to be a multi-agency approach based on continuous community planning and community development activities; this brings together the local community, local authorities, other organisations and donors to prepare action plans that take account of and respond to clearly identified local needs.
- NGOs have a crucial role to play as social partners; involvement and investment in NGOs as intermediaries should be recognised as good practice; they can create links between those developing policies and those translating policy measures into operational realities; their grassroots knowledge can help engender trust and overcome barriers and reservations from both sides.
- Twinning has proven to be an effective means of transferring experiences and practices from member states; this has included the institutional structures that have been set in place to support anti-discrimination legislation and also provided a wider exposure to the type of policies and interventions by member states.

b) The World Bank study published in early 2005: "Roma in an Expanding Europe" provides an extensive array

⁶¹ Review of the European Union Phare Assistance to Roma Minorities, Interim Evaluation of Phare Support Allocated in 1992–2002 and Implemented until November 2002, Thematic Evaluation Report, December 2004, European Commission Directorate-General Enlargement, Directorate E-.Evaluation Unit.

of useful practices of which the following have specific relevance to the proposed programme:

The Roma re-accommodation programme in Madrid achieved a rapid pace of relocation with a low percentage of dropouts. The approach is one of wholesale slum clearance with follow-up post resettlement services. Success is attributed to the consensual process of apartment allotment and the provision of complementary social services and employment programmes.

The Roma household survey in Montenegro supported by UNDP made a concerted effort to involve Roma in the preparation, implementation and analysis, enabling Roma to provide valuable information and clarification of survey results and giving greater Roma ownership and confidence in the findings together with the opportunity to be active in the subsequent dissemination and policy discussions.

c) The UNDP Regional Human Development Report "The Roma in Central and Eastern Europe: Avoiding the Dependency Trap" included selected recommendations which serve as relevant lessons:

- donor coordination at the community level should focus on avoiding the creation of "local monopolies" on access to funds: it should also seek to avoid duplication of projects and the resultant possible misuse of resources;
- local organisations working to improve living conditions for vulnerable communities should involve members of those communities in the design and implementation of projects; Roma participation is the key to success of programmes; people should be seen as active participants, not as passive "target groups" of interventions;
- capacity development (the ability to identify problems and articulate solutions within a sustainable framework) at the local level should be a priority;
- a clear division of labour between the non-profit sector and government should be maintained; NGOs cannot and should not replace governments in their responsibilities, such as replicating the success of pilot projects at the national level.

National practices

The following examples have immediate relevance for the proposed programme. They include both good and not so good practices with each serving as a valuable lesson for detailed component design, operation and management.

a) *The Roma–Lom Foundation and the Lom Municipality*

The work of this NGO and the municipality together serve as a compelling model for Roma / local government relationships and the Foundation itself has all the attributes of an NGO best practice. The Roma–Lom Foundation is a non-profit organisation, registered in Bulgaria in 1996 under the Family and Persons Act. Its mission is to stimulate the empowerment process of excluded groups and the social emancipation of disadvantaged communities irrespective of their ethnicity. The stress is put on the development of the Roma community as it suffers from the most difficult conditions and is also the most numerous, with highest concentration in the region of North-Western Bulgaria (in Lom alone the Roma number about 14,000 and represent nearly 50 per cent of the total population of the town).

A close, mutually-supportive and trusting partnership has been developed between the municipality, local institutions and the Foundation. The adopted Declaration on Equality and Justice of the Municipal Council (July 2002) lays the groundwork of the formal relationships between the Municipality and the Roma Community in Lom. The Permanent Commission on Minority Issues established by the Council allows the Foundation to participate directly in decision-making. The Commission has 13 members, including 5 municipal councilors, 4 representatives of Roma neighbourhoods, two NGO representatives, one Muslim representative and one from the Lom Department of Ethnic and Demographic Issues. The dialogue between the local authorities and the citizen organisations involves a process of training of both parties. The Foundation has entered into long-term agreements for cooperation with all local institutions, covering the Municipal Social Assistance Service, the Labour Bureau, all the schools, the police department, the municipal administration and the hospital. Many of these have accepted alternatives proposed by the Foundation, based on successful pilot activities. The Municipal Council votes many decisions in favour of the proposed alternatives. There have been

numerous cases where the municipality and the Foundation have acted together protecting the interests of Lom on national and international levels.

There is a dialogue between the Foundation, local businesses and the banks for jointly seeking alternative responses to the economic crisis. Schemes for job creation by companies were tested successfully. Based on an agreement with a bank and with funds ensured for business initiatives, a revolving fund has started for support to small family business. In the conditions of structural economic crisis and growing impoverishment of the local population, the contribution of the disadvantaged communities is in the form of voluntary work in the implementation of the programmes for local development and in direct participation in the drafting of ideas and possible solutions of the identified problems.

An important resource for the success of the local programmes is the long-term strategic partnership between community organisations and networks of active NGOs nationwide. The partnership of Roma–Lom Foundation with C.E.G.A. and the Roma Self-help Bureaus Network dates from more than 5 years. With the support of NOVIB and MATRA Programme of the Dutch Government, this partnership contributed to mobilisation of external support of donors, many of whom had not previously declared interest in the region. The Foundation participates at the local, regional and national level in different consultative bodies on Roma-related issues. It serves as an advisor to the Mayor on the minority issues, and is also a member of the Roma advisory group to the regional government of Montana region and a member of the National Council for Cooperation on Ethnic and Demographic Issues to the Council of Ministers. The Chairperson of the Foundation is also a member, observer and consultant to various NGOs on an international level – the Roma Group within the Council of Europe /MGS-Roma/, consultant to the Project for Ethnic Relations (PER – USA), Minority Rights Group – International in London, and a director of the Pakiv European Roma Fund.

From 1996 to 2004, the Foundation developed and successfully implemented 7 projects and is working on 4 ongoing projects. Four of the projects are funded by the Agency for International Development–NOVIB, the Netherlands; one – by NOVIB and the MATRA Programme of the Dutch Government. Some projects have

been implemented in partnership with C.E.G.A. Foundation and the network of Roma organisations from the towns of Lom, Sofia and Plovdiv. The other projects are developed and implemented together with the Minority Rights Group–International, London; European Dialogue, London; and the project for approbation of an alternative model for micro-credit is funded by the Pokrov Bogorodichen Foundation. On the basis of the three-year strategic plan developed by the Foundation in 2001, four long-term independent projects started in January 2002: one is a three-year project, supported directly by the Agency for International Development – NOVIB, the Netherlands & Charles Stewart Mott foundation, the Finnish Embassy and the Open Society Institute, Budapest.

Specifically relevant models from the above activities are:

- the Relief and Development Programme, in which impoverished groups contribute their labour for municipal public works in return for humanitarian assistance, using innovative methods based on consistent community participation; this has brought wide recognition through turning purely humanitarian assistance into a self-organising community process for neighbourhood improvement;
- development of community organisations with capacity for analysis and problem solving, based on establishing permanent solid groups and the acceptance that problems and conflicts between the Bulgarian majority and the Roma which have accumulated over centuries cannot be overcome in the short time of project durations;
- the guarantee fund based on a partnership with public and financial institutions, as fully described above.

Other more general but equally significant aspects of the work of the Foundation which specifically support its identification as a national best practice are: the way in which the approach to educational desegregation opposes forced change involving measures such as “bussing” and works towards a step-by-step adjustment in society’s attitudes; and the manner in which the Foundation enjoys acceptance and influence among communities within the municipality and across the broader region as a trusting partner and representative of their interests.

b) Design and management experiences with donor projects

The following lessons from projects are drawn from the assessments of past and ongoing projects presented in Annex 5 and particularly with reference to the notes on the “implication for the proposed programme formulation”.

- In general, future actions need to be identified and developed in much closer collaboration with the neighbourhood communities, the associated NGOs, the city regions (sub-municipalities) where applicable, and the municipalities. In this respect, the lesson from the Council of Europe Development Bank (CEB) project in Plovdiv is especially relevant, but to a lesser extent this applies to the other CEB project in Sofia and the EU Phare projects. Some further study is required in order to learn why the Hristo Botev scheme has been comparatively successful while the Sheker Mahala scheme and the second phase in Stolipinovo have met severe setbacks – bearing in mind that it is likely to be due to more than simply the fact that being in Sofia, Hristo Botev has better access to ministry levels. These experiences teach all those concerned, including the donors, that ad hoc consultative measures are not enough, that a highly structured participatory system bringing together all sides and levels is needed and that consideration should be given to having project management units and design offices based in the municipalities concerned rather than in Sofia, or at least to having small decentralised branches during key periods of the project cycle.
- Lessons on targeting with respect to both neighbourhoods and specific beneficiary groups can be drawn from the questionable prioritising of neighbourhoods for infrastructure improvements in Lom and the household selections for new dwellings in Plovdiv and Pazardzhik. The need for a more critical, regulated and transparent system for decision-making clearly arises from these early project experiences.
- NGO initiatives such as the Kyustendil housing provide some positive lessons for the participatory, partial self-build approach and for more modest, affordable standards, but a further related lesson is that such projects need to be better publicised nationally and the experience needs to be mainstreamed into domestic, EU and other official infor-

mation systems.

- Project designs appear to be prepared in isolation, lacking built-in, structured and mutually-supportive connections to previous or parallel projects. Nor are there references in the documentation to follow-up interventions which would provide an idea on how much more in quantified terms needs to be done and the future steps envisaged. The lesson here is that central control urgently requires administrative and technical overhaul alongside a dramatically improved information system which would track conditions and trends at the neighbourhood level.
- A design lesson which arises from the Stara Zagora experience is that sewerage, water supply, street paving and surface-water drainage are interconnected elements – technically and socially. Project identification should take more account of this and ensure that, wherever financing allows, a more integrated, comprehensive approach is adopted for physical infrastructure upgrading. In some cases it may be more effective to advance all elements simultaneously in modest incremental steps but as part of improvement programme.

c) The EU Phare Multi-Annual Project – “Improvement of the Situation and Inclusion of Disadvantaged Ethnic Minorities with a Special Focus on the Roma”.

As a large-scale multi-sectoral intervention targeting the Roma, for which implementation has not yet commenced, this will be the source of wide array of learning opportunities and will therefore require detailed monitoring and evaluation at all levels, particularly with respect to the execution modalities. However, early lessons emerging from the design stage relate to the very specific budget allocations in Phase 1 and also to the overall structuring of Project Activity 4 addressing ‘living conditions’. It should also be noted that some lessons concern available lessons apparently overlooked in project design and the resultant importance of basing design on the very latest implementation experiences. These are as follows:

- The prioritisation given to specific infrastructure elements deserved a much more elaborate and convincingly documented justification based on transparent consultative mechanisms within the overall national context of comparative neighbourhood needs. This specifically applies to the electricity

service upgrading allocation for the Stolipinovo neighbourhood in Plovdiv.

- Given the available lessons from EU studies/surveys, and the experiences from previous EU Phare and CEB projects in Bulgaria, the lack of precisely defined and costed participatory and capacity-building interventions at community levels in the project documentation points to the need to consider for the future the introduction of intensive and more widely representative pre-approval review panels.
- Given also the consensus on the urgency of improved information systems based on project experiences and in particular the provisions in the Bulgaria National Action Plan for the Roma Inclusion Decade, the decision to delay to the third phase the components addressing information systems and related capacity-building appears to overlook these lessons. Such components would normally be a tool for the more effective forward planning required in the early years of a multi-year project.

d) DLP preparation, Lozenetz Neighbourhood, Stara Zagora

The lessons learnt from the challenge of Roma neighbourhood legalisation is, first, that it must be more of a participatory exercise; second, that a more realistic incremental approach based on lower planning standards is much more likely to succeed; and third, that attitude adjustments and retraining is needed for the professionals involved in order to interface creatively with NGOs and communities and to work within new guidelines and norms. To repeat part of the profile for the first EU Phare project in Stara Zagora, the Lozenetz neighbourhood extension provides a valuable a model for a more appropriate DLP application, successfully retaining a maximum number of existing dwellings and

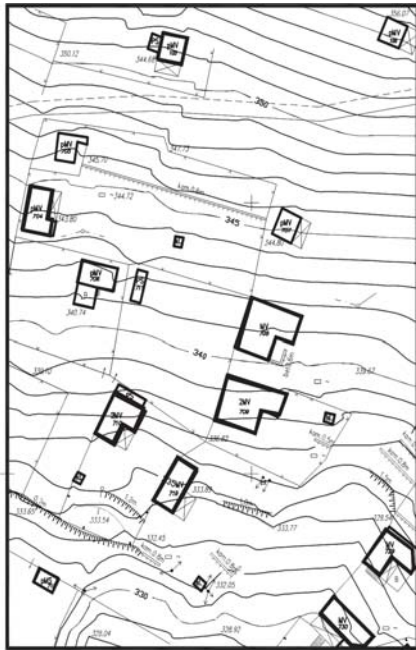
employing the approach for the sparsely occupied area of only designating the roads and services reserves without individual parcels for each dwelling. There is also a less positive lesson, in this case for project management. As explained in the project profile, technical solutions are not enough. Without solid involvement and support from the community, implementation will suffer.

Even with this approach, however, the use of current legal standards has resulted in the designation of inappropriately wasteful large plots in the denser area, leading to fewer opportunities for new dwellings on infill parcels. This example points to the advantage of introducing revised norms within a new special planning category covering low-income residential areas. In addition such a reform would allow many more existing dwellings to be retained. Figure 6.1 provides an illustration (using a section of the extension in Lozenetz neighbourhood, Stara Zagora) of the effects of applying these revised norms for plot sizes and street reserves within the otherwise appropriate model already tested in Lozenetz neighbourhood, Stara Zagora.

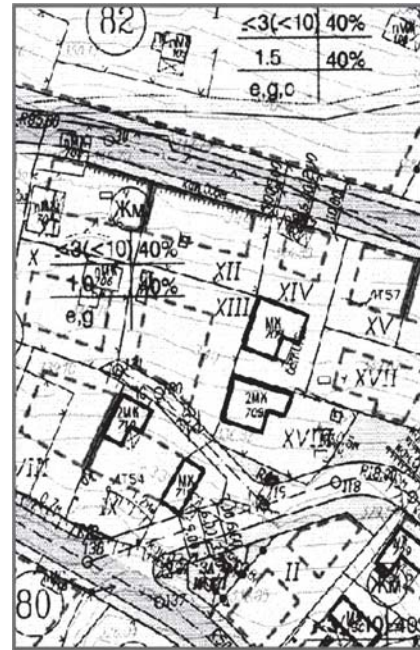
e) The Kazanluk redevelopment project and the Pazardzhik infill project

As already suggested, both of these projects have significant design lessons to offer and will merit intensive evaluation once implementation for each is commenced. Kazanluk involves wholesale redevelopment and resettlement but retains the community within the existing neighbourhood area and attempts to minimise physical and social disruption though an incremental relocation sequence. The Pazardzhik infill innovation demonstrates for the proposed programme a method of assembling additional land for housing within existing panel block neighbourhoods.

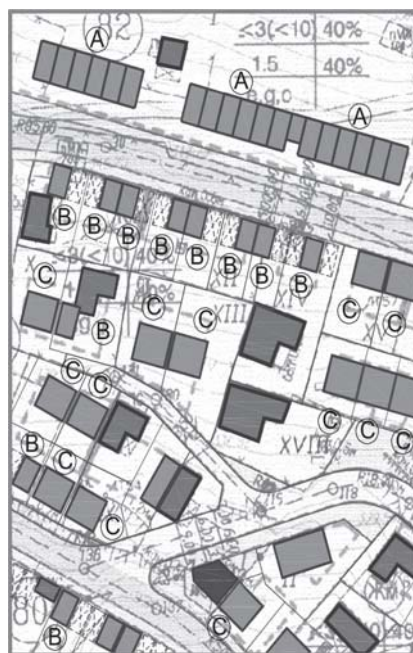
FIG. 6.1 DLP APPLICATIONS: LOZENETZ NEIGHBOURHOOD, STARA ZAGORA



1. The situation prior to the DLP, showing the existing houses and the informal boundaries marked by fences.



2. The DLP provisions as planned under Phare BG 9907.02 project, applying current standards, showing the overlay of street reserves, parcels and construction areas within parcels.



3. Alternative DLP provisions, applying the amended standards and approach recommended by the programme and using a selection of the options for new dwelling types.