MARGINALIZED COMMUNITIES HOUSING AND LIVING CONDITION DIAGNOSTIC: NORTHWESTERN BULGARIA

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Abbreviations and Acronyms

BGN	Bulgarian lev
EU	European Union
FGD	Focus group discussion
IDI	In-depth interview
IMD	Index of Multiple Deprivations
KII	Key informant interview
MRDPW	Ministry of Regional Development and Public Works
NSI	National Statistics Institute
NW	Northwestern
SDA	Spatial Development Act

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Executive Summary

The Government of Bulgaria requested the World Bank's support in assessing the housing and living conditions of marginalized communities in the Northwestern (NW) region of the country, with an explicit but not exclusive focus on the Roma population. The objective of this assessment was to support the government to develop a program *"Improving the housing conditions of vulnerable populations"*[1] by providing a baseline assessment of housing and living conditions of marginalized communities in 3 districts (Montana, Vratsa, Vidin). To achieve this objective, the Ministry of Regional Development and Public Works (MRDPW) identified five municipalities[2] in the NW region as those requiring the most urgent attention. The World Bank team undertook an initial desk review of existing literature and official statistics[3] that provided national and subnational[4] level information on poverty, demographic trends, hazard risks, and overall housing sector performance. This information was further complemented by questionnaires completed by the authorities of the five target municipalities. The questionnaires gathered data on available programs at the municipal level and on municipal government support needs. The questionnaires also indicated potential data gaps. In the absence of available recent quantitative data on housing and living conditions at the municipal, settlement, and neighborhood levels, the team undertook a qualitative assessment across the five municipalities to obtain an in-depth view of community and stakeholder perceptions. The report presents the synthesized findings from these assessments (combining the various data sources) to identify policy bottlenecks and opportunities for two types of dwellers in the selected neighborhoods: 1) dwellers of *marginalized housing units*[5] and 2) dwellers of the government-subsidized *social housing units*[6].

The first key finding is that the situation of the Roma, as well as other marginalized groups, has an important spatial dimension. The NW region has one of the highest poverty rates in the country, and municipalities have had a remarkably high share of the Roma population as of 2011 – more than double that of the average municipality in Bulgaria. Considering the out-migration at the district level and the high share of the Roma population in the municipalities, it is likely the case that the share of Roma has increased from 2011 onwards even though each year the total population of each of the target

[1] This program is a part of the draft national housing strategy and to support the achievement of the Roma integration strategy

[2] The municipalities were selected in consultation with the Ministry of Regional Development and Public Works (MRDPW) based on the likely large concentration of Roma in their jurisdiction. Municipal level data on Roma population, after 2011, was not publicly available.

[3] The upcoming Census of Population and Housing, which has been delayed due to the pandemic, will be an especially valuable information source as it will capture all of the structures where people live, including informal structures of various types (i.e. huts, cabins, shacks, shanties, caravans, houseboats, barns, mills). See Article 14 https://www.nsi.bg/en/content/17363/basic-page/2021-population-census-and-housing-census-republic-bulgaria-act.

[4] Including available data at NUTS3 (district-level), LAU1 (municipality level), and LAU2 (settlement-level).

[5] The term *marginalized neighborhoods* denotes areas in settlements (towns, cities, and villages) which have a high concentration of marginalized communities. The term is defined as neighborhoods which display a mixture of the following factors: inadequate housing, absence of or inadequate streets, high number of households in poverty, low quality or lack of public services, and territorial stigmatization. *Marginalized housing units* in this report refers to housing units in marginalized neighborhoods. These units are visibly sub-optimal, with characteristics such as lack of access to services and infrastructure, a state of disrepair, overcrowding, leaking roofs, structural vulnerability, etc.

[6] *Social housing units* are defined as a portion of municipal housing intended for persons with established housing needs, the construction of which has been financed or carried out with state or municipality assistance.

municipalities has shrunk due to outmigration. This illustrates the risk that these areas are potentially becoming spatial *poverty traps*[7] where those who remain are increasingly the poor and marginalized.

The second key finding is that deficient housing and living conditions play key roles in the social and economic exclusion of marginalized communities. The most disadvantaged households are likely to be those living in marginalized housing units. This finding was well reflected in the interviews with residents, which indicated how substandard the housing unit quality was and how inadequate access to *technical infrastructure*[8] was for the units. This issue is compounded by the prevalence of uncertainty with respect to the legal status of housing units. The majority of interviewees perceived their housing units to be "illegal." Such perceived illegality, disincentivizes self-investment into their existing housing units and makes the units unqualified to access technical infrastructure. Further, in some municipalities, living in a marginalized housing unit with either illegal or unspecified legal status will limit a household's eligibility to be considered for a social housing unit built and rented by municipal governments. The combination of uncertainty of legal status, poor housing conditions, and limited technical infrastructure access can have wide-ranging negative repercussions for households.

The third key finding is that there is no readily feasible option for dwellers of *informal*[9] marginalized housing units to legalize their units even though a significant number of those who were interviewed expressed their desire to do so. The Spatial Development Act (SDA) does not provide any legal pathway to upgrade illegal housing units to become legal. The burden of identifying the legal status of existing housing units mostly falls upon the households, and the procedure was not well understood among those interviewed. The responses from municipal governments, *non-municipal experts*[10], and interviewed community members also indicated that a large proportion of these units were built without fully understanding the requirements to build legally and without the requisite permits, and hence would qualify as illegal. Those who live in such housing units that are yet to be declared officially illegal continue to live in sub-optimal conditions and bear the implications of unspecified illegality. While a construction amnesty to avoid demolition —a Tolerance Certificate — is available, its eligibility and uptake is limited. Further, existing master and/or detailed plans across municipalities tend to be outdated. Consequently, the dwellers of marginalized housing units exposed to either unmitigable natural disaster risks or to future eviction risks (by being located in the right-of-way of future infrastructure extension/consolidation) remain unidentified, without any provision for support to move to safer locations from such risks.[11]

[7] *Poverty trap* is the term used to describe the process in which marginalized communities are not enabled to address human capital deficits (e.g. becoming self-reliant through marketable skills and viable economic opportunities) due to the lack of safe and affordable housing, security of tenure, and access to basic services.

[8] The set of fundamental services and related structures, i.e. public infrastructure networks, are termed as "technical infrastructure" in Bulgarian policies and laws. The term is defined as a system of buildings, facilities and linear engineering networks of transport, water supply and sewerage, electric supply, central heating, gas supply, electronic communications, hydro-meliorations, treatment of waste and geo-protection activity.

[9] The terms *informal* and *informality* in this report refer to either 1) areas where groups of housing units have been constructed on land that the occupants have no legal claim to, or occupy illegally; or 2) unplanned settlements and areas where housing is not in compliance with current planning and building regulations (unauthorized housing). This is per OECD's definition of "informal settlements."

[10] Key informants were split into two groups: *municipal experts* and *non-municipal experts*. The first group includes persons such as mayoral representatives and experts from municipal directorates dealing with housing or social and educational issues. The second group includes representatives of NGOs, Roma activists, and educational or healthcare administrators. Some administrators are employed by municipalities but at the same time are local community leaders and activists so their role cannot be clearly defined on institutional lines.

[11] Natural disaster risks referred here are seismic risks and flood risks as estimated by the Bank.

The fourth key finding is to consider diversifying subsidies beyond social rental housing, for example, by including a household-targeted rental subsidy to improve coverage of the most marginalized. Other than social housing units to which rental subsidy is embedded,[12] there are no available subsidies beyond standard social assistance that help households afford housing units available in the private housing market. Despite the Bulgarian housing market being characterized by surplus and vacancy due to a rapidly shrinking population, housing options appear to be limited and are mostly unaffordable for the marginalized. The rental market, considered by many as the most affordable housing modality, does not function for the marginalized. Less than 5% of the country's housing stock is formally leased, and the available stock caters to high to middle-income households. The lack of household–targeted rental subsidies may limit opportunities for marginalized households to move to areas where critical socioeconomic development opportunities (e.g., employment, skills training) exist to help them escape poverty. In addition, the lack of incentives provided by the state to landlords prevents vacant housing units from being available for rent by the marginalized.

The fifth key finding is that social housing can benefit from design and management improvement. The only state-provided support for marginalized housing dwellers specifically to access better housing is the social housing program. Social housing units are built and rented at a subsidized rate to eligible households by municipal governments. However, both the assessed municipal governments and interviewed community members indicated a deficiency in the quantity and condition of social housing units. The sufficient maintenance of existing units and the addition of new units remain unaffordable for the municipal governments without external funding. In contrast, social housing residents who were interviewed found the already subsidized rents burdensome and utility bills financially prohibitive. The reach of the existing units to the most marginalized also appears limited by the design of eligibility criteria. The criteria tied to the need to prove legal residence before the application and sufficient income for rent and utility payments can deem the most marginalized ineligible for social housing. The municipalities appear to need capacity development support in strengthening the management of existing units and implementing effective ways to engage with communities before, during, and after investing in new social housing.

To better mitigate the deepening spatial and socio-economic isolation of marginalized communities in Bulgaria, the Bank recommends four broad areas for consideration, namely (i) develop on-site housing and infrastructure improvement programs for marginalized communities, (ii) expand affordable housing options by leveraging private market solutions, (iii) improve existing social housing program practices, and (iv) cross-cutting measures to improve the monitoring of housing and living conditions and to improve the targeting and effectiveness of housing programs.

i. **Develop on-site housing and infrastructure improvement programs for marginalized communities.** In close collaboration with *local stakeholders*[13], the MRDPW may develop program guidelines, technical assistance, and financial support for the municipal governments to formulate in-situ upgrading programs for marginalized neighborhoods. To provide an enabling legal environment at the national level for upgrading programs, the MRDPW may evaluate the Spatial Development Act to see whether legal pathways can be created to support marginalized households to legalize their housing units on an exceptional and limited basis within upgrading program areas. In parallel, the MRDPW may support municipal governments to undertake detailed community assessments that provide a more granular understanding of, among others, community and household profile and needs, housing

[12] The level of rent charged by different municipalities for social housing units was not made available.

[13] Local stakeholders include marginalized communities, civil society organizations, and municipal governments, among others.

and infrastructure coverage and quality, and the extent and critical drivers of informality. Key program elements would include supporting municipal governments in updating master and detailed municipal plans so that the marginalized housing units exposed to safety risks[14] are identified. The land use designation of the program areas can be changed to permit residential use. Further, the extension of technical infrastructure into the underserved neighborhoods and housing units in the program areas can be planned. The critical success factor for upgrading programs will be a thorough understanding of community needs regarding housing preferences as well as infrastructure and service needs, to be developed in close coordination with the community. Simultaneously, a robust participatory process also strengthens ownership, social cohesion, trust in public institutions, and the community's ability to advocate for itself.

ii. **Expand affordable housing options by leveraging private market solutions.** Given the large share of vacant and abandoned housing units, the MRDPW, in collaboration with other ministries, may expand rental subsidy options beyond existing social housing rental subsidies to help the marginalized access affordable housing units in the private housing market. Targeted rental subsidies for households to afford housing units offered in the private market, as well as incentives for landlords to make vacant housing units available to be rented by marginalized households, may be explored. To design such subsidies and incentivization mechanisms, the rental price that is affordable to marginalized households will need to be estimated along with information regarding the quality and location of vacant housing units. Existing incentives for landlords to keep them vacant will also need to be identified. Incentives for landlords to rent vacant housing units to marginalized households may include, among others, tax penalties for vacant properties, tax incentives for rental provision, and protection in the event of non-payment of rent or damage to the property. A successful introduction of a household-targeted rental subsidy program, coupled with incentives for landlords, can also help the government relieve the fiscal burden of using public land and building, operating, and maintaining social housing units on limited public resources. Mechanisms to ensure equal access and non-discrimination are considered instrumental in achieving this policy instrument's objectives (including *grievance redressal mechanisms*[15], transparency regarding program implementation and beneficiary profile, and information campaigns on the program targeting marginalized groups).

iii. **Improve social housing program practices**. The MRDPW may support municipal governments in evaluating the performance of existing social housing programs with respect to inclusion, quality of units, and sustainability. Based on the evaluation, the MRDPW may establish a social housing performance-based monitoring system that can be used to allocate state and/or external financing to municipal governments to improve the inclusion of the most marginalized in the allocation of new social housing units and to improve the quality of existing units. The system will help the MRDPW better track progress toward national goals while incentivizing municipal governments to better design and manage social housing units. In addition to the financing mechanism, the MRDPW may provide technical assistance packages that enable municipalities to improve their performance. Such packages may include, among others, providing minimum standards for social housing eligibility

[14] Such risks are, among others, unmitigable natural hazard risks (flooding and landslides) and eviction risks by being located in the right-of-way of the future technical infrastructure extension/consolidation.

[15] A *grievance redress mechanism* (GRM) is a set of arrangements that enable local communities, employees, out growers, and other affected stakeholders to raise grievances with the investor and seek redress when they perceive a negative impact arising from the investor's activities.

criteria so that the most marginalized may qualify; best practices in program management such as program information dissemination, support on application, housing *tenure*[16] and maintenance practices; and mechanisms to enhance transparency and to redress grievances.

iv. **Cross-cutting measures to improve the monitoring of housing and living conditions and to improve the targeting and effectiveness of housing programs.** For any of the above mentioned policies and programs to succeed, the Government of Bulgaria must strengthen its data and information management system[17] so that housing and living conditions for marginalized communities are quickly identified, regularly monitored and assessed, and utilized to provide targeted and effective support. Similarly, it is also imperative to develop a robust community engagement mechanism to effectively design new programs. Comprehensive and ongoing community engagement has been identified as the success factor of past upgrading programs in Bulgaria. Considering the low uptake of the past "Building Legalization" and the current Tolerance Certificate program, understanding at the granular level the motivations and challenges faced by marginalized communities will also be vital to ensure full leveraging of any new program. As seen above, facilitating access to affordable and safe housing units and improved living conditions for the marginalized is a complex task that may require close coordination with relevant government entities. The task needs to be championed at the highest level of government and well-anchored in the local reality of each community, through meaningful community participation mechanisms.

The following table provides a summary matrix of the recommendations and outlines associated key actions, expected outcomes, activities, and responsible institutions.

Summary Matrix of Recommendations

Key Policy Actions	Expected outcomes	Activities and responsible institutions
1. Develop on-site housing and infrastructure improvement programs for marginalized communities	Those who live in marginalized housing units have the option to improve their housing and living conditions on-site.	The MRDPW, in collaboration with municipal governments, develops neighborhood upgrading programs to: • Evaluate the Spatial Development Act to see whether legal pathways can be created to support marginalized housing dwellers within targeted program areas to legalize their housing units on an exceptional and limited basis. • Support municipal governments to undertake detailed assessments of housing and living conditions, legality-associated issues (e.g., land tenure, compliance with building regulations), resident socioeconomic profiles, and community needs beyond housing in target neighborhoods, ensuring genuine community participation. Critically, this should include affordability assessments of public services.

[16] *Housing tenure* refers to the arrangements under which a household occupies all or part of a housing unit. Types of tenure include ownership by a member of the household, rental of all or a part of housing unit by a member of households, etc.
[17] Bulgaria's data and information management system can be strengthened by combining multiple data sources (e.g., administrative and census data, poverty maps, Index of Multiple Deprivations) and by establishing social housing unit datasets to provide a more comprehensive overview.

		• Identify the upgrading program scope for each municipality. The scope may range from a minimalistic approach (that extends access to technical infrastructure only while the status of housing units remains illegal) to a comprehensive approach that includes measures to address underlying causes of illegality. Measures could include tenure provision and microloans to improve livelihood or to upgrade housing units in the program target areas. . • Support municipal governments to establish local stakeholder platforms to promote public dialogue and broad participation in the design and implementation of the upgrading programs. For this, it will be critical to ensure participation of residents from marginalized neighborhoods, especially from ethnic minorities, and civil society organizations/non-governmental organizations representing marginalized groups, at the earliest stages of program development and throughout program implementation and the monitoring and evaluation process.
	Those who live in units exposed either to unmitigable hazard risks or future eviction risks are identified and provided with tailored alternative housing solutions. Those who live in legally built units are provided with access to key infrastructure.	The MRDPW provides technical and financial support to municipal governments to: • Update master and detailed spatial plans to include marginalized neighborhoods. • Identify housing units exposed to unmitigable natural disaster risks and future eviction risks (e.g., blocking the right-of-way for a future infrastructure/service extension or consolidation, or land to be protected for biodiversity). • Design alternative solutions for those who live in at-risk units that may include, inter alia, disaster risk mitigation measures on-site or relocation support to safe and affordable housing options elsewhere. • For legally built units identified in the updated plans, provide connections to technical infrastructure.
2. Expand affordable housing options by leveraging private market solutions	Those who are willing to move from their current location have a wider range of options to access safe and affordable housing units in the private market.	The MRDPW could design mechanisms, in collaboration with other ministries, to enhance the availability of safe and affordable rental units, coupled with targeted subsidies to marginalized households to afford such units: • Undertake private housing market assessments that include consultations with private stakeholders (e.g., vacant unit owners, realtors) to identify underlying causes of vacancy. • Undertake affordability and needs assessments of marginalized housing dwellers to understand potential monetary and non-monetary barriers. • Design incentives for homeowners to rent out their vacant properties (e.g. tax incentives, legal protection in the event of non-payments of rent, zoning options to increase housing supply, and reliable mechanisms for landlord-tenant conflict resolution), thereby stimulating the private rental market. • Design targeted rental subsidies for households to afford rental units that available in the private market.

		• Design mechanisms to ensure equal access and non-discrimination, including grievance redress mechanisms, transparent and effective monitoring of program implementation and beneficiary profiles, and information campaigns targeting marginalized groups to boost participation.
3. Improve existing social housing program practices	The most marginalized will gain enhanced access to existing social housing units. The quality of social housing units and certainty of tenancy period is improved for those who live in the units, and they will be better supported to graduate from social housing.	The MRDPW, together with municipal governments, could incentivize and enable municipal governments to improve the performance of existing social housing program practices: • Undertake a detailed assessment of inclusion (e.g., what is the degree of marginalization for those who can access social housing, what is the profile of those who cannot access) and overall performance of existing social housing stock (e.g., quality of units, occupancy rates, length of actual residency, estimated % of rent against monthly resident expenditures, livelihood and satisfaction of residents). • Design minimum standards for eligibility criteria to be applied to all municipalities and support their adoption. • Establish a performance-based monitoring system to better track achievement of the housing-related goals laid out in the National Roma Inclusion Strategy and the EU Roma Strategy and to strategically allocate international and national funding to municipalities. • Design and provide technical assistance packages in which best management practices are shared in the areas of, among others, program information dissemination, application support, maintenance and tenancy rules, and effective grievance redress mechanisms (to ensure that procedures are fair and the principle of non-discrimination is enforced). • In collaboration with other ministries, design a support program to facilitate the timely graduation from social housing. Such a program may include, among others, rental subsidies (that are coupled with a policy to unlock vacant units in the private rental market) and any other livelihood support.

4. Cross-cutting measures to improve the monitoring of housing and living conditions and to improve the targeting and effectiveness of housing programs	Housing policies and programs for the marginalized improve their targeting and effectiveness.	The MRDPW, together with other ministries and state agencies (e.g., Census Bureau) and municipal governments, could overcome data constraints on housing quality, poverty, and infrastructure access of marginalized communities for better targeting of policies and programs: • Identify the full set of data necessary to design well-targeted housing policies and programs for marginalized communities and any existing data gaps (e.g., sub-municipal-level data on housing quality, living conditions, vacancy, household affordability). Identify data that needs to be collected through specialized surveys, such as private housing market data and data for the evaluation of social housing programs. • Develop a data collection and information management strategy that complements existing data. For poverty and deprivations at the subnational level, this can include, for instance, the updating of the Poverty Maps and yearly updates to the Index of Multiple Deprivations when new data becomes available. Housing related data collection may be pursued through updating census and

		household budget survey questions as well as through complementary private housing market assessments. • Design implementation mechanisms for the proposed data collection and information management strategy.
	Housing policies and programs are tailored to the real local needs of the community. Local government officials and residents develop a shared vision of the program agenda.	The MRDPW can support municipal governments to adopt approaches that systematically involve local stakeholders and communities in policy development and implementation: • Establish new and strengthen existing mechanisms to reach out to residents and civil society organizations/non-governmental organizations to invite their feedback and participation throughout the entire project cycle (such as for needs assessments and participatory planning and budgeting). • Municipal governments may work with civil society partners to enable a continuous dialogue between citizens and authorities beyond project-specific engagements. • Introduce new engagement formats for broader and more active participation in community development (such as citizen engagement platforms and civil society advisory committees).

1. INTRODUCTION

1.1. Background

Despite policy interventions over the years, Bulgaria's housing sector faces numerous challenges, with direct implications for living standards. In Bulgaria's major cities, high rates of housing vacancy accompany *overcrowding*[18]. The existing housing stock, mainly from the socialist era, is old and under-maintained (World Bank, 2017a). Many have high exposure to seismic activity. A large proportion of the population cannot afford to rent or buy a home contributing to low housing mobility within cities. This situation is compounded by the absence of a robust formal and affordable rental market (World Bank, 2017). Public expenditure on the housing market has historically been low, with a lack of programs to help people transition to better housing conditions. See Box 1 for key findings from the World Bank's Housing Sector Assessment for Bulgaria.

These challenges put vulnerable and marginalized communities in a particularly precarious situation. High costs of living, combined with insufficient affordable housing options, push the marginalized to live in deprived neighborhoods where housing is cheaper but where living conditions are poor and rates of illegal tenure are high. Given the informal status of many of the Roma neighborhoods and their underrepresentation in the census and other official data, local authorities are often unable to monitor changes in populations in these neighborhoods. This has consequences for the government at the national and municipal levels in terms of planning and infrastructure capacity, and service provision.

Living in such neighborhoods takes on additional dimensions for Bulgaria's Roma community, who face both higher poverty levels on average, and social exclusion.[19] The Roma population in Bulgaria is currently among the most excluded urban population in the European Union (EU). The concentration of Roma in isolated neighborhoods has increased during the last 15 years both in urban and rural areas.[20] This has led to limited access to quality public services, including water, education, and healthcare, and without the necessary interventions (not necessarily limited to housing and sanitation but also to economic opportunities, vocational training, healthcare, and education). Consequently, even young generations will continue to face increasing barriers to graduate out of poverty. Thus, poor housing conditions directly impact the Roma's risks of marginalization and social exclusion, widening the gap with non-Roma population.

The Government of Bulgaria has recently made numerous commitments towards the improvement of housing conditions for the most vulnerable. Bulgaria's national development program, *Bulgaria 2030,*

[18] A person is considered as living in an *overcrowded* household if the household does not have at its disposal a minimum number of rooms equal to: one room for the household; one room per couple in the household; one room for each single person aged 18 or more; one room per pair of single people of the same gender between 12 and 17 years of age; one room for each single person between 12 and 17 years of age and not included in the previous category; one room per pair of children under 12 years of age. Source: Eurostat.

[19] Comparing the composite EU poverty indicator (at-risk-of-poverty and social exclusion) among various ethnic groups in 2019 shows that the share of people poor within the Roma ethnic group is 84 percent – almost double that of the Turkish ethnic group and more than three times the Bulgarian ethnic group. Moreover between 2015-19 the reduction in national poverty also appeared to have impacted other ethnic communities much more significantly than the Roma community suggesting higher instances of persistent poverty among the Roma community (EU-SILC, 2019).

[20] 2016, 83% of Roma in Bulgaria indicated that they live in a neighborhood were all or most residents are of the same ethnic background (FRA, EU MIDIS II 2016). This is the largest share among the EU countries included in the survey.

identifies several housing-related priorities: (i) building of municipal housing units to accommodate the most deprived among the vulnerable groups, and (ii) the identification of alternative solutions such as the use of financial instruments and the provision of loans with preferential conditions to the target groups. The Government of Bulgaria is in the process of preparing Bulgaria's economic recovery plan, including through the programming of additional EU funding for the period 2021-2022 through the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU) and the Partnership Agreement for the next EU financial programming period 2021-2027. Under the EU's "Regions in Growth" operational program in Bulgaria, housing has been identified as a priority.

Additional measures to target the particularly poor living conditions of the Roma are also under discussion. Bulgaria is also preparing a new National Roma Inclusion Strategy 2021-2030. In line with the targets established in the EU Roma Strategic Framework 2020-2030, Bulgaria's strategy will aim to reduce the gap in housing deprivation by at least one-third. The strategy aims to create conditions for the socio-economic inclusion of the Roma and other marginalized ethnic minorities. Investing in improved living conditions for marginalized groups was one of Bulgaria's funding priorities under the 2014-2020 European Structural and Investment Funds (ESIF) program, managed by the MRDPW. Under the operational program, earmarked investments include social infrastructure investments; social housing; social inclusion promotion through improved access to social, cultural, and recreational services; and transitioning from institutional to community-based services. The outcomes of these investments have not been fully assessed yet.

Box 1: Key Findings from Bulgaria Housing Sector Assessment, 2017

The Bulgaria Housing Sector Assessment was a rapid diagnostic that presented a high-level picture of the country's housing sector along with strategic policy recommendations and evidence-based advice to the Government of Bulgaria to inform the National Housing Strategy Policy. Some of the key findings from the situational analysis carried out during the assessment were as follows:

Massive vacancy and overcrowding. Despite having 900,000 more housing units than the number of households, over 40% of households live in overcrowded conditions. At the same time, the housing vacancy rate is 30%, at the national level. High shares of vacant dwellings were also witnessed in otherwise growing, vibrant housing markets such as Sofia, where the vacancy rate was 24%.

Lack of maintenance of old housing stock. Bulgaria's housing stock mainly comprises old multifamily buildings from the socialist era, many of which are made of prefabricated panel blocks. More than three-fourths of apartments in the country are in buildings that are older than 30 years. The lack of maintenance of these buildings has led to their rapid deterioration. The resulting features are leaking roofs, damaged facades, ill-maintained stairwells and hallways, and leaking water and sewer pipes. While the Condominium Law appears to be well grounded and is designed to regulate the management of buildings, obligations under the law do not appear to be enforced and thus, deterioration continues.

Potential seismic risk of "panel" buildings. It is a fact that old prefabricated "panel" buildings (and all other buildings in Bulgaria) have high exposure to seismic activity. Structural integrity of panel buildings relies on metal "links" that hold the panels together. However, it is unclear whether or not the links continue to retain their structural integrity after 50+ years. Although the extent of this risk is unknown, even a remote possibility of disintegration of the links raises serious questions about the structural safety of these buildings. This is a critical issue that urgently needs further investigation.

Lack of public assistance for the poor and marginalized. Public expenditure in the housing sector, and especially funding targeted to lower income and vulnerable groups, is less than 2% of the overall budget. The National Roma Integration Strategy 2012-20 calls for the improvement of housing conditions in Roma neighborhoods, including infrastructure upgrading and titling, but it is unclear how much funding is set aside for this purpose. On the other hand, the two largest programs in the housing sector – National Program for Energy Efficiency in Residential Buildings (NEEP) and Regions in Growth – focus heavily on energy efficiency, while excluding infrastructure upgrading, which is much needed in low income settlements. At the same time, public social housing is inadequate both in terms of quality and quantity.

Lack of affordability. A large portion of the population cannot afford to buy or even rent housing: some 42% of single person households and 31% of tenants of market priced rentals face *housing cost overburden*, meaning housing costs represent more than 40% of disposable income. Among households below the 40th income percentile, almost two-thirds are cost overburdened.

Absence of a robust private rental market. The absence of a robust formal and affordable rental market is also an area of concern. Less than 5% of the country's housing stock is leased out in the private rental market. Further, the high cost of rental housing suggests a constrained supply, a situation that often occurs when regulations are preventing the rental market from functioning effectively. The lack of such a market goes beyond housing affordability: it adversely affects labor mobility - particularly for the youth, causes difficulties for newlyweds, and inflates rental prices due to limited available stock.

Source: World Bank. "Bulgaria Housing Sector Assessment." World Bank Group, June 2017a, Washington, DC. Available at https://openknowledge.worldbank.org/handle/10986/28563.

1.2. Objective and Method

The objective of this diagnostic is to assist the Government of Bulgaria with better understanding the housing and living condition-related issues of marginalized groups (including Roma) within the country, and to identify entry points for policy action. The results are expected to inform the work of the Government of Bulgaria, as well as other stakeholders working in the housing space. The findings are also intended to guide the pilot projects MRDPW plans to undertake in the municipalities that were studied under the diagnostic.

To achieve this objective, MRDPW identified five municipalities in the NW region as those requiring the most urgent attention (see Table 1). The NW region is the least populated region in Bulgaria and is lagging in economic development compared to other regions in the country. The region has among the highest poverty rates in the country and a high concentration of marginalized populations, including a higher Roma concentration compared to other regions. Finally, six settlements within the five target municipalities are known to have persistent housing issues such as high vacancy rates and surplus units, as well as being vulnerable to natural hazards.

Table 1: Locations of marginalized communities covered by this diagnostic

District	Municipality	Settlement*
Montana	Montana	Montana
	Lom	Lom
Vratsa	Vratsa	Vratsa
	Oryahovo	Oryahovo
Vidin	Vidin	Vidin
		Dunavtsi

* This column indicates settlements within the municipality, in which the World Bank team conducted data collection.

This diagnostic draws on literature review and data collection commissioned by the World Bank. The World Bank team undertook an initial desk review of existing literature and official statistics[21] that provided national and subnational[22] level information on poverty, demographic trends, hazard risks, and overall housing sector performance. This information was further complemented by questionnaires completed by the authorities in the five target municipalities. The questionnaires gathered data on available programs at the municipal level and on the support needs as identified by the municipal governments. The questionnaires also indicated potential data gaps. In the absence of available recent quantitative data on housing and living conditions at the municipal, settlement, and neighborhood levels, the team undertook a qualitative assessment across the five municipalities to obtain an in-depth view of community and stakeholder perceptions. It should be noted that the findings were based on the sample of population interviewed and surveyed and is not a substitute for a comprehensive population survey. Further details on the methodology of the diagnostic are provided in Annex 2.

[21] The upcoming Census of Population and Housing, which has been delayed due to the pandemic, will be an especially valuable information source as it will capture all of the structures where people live, including informal structures of various types (i.e. huts, cabins, shacks, shanties, caravans, houseboats, barns, mills). See Article 14 https://www.nsi.bg/en/content/17363/basic-page/2021-population-census-and-housing-census-republic-bulgaria-act.

[22] Including available data at NUTS3 (district-level), LAU1 (municipality level) and LAU2 (settlement-level).

1.3. Report Structure

The remainder of this report is organized into four sections.

Section 2 provides an overview of selected marginalized districts and municipalities in NW Bulgaria. It provides a snapshot of the local population, and an overview of where marginalized groups live in the target settlements.

Section 3 then deep dives into the status of housing in these marginalized communities. It outlines key housing issues, including unit quality, access to technical infrastructure, and likely issue related to legal status ~~informality~~. After considering community preferences for improved housing conditions, it then identifies key policy and implementation bottlenecks that would need to be addressed to bring about housing improvements.

Section 4 analyses the social housing situation – rental subsidies allocated to units built and managed by municipal governments – in the target municipalities and considers the extent to which social housing programs (in their current form) provide a viable housing solution for marginalized communities. The section discusses social housing stock and availability, and the knowledge of and demand for social housing by marginalized communities. Similar to Section 3, it ends by considering policy and implementation bottlenecks to be addressed.

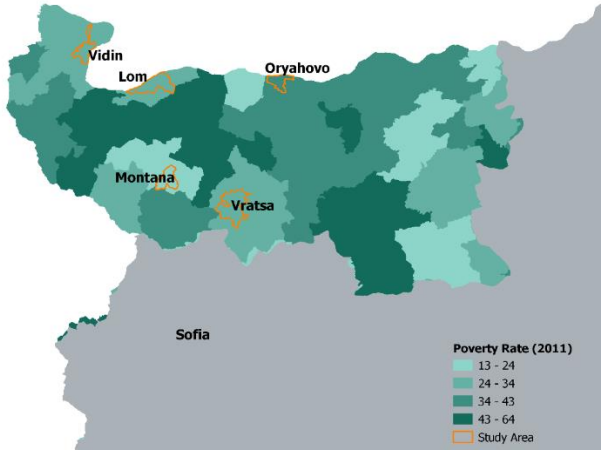
Section 5 then concludes with policy and program suggestions to the Government of Bulgaria for improving housing and living conditions in NW Bulgaria.

2. Overview: Marginalized Communities in Northwestern Bulgaria

2.1. Demographic Profile

The NW region has one of the lowest gross domestic product (GDP) per capita among the six regions[23] in Bulgaria, with poverty rates presumed to be high (see Figure 1). In 2019, the NW had the smallest GDP share of 6.7%, with the lowest regional GDP per capita, €9,300, compared to the national average, €14,800 (Eurostat 2020). The most recent 2011 census showed that Northwestern Bulgaria also had the highest poverty rates in the country. Maps produced in collaboration between the World Bank and the Bulgaria National Statistics Institute (NSI) at the time showed that poverty rates vary widely in the five municipalities that constitute the NW region, but were still well above the national average (22.7% in 2011).[24] Unemployment rates were also higher than the national average, though there are indications they might have improved marginally in recent years. [25]

Figure 1: NW Bulgaria Municipality Poverty Map



Source: Derived from data compiled by the World Bank and NSI, 2011

Data from the 2011 Population Census show that NW Bulgaria, and especially the targeted settlements, have a higher-than-average concentration of Roma communities.[26] The proportion of the Roma population in the districts of Montana, Vratsa, and Vidin was higher than the national level average; and within these districts, the six target settlements also had a larger-than-average portion of the population self-identifying as Roma. In 2011, approximately 3% of Bulgaria's urban population identified as Roma. With a 2% Roma population, the settlement of Vratsa has a share that is comparable to the national urban average. However, the other settlements had percentages at least double the national average. In Lom,

[23] There are six level-2 NUTS subdivisions of Bulgaria: North Central, North East, North West, South Central, South East, and South West.

[24] Source: NSI and World Bank Poverty Maps. These represent at-risk- of-poverty rates, measured using the official relative poverty line (60% median AE income). The estimates are as follows: Vidin: 29.70; Montana 19.70; Oryahovo: 35.2; Vratsa:28.2; Lom: 32.8. No estimates are available at the settlement level.

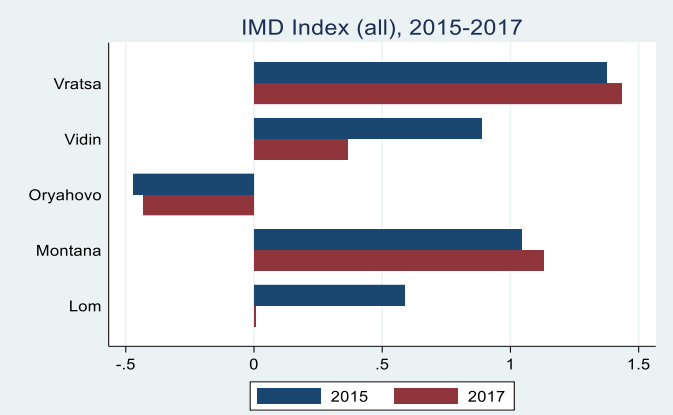
[25] There are no recent estimates of overall employment rates at a municipal level, however, estimates of registered employment showed improvements in all settlements except Vidin. Source: World Bank estimates based on NSI Business and Population Statistics. Employment rate measured with registered employment only from business statistics.

[26] There are no reliable recent estimates of the size of the Roma population in Bulgaria, and for the targeted settlements Census data allows for self-identification, which leads to significant underreporting.

the rate of self-identified Roma was one of the highest in the country at 19%. Other identified ethnic minority groups made up less than 2% of the population in each target settlement.[27]

Except for Oryahovo, the target municipalities appear to have similar access to services and economic opportunities as the average municipality in Bulgaria. The World Bank's *Index of Multiple Deprivations (IMD)* is a tool for measuring non-monetary deprivations across many different dimensions, including housing, health, education, labor, and demography.[28] Analysis of the recent index from 2015 and 2017 across the five municipalities revealed that they have similar access to services and economic opportunities as the average municipality in Bulgaria with the exception of Oryahovo (see Figure 2). Montana and Vratsa performed better than the average municipality, with performance slightly improving over time. Lom and Vidin performed at or near the average but had worsening performance over time. Oryahovo performed below the average and performed slightly better over time.

Figure 2: Oryahovo lags behind the average while the performance of Vidin and Lom declines - IMD



Source: World Bank estimates based on official NSI data, including NSI Population statistics, NSI Justice and crime statistics, NSI Healthcare statistics, Employment Agency, NSI Business statistics, NSI (Regions, districts and municipalities in the Republic of Bulgaria), NSI Healthcare statistics.

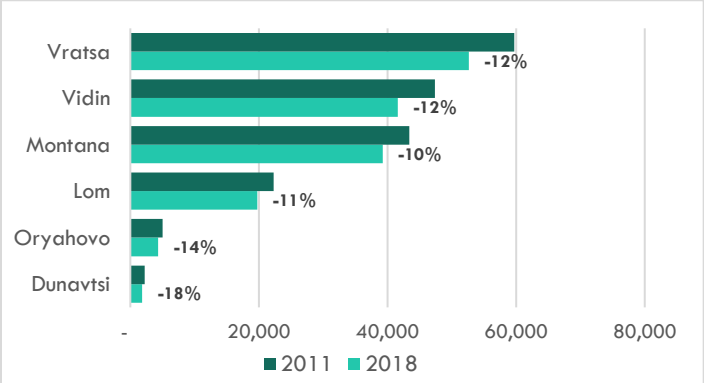
Still, estimates show that the population is continuing to decline in all the settlements, with Vratsa and Vidin experiencing larger declines. Figure 3 shows that between 2011 and 2018, the population of the target settlements shrank between 10% to 18%. For comparison, Bulgaria's overall urban population, excluding Sofia, declined by 5% over the same period. In other words, these settlements seem to be shrinking more quickly than the average Bulgarian urban area. Rates of migration to these cities are very low and all the target settlements have consistently presented negative *net migration*[29] rates. A drop in net migration rates has been observed recently over the period 2015-2018 in all settlements.

[27] These shares could have changed in recent years, considering the high rates of outmigration since 2011.

[28] The Index of Multiple Deprivations (IMD) is assembled from a comprehensive database from different official sources. It enables comparison between target municipalities with the average municipality in Bulgaria in access to services and economic opportunities. See further details in Annex 5.

[29] Net migration is defined as the net total of migrants during the period, that is, the total number of immigrants less the annual number of emigrants, including both citizens and noncitizens. It is presented as a ratio of 1,000 people. Source: NSI population statistics.

Figure 3: The total population in target settlements (2011 – 2018) has been rapidly shrinking



Source: National Statistical Institute, Infostat, Population Tables 6.1 and 6.2.

Population changes in recent years could have led to significant changes in the age structure, systematically influencing housing market conditions. Unfortunately, this cannot be evaluated in the Bulgarian context as the age structure in the target settlements is only available in the 2011 Population Census. In 2011, the age structure in the target settlements was comparable to other urban areas in Bulgaria, with most of the population between 20 and 64 years old. Dunavtsi was the exception, with the elderly accounting for a larger share[30] of the population.

2.2. Locations of Marginalized Communities

Marginalized neighborhoods in many of the target municipalities tended to be in areas that are segregated[31]

The term *marginalized neighborhoods* denotes areas in settlements (towns, cities, and villages) that have a high concentration of marginalized communities. The term is defined as neighborhoods that display a mixture of the following factors: inadequate housing, absence of or inadequate streets, a high number of households in poverty, low quality or lacking public services, and territorial stigmatization. "Marginalized housing units" in this report refers to housing units in marginalized neighborhoods. These units are visibly sub-optimal, with characteristics such as lack of access to services and infrastructure, a state of disrepair, overcrowding, leaking roofs, structural vulnerability, etc.

Marginalized neighborhoods tend to exist in areas outside the urban center, with varying degrees of isolation from public infrastructure. Spatial maps compiled of Lom, Oryahovo, Vidin, and Dunavtsi all show concentrations of marginalized housing in the immediate outskirts of the city (Figure 4). For example, in Lom, the Mladenovo neighborhood is visibly away from the town. Similarly, Montana and Vrtasa both had marginalized neighborhoods that were spatially distant from the rest of the town. Notably, Montana's Kosharnik neighborhood is located 5 kilometers from the city center, with poor transportation links. The Nov Pat neighborhood of Vidin is also isolated from the city.

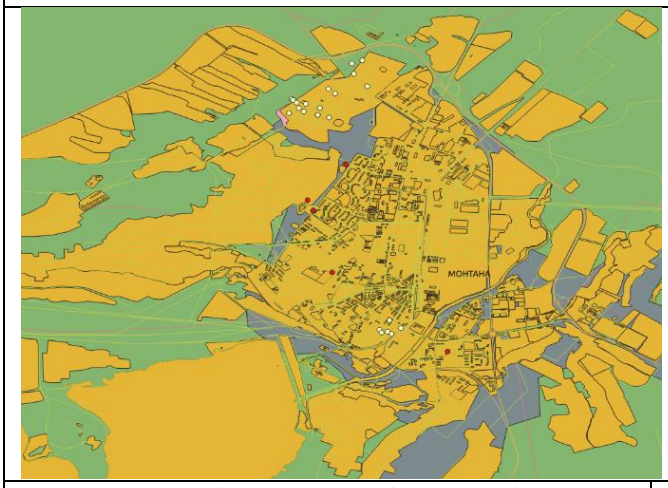
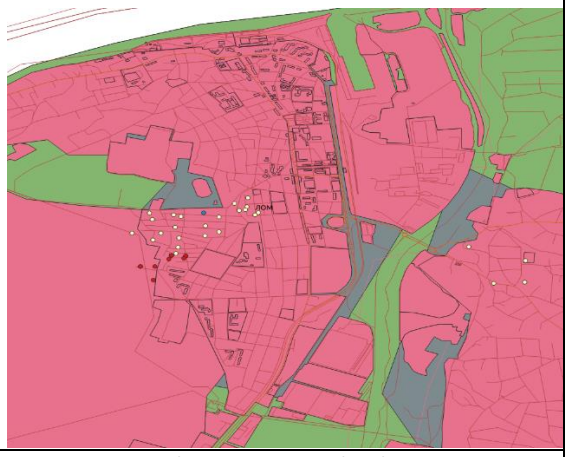
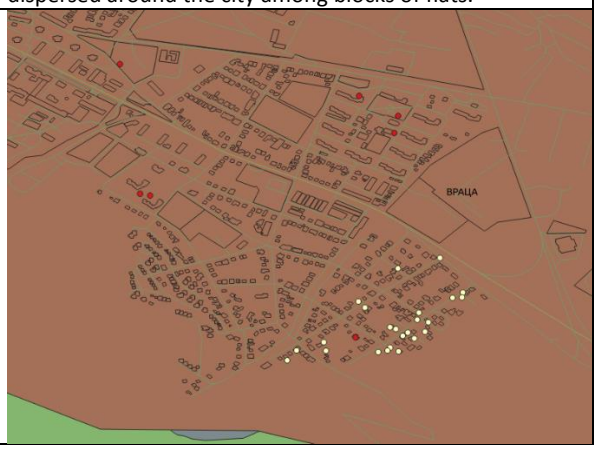
[30] The elderly population in Dunavtsi represents 29% as opposed to 19-23% in other settlements.

[31] The location of social housing units amongst the five municipalities. In Montana and Vratsa, social housing units were dispersed across the municipality. Social housing units in Lom were clustered around the neighborhood of Stadiona, which has a high concentration of Roma and non-Roma marginalized population. In Vidin, social housing units are clustered and closer to the city center whereas in Oryahovo, only two social housing units were located near the two ends of the city.

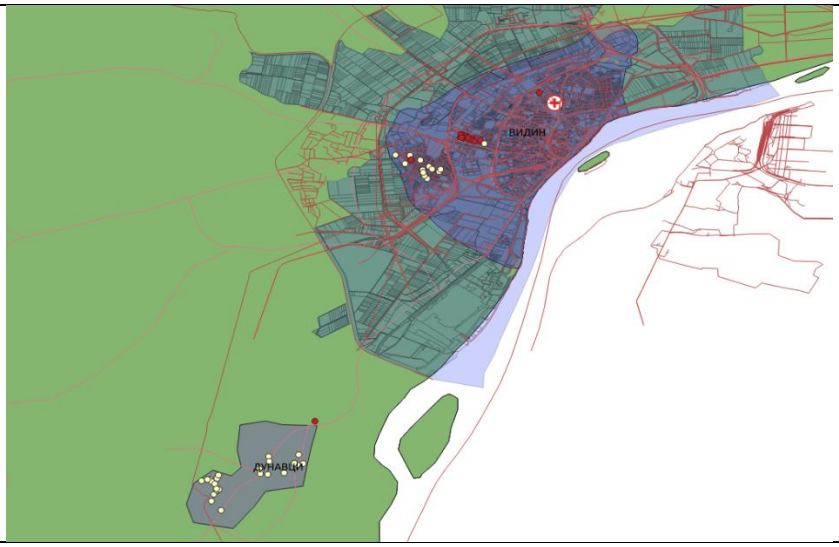
Marginalized neighborhoods were present within the urban centers too. Vidin, Montana, Vratsa, and Lom also contained marginalized neighborhoods within the city that were close to the city center. One reason provided by municipal experts for these centrally located marginalized neighborhoods is a high number of vacant plots, which the poor have used to build housing, often illegally. Due to lack of secure tenure (discussed in Section 3.1.3), such neighborhoods could also lack proper infrastructure, such as paved streets, or otherwise be comprised of run-down buildings.

Figure 4: Neighborhoods inhabited by marginalized groups tend to be spatially isolated and located in city outskirts.

(In the below maps all the white dots indicate marginalized housing while the red dots indicate social housing)

MONTANA: Kosharnik can be seen in the upper part of the map. Neighbors of Ogosta are a small cluster in the center. Social housing in Montana is dispersed in large blocks of flats located mostly in the large *Mladost* neighborhood	***LOM:*** The four points on the right are a sample from the highly vulnerable Mladenovo neighborhood. Social housing is located in the largest neighborhood Stadiona.
	
ORYAHOVO: In Oryahovo, Roma population is predominant on certain streets. There are only two locations with social housing located among blocks of flats and shacks close to other houses.	***VRATSA:*** In Vratsa, the most marginalized communities live along Dospat Street at the periphery of town. There are some social housing units in the area of Dospat Street (small barracks). Most of the social housing units are dispersed around the city among blocks of flats.
	

VIDIN AND DUNAVATSI: Vidin is the larger of the two areas shown on the map below. Within Vidin, the Nov Pat neighborhood (cluster of white points) is characterized by poor housing conditions relative to the rest of the settlement. In the Stroitel neighborhood within Vidin there are many social housing compounds. Dunavtsi is the town located at the bottom of the map (in gray). It has two distinct neighborhoods separated by a railroad: *Vidbol* is located east in the direction of Vidin. Gurkovo is located on the west. Gurkovo is less depopulated than Vidbol and appears to be considered the better neighborhood.



Source: Qualitative fieldwork, 2020

3. MARGINALIZED HOUSING

Residents of marginalized housing in the target municipalities suffer from dire housing conditions and suboptimal neighborhood living conditions. The qualitative research highlighted that most residents wish to see improvements to their housing conditions but lack the financial means or otherwise need assistance. Meanwhile, low housing mobility and conditions of overcrowding exist alongside high vacancy rates. This section presents these issues while considering the underlying causes to be addressed.

3.1. Housing Issues

3.1.1. Housing Quality

It was widely acknowledged among those who were interviewed and surveyed that housing and living conditions of marginalized neighborhoods are sub-standard and in need of urgent attention.

Housing and living conditions in the marginalized neighborhoods are poor, and their improvement is seen as a priority by interviewed local stakeholders. Key municipal and non-municipal experts expressed that neighborhoods and housing units occupied by marginalized groups were poor. When asked which areas were viewed as policy priorities in their municipality, among the wide range of subjects stated[32], housing and unemployment ranked the highest. Experts cited poor housing conditions and issues such as poor structural integrity, leaking roofs, overcrowding, general disrepair, and vacancies (see Table 2). Many of the experts explicitly stated or alluded to the fact that conditions in Roma neighborhoods, among all the marginalized housing, were notably deficient. Non-municipal experts described housing conditions as

[32] Other policy priorities included education, social support, health, and migration.

more dire than municipal experts, possibly because their engagement with Roma communities and marginalized neighborhoods was deeper and more frequent.

Table 2: Most pressing housing quality problems in marginalized neighborhoods, as perceived by municipal and non-municipal experts

	Settlement					
Issue	Dunavtsi	Lom	Montana	Oryahovo	Vidin	Vratsa
Homes are structurally unsound	×			×	×	
Interiors of homes are in disrepair*	×					×
Poor insulation						
Overcrowding**	×				×	×
Leaking roofs	×		×	×		×
Vacant homes					×	×
Other***	×	×	×	×	×	×

* 'Disrepair' means a building in poor condition due to a lack of regular maintenance or neglect. It may include structural cracks, infestation, mold, poor ventilation, etc.
** 'Overcrowding' refers to the stated perception by municipal staff.
***' Other' includes a list of issues specific to each location, such as bad smells, noise, pollution, and public disorder.
Source: Key Informant Interviews, Qualitative Fieldwork.

Table 3: Most pressing service access problems in marginalized communities, as perceived by municipal experts

	Municipality				
Issue	Lom	Montana	Oryahovo	Vidin	Vratsa
Electricity access	×			×	×
Household waste	×	×			
Heating Access			×		
Illegal Utility Use	×	×	×		
Street Lighting	×				
Sewerage Access	×	×	×	×	×
Street Conditions	×	×			
Piped Water	×	×		×	×

Source: Key Informant Interviews, Qualitative Fieldwork.

Official responses from municipal governments validated the observations of individual experts interviewed and emphasized the need for increased efforts in improving living conditions. All five municipalities noted that infrastructure and living conditions in marginalized neighborhoods were deficient. Table 3 presents the most pressing infrastructure issues in marginalized communities, as perceived by municipal experts. Almost all municipal governments expressed the desire to address prominent infrastructural issues, hazard risks, and low access to services in these communities, as is evidenced by the various strategies and programs planned or enacted. Lom's Municipal Development Plan recognizes that marginalized communities are facing increasing social isolation (Municipality of Lom, n.d.) and have infrastructure issues, including a poor solid waste network, illegal electrical connections, and poor-quality streets. In Vidin, the municipality rehabilitated some roads in 2019 in Novi Pat as an attempt to reduce flooding issues. Responses from Dunavtsi drew attention to the absence of a sewerage network in two neighborhoods. In Montana, housing conditions were reported to be the worst in two neighborhoods, Virove and Dr. Yosifovo, where houses were regarded as old and dangerous. The municipality affirmed that both neighborhoods needed new detailed master plans. Municipal experts in Vratsa stated that marginalized neighborhoods had issues with technical and social infrastructure, despite

the municipality's efforts to provide services. In one of the settlements, Roma families were living in structures made of boards, slats, nylon, and other waste materials and had no access to sewerage or running water. Finally, the municipality of Oryahovo, in response to existing conditions in marginalized neighborhoods, has made road improvements and identified the need to improve water mains and parks (Republic of Bulgaria, Council of Ministers; 2014).

Housing conditions in marginalized neighborhoods are likely worse than the level perceived by municipal experts, as interviews with residents revealed additional issues. In each target settlement, neighborhoods reported to have poor housing conditions—homes displayed numerous structural issues, structural disrepair, and overcrowding. During the qualitative fieldwork, a prevalence of issues such as narrow streets, lack of lighting, and waste collection was noted as characteristics of marginalized neighborhoods when compared to surrounding areas. In addition, interviews with residents revealed issues were more widespread. For example, whereas leaking roofs were raised as a problem by municipal experts in four out of the six settlements, residents of marginalized housing in all six settlements raised leaking roofs as a problem. Such discrepancies of perceptions are to some degree to be expected, as municipal experts may not directly interact with local communities in their day-to-day functioning, underscoring the importance of community engagement mechanisms to obtain a deeper understanding of housing and living conditions.

The priority housing challenges were perceived differently between experts and residents, underscoring the importance of effective community engagement in identifying housing quality issues accurately. Although all housing units assessed met the Eurostat[33] definition of "overcrowding" and municipal experts stated overcrowding to be a pertinent challenge, overcrowding was not a priority concern for households. The most pressing issues for households typically concerned structural issues and infrastructural issues in the neighborhood. Marginalized households regarded the problems arising from poor building quality and lack of infrastructure and service connectivity as most acute**.** During the focus group discussions and individual interviews, some individuals - mostly those living in difficult circumstances and facing serious constraints - referred to their desire of just living a "normal" life in a "normal" home. This could be translated as having access to utilities and basic amenities in combination with having an income that allows them to comfortably meet on-going costs. Increased space as a respite from overcrowding was only raised during the focus group discussions in the context of aspirational home improvements as opposed to necessary ones. This complements findings in Section 3.2 considering community preferences; that in many cases, residents prefer to see housing and neighborhood upgrades rather than moving to a different house or neighborhood. Similarly, some appeared willing to move into better-quality social housing, even if technically remaining in overcrowded conditions.

3.1.2. Access to technical infrastructure[34]

Technical infrastructure networks pertaining to sewerage and water supply may require either extension or upgrades in marginalized neighborhoods

The lack of public sewerage was among the most common issues in the assessed neighborhoods. Experts raised the lack of access to sewerage as a problem in Lom, Montana, Vidin, and Vratsa. The absence of

[33] Eurostat is the statistical office of the European Union.

[34] Defined in Spatial Development Act as a system of buildings, facilities and linear engineering networks of transport, water supply and sewerage, electric supply, central heating, gas supply, electronic communications, hydro-meliorations, treatment of waste and geo-protection activity.

sewerage connections was particularly evident during interviews in Dunavtsi and Oryahovo. It was common for interviewees to report that they had no access to sewerage whatsoever.

In neighborhoods where households did have access to a sewerage network, households reported issues with quality. For example, in the Roma neighborhood of Novi Pat in Vidin, households expressed that sewage pipes were leaking and yielded a bad smell in the neighborhood. The same issue persisted in Lom and Montana, underscoring that the sewage pipelines were possibly old and deteriorating.

In the neighborhoods where housing units were not connected to a sewerage system, residents were likely to use an out-house or communal toilets. Limited access to a sewerage line on many occasions affected access to an in-house toilet.[35] Inhabitants of smaller settlements like Oryahovo and Dunavtsi were less likely to have toilets inside their houses and instead had outside toilets connected to a septic tank. Outside toilets were also in use in the neighborhood surveyed in Vratsa, around Dospat Street, located at the city's periphery. In certain areas, the lack of an in-house toilet is countered by communal toilets connected to a pipeline or a septic tank. During interviews in these neighborhoods, respondents notably expressed their desire to have an in-house toilet – especially women. Outside and communal toilets also presents health concerns in these neighborhoods and municipalities (WHO, 2019; UNICEF, 2014).

Among housing units with access to in-house toilets, septic tank use appeared to be common, indicating issues with access to sewerage infrastructure. The precise incidence of residents with in-house toilets connected to the main sewerage line would need to be verified through further surveys. However, among interviewees with an in-house toilet, it was common to find that they were using a septic tank rather than a toilet connected to a functioning sewage pipeline.

Access to water supply networks is also a challenge in marginalized neighborhoods. Among all settlements assessed, concerns regarding lack of access to water were brought up during the interviews.[36] In the focus group discussions with women in Lom, all respondents agreed that water and sewage are a problem in their neighborhood (Stadiona) and that there are some houses without water. The poor water supply network and access to water seem to affect the settlements in Dunavtsi and Oryahovo more than those in the other towns assessed. In the settlements, households must use communal sources for water or water pumps that are not connected to a public water network. In Vidin and Vratsa, several respondents expressed the need to improve the water supply to their homes. In Lom and Montana, water quality rather than access to water appears to be a point of concern.

Moreover, the existing public water supply network and public water sources appear susceptible to damage. Interviewed municipal and non-municipal experts in Lom, Montana, Vidin, and Vratsa highlighted the insufficient reach of water networks in marginalized neighborhoods, despite self-reported municipal efforts in improving water access. While this can be attributed to underlying water supply infrastructure that is old and deteriorating, other factors influencing inadequate water supply may also

[35] Compared to non-Roma households, a greater share of Roma households surveyed lacked access to in-house toilets and to sewerage infrastructure**.** Compared to the 96% of non-Roma households that had access to an inhouse toilet, only 84% of Roma households surveyed had a toilet within their unit **–** but more than 50 % of these inhouse toilets were connected to a septic tank rather than to a functioning sewerage pipeline. In the area of Dospat Street, which is located at the periphery of the city, Roma appear to have mainly outside toilets —14 out of 26 Roma persons used toilets outside their houses with a septic tank. During focus group discussions and in-depth interviews, respondents notably expressed their desire to have an in-house toilet – especially Roma women.

[36] This was especially the case for respondents living in Roma majority neighbourhoods.

point towards operational deficiency. A woman living alone from Vidin shared her experience of being provided with temporary shelter in social housing after her home became temporarily uninhabitable due to underground water leakage. Similar anecdotes were shared during focus group discussions and individual interviews, which concerned leaking pipes and exploding pumps. In Kosharnik (in Montana municipality) the municipality has in recent years made significant infrastructure investments, notably towards the creation of water pumps. Interviewees from this settlement, however, provided reports of damaged pumps and instances of flooding as a result of the damage.

Electricity provision remains unreliable in marginalized neighborhoods.

While most residents of marginalized neighborhoods reported having access to a main electricity line, others still lack connection. Marginalized housing dwellers from Vidin, Lom, Oryahovo, and Dunavtsi indicated that they or their neighbors lacked access to electricity, while municipal experts in Lom, Vidin, and Vratsa also mentioned that access to electricity was a problem for certain dwellers of marginalized neighborhoods. Issues seem particularly acute in marginalized neighborhoods in the town of Vidin.[37]

Electricity comprises a considerable cost burden for low-income households of the communities. Even when electricity infrastructure exists, and in theory can be legally accessed, electricity bills feature among the main burdens on the budgets of low-income inhabitants in marginalized neighborhoods. Cases of large arrears on electricity bills and electricity being cut off for nonpayment were reported in the sample of inhabitants of vulnerable housing that were interviewed.[38]

Absence or infrequent provisions of services, like garbage collection, waste management, and public transport, is a significant challenge in marginalized neighborhoods and particularly Roma majority marginalized neighborhoods.

The lack and infrequency of garbage collection services appear to be a severe issue in marginalized neighborhoods.[39] Of the 145 participants in the focus group discussions across all six settlements, only 60% claimed that they had access to some sort of garbage collection service. Participants from Lom, Montana, and Vidin seemed to be most deprived of this essential service.[40]

Municipal experts also highlighted similar challenges with solid waste management service provision in marginalized neighborhoods. Several causes were highlighted by municipal experts, including problems with access to garbage containers located at inconvenient locations, and poor road infrastructure that prevented garbage collection trucks and cleaning trucks from entering the neighborhood. Illegal dumping of garbage in abandoned areas was also highlighted as a challenge.

A lack of reliable public transport is another issue affecting marginalized neighborhoods, which affects travel feasibility, safety, and expenses. Residents of marginalized neighborhoods shared concerns about

[37] Here almost a third of the interviewees denied having a legal connection and almost half the Roma sample interviewed in Vidin appeared to be deprived of the same.
[38] The problem of large arrears and nonpayment of electricity bills was endemic in Roma neighborhoods for many years during the first and the beginning of the second decade of the 21st century.
[39] There is significant difference in ethnic lines in the access to garbage collection: Roma are more likely to report not having any access and municipal experts validated these concerns. 42% of Roma persons interviewed said they had no access to garbage collection services while only 30% of the non-Roma persons claimed to not have the same. Roma in Lom, Montana and Vidin appear to be most affected by the lack of a regular garbage collection service.
[40] With almost two-thirds of participants from Vidin and half the participants from Lom and Montana having no garbage collection service for their houses.

the lack of reliable public transport. For example, in Dunavtsi and Vidin, residents of marginalized housing claimed that local transportation options were both infrequent and too expensive. In Vidin, the Nov Pat neighborhood is serviced only by private minibusses, which reportedly operate irregularly.

In some locations, interviewees suggested that access was limited by poor road conditions in the neighborhood. This issue was most releveant in Dunavtsi, Vidin, and Montana. Poor road conditions have direct implications for access to public transport and alternative private services. Furthermore, where neighborhoods are inaccessible by motor vehicles, this affects not only public transport but access to emergency services and safety. Experts interviewed recalled incidents when fire trucks and ambulances could not reach target households due to narrow roads. Several anecdotes were shared of private buses also not accessing the neighborhood due to poor street conditions and of having to walk long distances, despite safety concerns, to access any form of public transportation or even schools. In Montana, parents reported having to walk long distances to bring their children to the school bus – with no other transportation option being available if they missed the bus.

3.1.3. Likely prevalence of informality[41]

The scale of informality in the target locations is unknown, but illegality is presumed to be high in marginalized neighborhoods.

The exact scale of informality in the target locations is unknown. The Spatial Development Act (SDA) clearly sets out requirements for individual municipal development plans and lays out conditions and processes for private homeowners to obtain documentation that affirms the legal status of the property. There is no presumption of illegality in the SDA or elsewhere; homes are declared 'illegal' under a multi-stage process set out in the law (see Box 2). Municipal experts in the surveyed settlements estimated that there were buildings in the settlements that have not formally been declared 'illegal' under the law but which likely fall below the standards of the SDA and its bylaws.

Municipal experts offered estimations of illegality, which vary greatly by municipality. In Lom, the municipality reported at least 710 illegal buildings and noted that this type of construction is growing over time. In Vidin, the municipality reported that many Roma live in Nov Pat where there are 1,191 buildings that might have unclear title or lack building code compliance. In contrast, Vratsa reported no illegal buildings and did not suggest any change over time. Similarly, Montana reported only 24 non-compliant buildings. During the qualitative fieldwork, experts made general statements such as "there are many" or "there are illegal buildings" without any clear explanation of what specific parameters underly the assessment.

[41] This term refers to the housing units that are built on land that the occupants have no legal claim to, as well as housing units that are not in compliance with planning and building regulations.

Box 2: Legal Definition of Illegal Buildings in Bulgaria

The legal definition of illegal buildings can be found in article 225, paragraph 2, of the Spatial Development Act. According to this provision a building is illegal when it: i) is not in line with the prescriptions of the detailed master plan, or ii) is executed without approved investment plan or without a building permit, or iii) is executed in deviation from the investment plan.

A building cannot be classified as illegal only based on someone's observations or impressions. There is no presumption of illegality. The status of a building must be determined based on an administrative procedure prescribed by law. This procedure starts with an onsite inspection from specially authorized municipal officers, who prepare a protocol containing their findings. Based on that protocol and on the objections of the interested parties, the mayor of the municipality issues an order for the removal of the illegal building. This order is subject to judicial review and enters into force only after confirmed by the court or if it has not been appealed within the statutory time limits.

Sources: Republic of Bulgaria. "Spatial Development Act." SG. No. 62/14 Aug 2015. Available at: https://cpcp.mrrb.government.bg/cms/assets/Laws/SPATIAL%20DEVELOPMENT%20ACT.pdf.

Illegal buildings appear to take on a variety of forms, with significant variations in housing quality. Illegality does not seem to conform with the appearance or safety of the housing unit. Non-municipal experts and residents in the target municipalities acknowledged that, in some cases, illegal housing could be in very good condition; the only issue was a lack of permission of the landowner or inconsistencies with the building code which did not necessarily pose an acute safety threat to residents.

The causes of illegality among marginalized communities often follow the growth trajectory of these communities. In the target locations at least, marginalized communities started developing decades ago in an unplanned manner following the end of the communist regime, on property and land that remained legally contested. Municipal experts indicated that in general, illegal buildings were concentrated in areas where marginalized groups resided and where housing conditions were poor. This is consistent with nationwide data. According to the 2017 Administrative Monitoring Report, illegal buildings are mostly located in places where vulnerable, and predominantly Roma, populations are concentrated. The National Program for Improving the Living Conditions of Roma in Bulgaria 2005-2015 stated that one quarter of Roma settlements had been constructed illegally in Bulgaria. In the qualitative assessment, municipal experts in Vratsa, Vidin, Lom, and Montana all commented on the preponderance of housing illegality in marginalized neighborhoods.

Households are uncertain of the legal status of their housing units and whether any pathway exists to legalize their existing units.

Most of the marginalized households displayed a poor understanding of whether their homes were illegal or why their homes were illegal. There are numerous ways in which confusion over legality can arise. It is possible that a household moved into a housing unit that was illegally built and continued to live there, thereby inadvertently having to bear the consequences of illegality. It could also be that a household moved into a legal unit but, again, does not possess any documents to prove the same. The confusion regarding illegality could also have been inherited from the previous generation or from a spouses. When a household rents in the informal market or moves into a unit in a marginalized neighborhood, the household is not necessarily aware if the unit is recognized as legal by the municipality or may have little knowledge of the specifications of illegality. In most clear cases of informality, as it

appeared during the interviews, respondents or their families had built themselves a house without any documentation and have some understanding that the process poses risks. When asked, interviewees often displayed a lack of awareness over the steps needed to document a home's legality. Some of the imprecise statements or real misconceptions include the statement that if somebody else (e.g., the municipality) owns the plot, you cannot legalize the building, or that if you have paid some property taxes or utility bills, this proves that the building/house is legal.

There are numerous implications of unspecified legality and illegality that have a direct implication on living and housing conditions.

The implications of unspecified legality and illegality are diverse and harmful to communities. Unless expressly indicated otherwise, the items below apply both to buildings that have been declared illegal following the SDA procedure and to buildings that can be presumed to be illegal under the SDA due to their unspecified legal status.

Access to technical infrastructure

Residents of presumed "illegal" housing units do not have the right to access technical infrastructure.[42] The provision of technical infrastructure in settlements and neighborhoods pre-supposes their formal integration in municipal plans. Marginalized neighborhoods likely do not abide by the zoning regulations under the SDA and technical infrastructure access is to be provided only to areas and buildings that adhere to all the codes specified in the SDA. Integration of marginalized neighborhoods having a large proportion of illegal housing thus becomes a sort of "insurmountable task" and impedes access. The unclear designation of marginalized neighborhoods and moreover, the individual units within them, stall the regular and systematic provision of public goods. Even if most of the houses in these neighborhoods are illegal, the officially unspecific nature of legality creates a "stuck" situation for both communities and municipalities. As a result, action from the side of the local government remains in limbo due to the unknown legal territory that such neighborhoods fall under. Therefore residents in these areas continue to live in deteriorating and unsanitary neighborhoods with poor street lighting, inadequate garbage collection, dilapidated roads and unsafe and ill-maintained common public spaces.

Individual homes without proper documentation face compromised access to public utilities. Utility companies and service providers are often known to decline servicing homes that do not possess the proper documentation**.** For example, to get an electricity connection, the applicant must present a *Certificate of Municipal Address,* which is essentially a verification by the municipality that such an address exists and that the individual is a resident at that address. Households with an unregistered address often (but not always) face challenges in opening user accounts. As a result, such households resort to alternative options such as accessing a neighbor's connections, setting up illegal connections, or making do without adequate electricity. Concrete examples of illegal connections to electricity were given by respondents in Vidin and Oryahovo. In Montana, residents reported quarrels over how to fairly split the costs of electricity that multiple households were siphoning from a single source (meter). Conflicts that erode social fabric can be expected to be particularly impactful in these marginalized communities. Such incidents also incite already prevailing ethnic tensions in marginalized neighborhoods.

[42] Based on the latest amendments to the Spatial Development Act, March 2021

"…sewage, water, electricity, cannot be done privately. The authorities must do it. They [illegal housing dwellers] manage to find a replacement for missing utilities, but at the cost of being illegal and at their own risk. They know it is so, but they only care about bringing light to the bulbs."
(Vidin, expert)

Source: Key information interviews (KII), Qualitative fieldwork, 2020

Fears of eviction and disincentives to improve living conditions

Illegal housing dwellers are aware of the risk of eviction. While illegality provides a legal basis for the removal of a building, it appears that actual rates of eviction are comparatively low in NW Bulgaria than in larger cities such as Sofia. There are several potential reasons for this, including, for example, the low rate of development and high instances of out-migration. However, the primary reason behind the low rate of eviction seems to be that only a few units are "officially" declared illegal. However, this does not provide respite for residents of such units as they continue to live in fear of eviction. Non-municipal experts from Lom and Montana described how fear of eviction weighed heavily on marginalized communities. This was particularly true for Roma individuals interviewed. They stated that they had been evicted at some point previously and did not wish to go through the ordeal again- 1 in 5 of Roma interviewees had experienced eviction.

Households are unwilling to invest time and money in improving the condition of their units due to uncertainty arising from having no formal legal status. Poor unit conditions indeed provide an incentive for residents of vulnerable housing to invest in making improvements themselves. However, even in cases where household budgets would allow for such expenditures, the uncertainty of legal status acts as a significant deterrent and dissuades individuals from making necessary purchases and repairs. Households are also more likely to not advocate for better service provision and for government support out of fear of coming under scrutiny and being evicted should their housing unit become officially declared illegal.

Access to state support in the event of natural disasters[43]

In the event of natural disasters, those with either illegal or unspecified legal status of housing units are not eligible for reimbursement assistance for housing repair as as per Law on Protection against Disasters. [44] **.** The legislation (Law on the Protection against Disasters) describes the responsibilities of all private persons and state and municipal bodies in the prevention of housing damage caused by natural disasters. It provides guidance on conducting disaster preparedness and response activities, support and recovery, resource provisions, and receipt of aid. According to this law, a specially designated state body adopts decisions to provide reimbursement assistance to assist with the recovery of disaster-stricken dwellings. The right to access reimbursement assistance is granted only to owners of legally constructed dwellings, that are their only dwellings, or to the persons who have a right to use those dwellings. Households not having the proper legal status cannot receive this benefit – this may deem marginalized households ineligible. (It should be noted however that disaster relief is provided in all settlements within areas that are prone to natural hazards and municipalities provide assistance in the form of temporary shelter notwithstanding illegal tenure.)

[43] Natural disasters include, among others, flooding, landslides, and earthquakes.

[44] The MRDPW noted that the practice on the ground is that all persons regardless of legal status of their dwelling affected by disasters have received immediate state, municipal, and private support.

Box 3: Disaster Risks (Flooding, Landslides, and Fires) to Marginalized Settlements in NW Bulgaria

NW Bulgaria is particularly vulnerable to flooding along the Danube River and its tributaries, though landslides and earthquakes also pose a threat. Natural disasters, particularly earthquakes and floods, pose significant risks and costs across Bulgaria (World Bank, 2017b). From 2010 to 2016, disasters caused US$1 billion in damages and US$600 million in government recovery spending. Flooding was responsible for the most significant direct damage and affected the largest population. However, drought, landslides, and extreme heat also pose significant threats, with climate change likely to significantly increase the occurrence and severity of weather-related disasters in Bulgaria.

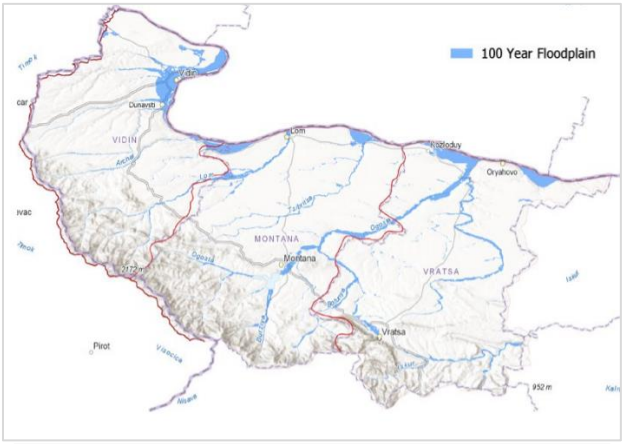
The focus settlements were found to be located in hazard-prone areas- especially Vidin. Figure 5a shows the 100-year floodplain in NW Bulgaria[45]. Figure 5b shows that Vidin is particularly vulnerable to flooding, with more than 80% of the built-up area within the 100-year flood plain. This translates to the fact that an estimated 12% of the population lives in areas expected to flood at least once every ten years, and 25% of the population in areas expected to flood at least once every 100 years. Note that Dunavtsi sits within the Vidin municipality, but less than 20% of the built-up area is exposed. Of the case study municipalities, only Oryahovo does not have a built-up area within the 100-year floodplain. Landslides also pose a risk in the North West districts, with the municipality of Vratsa being susceptible to the highest amount of risk. Further assessment of seismic risk is warranted.

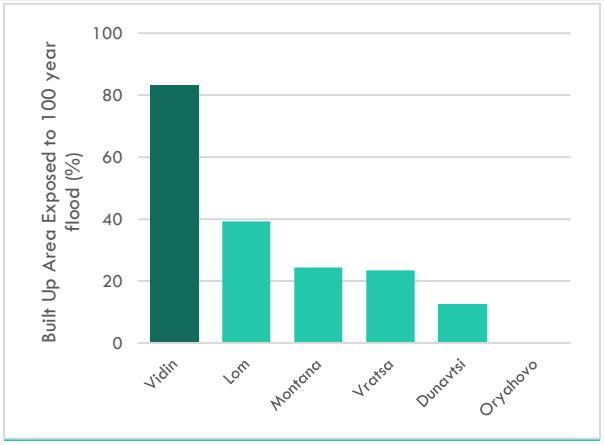
Fires are the most common hazardous event in the three districts of NW Bulgaria, where the six settlements included in the survey are located. Fires have been widespread over the past decade in the districts of Vratsa and Montana. In both municipalities, marginalized communities, built without proper planning, have either been impossible or difficult for fire and emergency services enter in times of disaster. One key information interviewee from Montana for example reported how, a few months before the interview, a fire had broken out in the marginalized community of Augustus and the "fire department could not enter."

Damage and displacement due to disasters tend to have a disproportionate impact on marginalized groups. For example, 60% of the 122 houses destroyed during the 2014 Varna floods belonged to Roma (Naydenova, 2014). Globally, marginalized groups often live in areas with the highest exposure to natural disaster risks and thus the most vulnerable housing conditions. In addition, poorer and marginalized groups such as Roma populations are less likely to have access to adequate resources and assets beyond their homes. They are less likely to receive financial support from their family, community, the financial system, and so forth to protect their homes from disasters and climate change risks. As noted above, the target settlements not only had a high share of Roma, but overall poverty rates were also higher than average, indicating that in the event of a disaster, impact and asset losses would be notable for the focus municipalities.

[45] The 100-year floodplain refers to areas likely to flood, on average, at least once every 100 years; or areas with at least a 1% annual chance of flooding. This analysis utilizes a global flood risk map (Fathom Global v2). For detailed policy or investment planning decisions, a localized flood risk model should be used.

Figure 5: (a) 100-year Flood Exposure North West Bulgaria; (b) Built-up area exposed to floods in target settlements





Source: World Bank / GFDRR analysis using Fathom v2 global flood hazard data and Global Human Settlement Layer built-up area data.

Sources:
Sampson, C. C.; Smith, A. M.; Bates, P. D.; Neal, J. C.; Alfieri, L.; Freer, J. E. "A high resolution global flood hazard model." World Resources Research, 18 Aug 2015. Available at: https://agupubs.onlinelibrary.wiley.com/doi/full/10.1002/2015WR016954.
World Bank. "Bulgaria Risk Profile." Europe and Central Asia - Country risk profiles for floods and earthquakes (English), pp. 21-24, World Bank Group, Jun 2017b, Washington, DC. Available at http://documents.worldbank.org/curated/en/958801481798204368/Europe-and-Central-Asia-Country-risk-profiles-for-floods-and-earthquakes.

Access to financing and other opportunities

The lack of documents verifying residence deprives individuals of accessing financing and a plethora of other opportunities. Formal financing for home improvements and undertaking construction activities is only available for those households with proper legal documents**.** Marginalized households that do not have formal documents verifying their residence can face issues with acquiring essential government-issued documents like identification cards and passports. Such documents are crucial for entering the formal employment market, for qualifying for government assistance and support programs, and for various other opportunities. This essentially creates a vicious cycle in which households cannot access

opportunities due to their housing status, and the continuation of poverty, in turn, impedes improvements in living and housing conditions.

3.1.4. Vacancy

The marginalized settlements appear to have a high incidence of vacant units.

Municipal experts confirmed a high incidence of vacant housing in the target settlements. Both municipal and non-municipal experts were explicit about the problem of vacant housing in Vidin and Vratsa – which they noted existed alongside a small rental market. In fact, housing vacancy across all six settlements is presumed to be high (see Table 4). There is little to suggest from either the qualitative interviews or the municipal survey that the vacancy issues identified in the 2011 census have been addressed.

Table 4: Last-known estimates showed a significant rate of housing vacancy and housing surplus in the six target settlements (2011)

Settlement	Housing Buildings	Unoccupied (# buildings)	Unoccupied (% total)
Vratsa	9,171	748	8%
Montana	6,771	806	12%
Vidin	4,428	820	19%
Lom	8,905	2,171	24%
Oryahovo	2,174	621	29%
Dunavtsi	1,597	559	35%

Source: National Statistics Institute, Infostat

3.2. Community preferences

There are many homes in Vratsa that are empty because their owners work abroad. But they cannot solve the housing problem. I, for example, would not allow my home to be inhabited by anyone else. I wouldn't give it out of fear – the tenant could break it apart, could destroy everything inside, my furniture could fall apart. I would not rent my own home. Probably others think so too." **(Vratsa, expert)**

"The fact is that there are homes that are empty because they are not rented out. Such is my home. It is empty and I will not rent it out, because the risk of debts remaining and unpaid bills remaining is not justified. And rents are also not very high" **(Vratsa, expert)**

Source: Key information interviews (KII), Qualitative fieldwork, 2020

A significant proportion of those who resided in marginalized housing units expressed their preference to improve their housing and living conditions while continuing to remain at their current location.

The desire to see improvements in their neighborhood and living conditions among those who were interviewed were prevalent.

For marginalized housing dwellers, the most pressing issues are structural issues with their homes and infrastructural issues in the neighborhoods. During the focus group discussions and individual interviews, some individuals expressed their preference for having access to utilities and basic amenities in addition to having an income to meet on-going costs. Almost 38% of the interviewees who self-identified as Roma explicitly stated the need for improvements in access to utilities, development of infrastructure, and more frequent and better-quality provision of public and private services. Roma women were especially vocal about their desire for upgrades in infrastructure and services across the neighborhood. Compared to the Romas, only 23% of the non-Roma sample interviewed stated similar needs.

Despite wanting improvements at the neighborhood level, when the interviewees were asked if they would seize an opportunity to move to a better house than their current housing, their responses were mixed. Of those who answered the question, just under half said they would not move. It should be noted, however, that the vast majority who said they would not move also self-identified as Roma. Persons who like their neighborhood often cited persistent problems but still indicated a strong sense of belonging to the place and community. They often said that they felt attached to their home, neighbors, and surroundings or at least that they had become used to them over time. Municipal and non-municipal experts confirmed this in Lom, Montana, Vidin, and Vratsa (including experts directly working with the Roma communities in these locations).

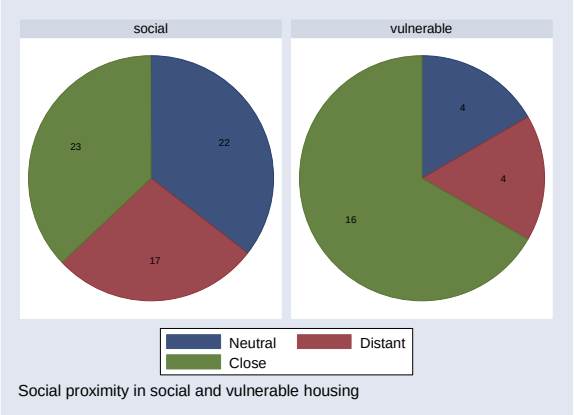
In marginalized neighborhoods, communities demonstrated the presence of a strong social fabric. Figure 6 shows the average time interviewees had resided in their current home. Persons living in marginalized housing had, on average, spent a markedly high 28 years in their current home, as opposed to persons living in social housing, where interviewees on average spent 12 years. As a result of their long tenure in their current neighborhood, communities were also more inclined to develop close relations with their immediate neighbors. Within marginalized neighborhoods, Roma persons appeared to be more likely than non-Roma persons to maintain close relations and less likely to be distant with their neighbors. Close relations entail meeting often, knowing each other well, having a communal life, and providing mutual support.[46]

The expressed willingness to stay in their current home was higher among Roma. 21% of the Roma interviewed stated a willingness to stay, compared to 12% of the non-Roma sample. The reason provided for this was that they were used to their home. The average age of those willing to stay in their current home was found to be higher than those who did not state such a willingness. That is, older persons presumably preferred to remain in their current home. In fact, findings also suggested that married persons were more willing to stay in their current home than single persons.

While residents of illegal marginalized housing feared eviction, risks of eviction were perceived to be higher in the private rental or social housing markets. Aside from attachment to the places in which they lived, interviewees underlined that they did not wish to leave illegal housing despite being aware of the risks related to eviction. They viewed their tenure as less secure in the private rental markets or even government-provided social housing units.

[46]However, emigration and demographic change seem to be a threat to the social fabric of marginalized neighborhoods. Some respondents noted that their neighborhoods are so depopulated due to emigration that few neighbors remained and whole compounds have been left basically empty.

Figure 6: Those living in marginalized ('vulnerable') housing units tend to have closer relations with neighbors, possibly on account of longer tenure



Social proximity in social and vulnerable housing

Years since coming to the present home by vulnerable and social housing

Source: Qualitative Fieldwork, 2020

Those who did wish to move had a diversity of reasons, yet were constrained financially.

The willingness for marginalized housing dwellers to move was motivated by a diversity of reasons. There is a wide variety of reasons quoted by respondents; most of them relate to desired features of the home or neighborhood or to personal circumstances. Typical reasons included having cleaner neighborhoods, larger homes, better access to basic amenities, better infrastructure, more child-friendly living conditions (e.g. better access to schools), employment and other economic opportunities, and being closer to family members.

Housing and neighborhood conditions, however, stood out as the most important factor that drove marginalized housing dwellers' willingness to move from their current location. Housing conditions are the most important driver for persons to move out of their current home. Compared to other settlements, a larger proportion of interviewed persons in Vratsa, Vidin, and Dunavtsi are willing to move to another home due to current housing conditions. The neighborhood's present state also affected marginalized housing dwellers' willingness to move almost as strongly as housing conditions did. In Dunavtsi, the quality of streets and access to water were important issues raised by interviewed persons. Similarly, in Oryahovo, issues with access to water, electricity, and heating for persons living in marginalized housing were the primary motivation to find a new home. Interviewees wanted to move from the segregated Nov Pat Roma neighborhood in Vidin, saying that the settlement was separated from the rest of town and had poor infrastructure (e.g., streets, transport connectivity, sewage).

Economic opportunities were the second most important factor driving decisions regarding moving homes. Almost all respondents in the focus group discussions agreed that a lot of persons from their neighborhood had moved for economic reasons, which included finding a job, seeking a higher income, being able to comfortably pay bills, etc. There is no difference between non-Roma and Roma in this respect.

The ability to move, however, was subject to constraints. About 15% of respondents mention that they would move if they were not financially constrained. 10% of Roma said that they would stay where they live because they were too poor to move, while 3% non-Roma expressed the same constraint.

3.3. Policy and Implementation Bottlenecks to Improvement

3.3.1. No Pathways to Legalize Existing Housing Units

No legal pathways exist in the Spatial Development Act (SDA) to grant legal status to existing housing units through upgrading.

The SDA currently maintains a strict distinction between legal and illegal dwellings, with no mechanisms for illegal homes to transition to legal status. Although the SDA does not specifically prohibit the legalization of illegal homes, it does not contain any provisions that guide such a transition. Detailed requirements around building legality are important from an urban planning perspective, as they provide an avenue through which municipalities can regulate building safety. Furthermore, such laws are critical to coherent housing and city development policies. However, in the absence of tailored mechanisms to help bridge this impasse for the marginalized, those living illegal dwellings remain unable to benefit from upgrading programs or other forms of assistance regulated by the SDA (Box 4).

Box 4: Spatial Development Act

The Spatial Development Act (SDA) essentially governs the planning and development processes carried out by municipalities and along with some other regulations provides a comprehensive guide on all matters associated with town planning and building processes including the construction of residential buildings and units. With respect to town planning, not only does the SDA determine the designation of territories and landed properties, but also prescribes the development and functioning of associated public infrastructure networks (Housing Assessment, 2015). These set of fundamental services and related structures are termed as "technical infrastructure" defined as a system of buildings, facilities and linear engineering networks of transport, water supply and sewerage, electric supply, central heating, gas supply, electronic communications, hydro-meliorations, treatment of waste and geo-protection activity. In addition, municipalities are required to regulate and monitor building and construction activities undertaken by private actors within their jurisdiction, in accordance with the SDA.

Republic of Bulgaria. "Spatial Development Act." SG No. 43/29.04.2008. Available at: https://unece.org/fileadmin/DAM/env/pp/compliance/C2011-58/Correspondence%20with%20communicant/Att._2._Spatial_Development_Act.pdf.
Republic of Bulgaria. "Spatial Development Act." SG. No. 62/14 Aug 2015. Available at: https://cpcp.mrrb.government.bg/cms/assets/Laws/SPATIAL%20DEVELOPMENT%20ACT.pdf.

Previous measures to provide respite from illegality have not had the intended impact.

"There are many illegal homes, but no one keeps records. On the one hand, we cannot tolerate them, and on the other hand, we cannot provide them with other housing or accommodate them." ***(Montana, Municipal Housing Exert)***

"I will follow the general opinion and answer this way. [Informal housing] is allowed. Mostly extensions, additional sheds are made..." ***(Vratsa, Municipal Expert)***

Source: Key information interviews (KII), Qualitative fieldwork, 2020

To date, there have been two main interventions to mitigate the impacts of illegality: the Tolerance Certificate program (which is ongoing) and the Building Legalization program (now discontinued). A tolerance certificate may be granted for a building built prior to 2001 that was formerly considered

admissible and legitimate at the time of completion. While a tolerance certificate does not grant legal status, it does allow for continued use of an illegal dwelling and thus protects the residents from being forcefully removed and having to bear the cost of demolition. A tolerance certificate also allows for notarial transfer. The Building Legalization option existed for a short-term period from November 26, 2012, to November 26, 2013, through a special regulation to the SDA. It provided an opportunity for obtaining legalization documents that replaced a missing building permit if a building was constructed before July 27, 2003.

Both programs have had low participation, indicating critical lessons. They each required the applicant to be either the owner of the land or to have a legal right to build on or occupy the land. Program requirements, combined with the expense and complexity of procedures, made the programs particularly inaccessible, especially for poor and marginalized housing dwellers, who may lack the education or financial means to take advantage of them. During field interviews, municipal experts noted that both programs were too complex, time consuming, and expensive. When asked, marginalized housing dwellers seemed to have very little understanding or awareness of the Tolerance Certificate program.

Support for marginalized households to navigate the complex and cost-heavy process to build legally is non-existent.

> *"It is very expensive to build a legal house. You have to pay - the project, architecture, plumbing, installation. Then the documents to go through the municipality to be approved. It is very expensive. How will they afford it? They have no funds." (***Montana, municipal expert)**
>
> *Source: Key information interviews (KII), Qualitative fieldwork, 2020*

These is currently no provision of support to marginalized households for easing costs and helping them navigate the complex processes associated with housing legality. There appears to be no targeted support to low-income households, for example, in the form of reduced fees. There also appears to be limited outreach about the procedures by municipal governments, resulting in unfamiliarity with rules and regulations. This lack of assistance applies to both those wishing to apply for Tolerance Certificates and those wishing to establish a legal home. In terms of the latter, would-be owners are required to fulfill various requirements and steps (Figure 7) and obtain a "Visa" or permit/certification from the municipality for each.

Figure 7: The process of obtaining a construction permit is long and expensive – likely unaffordable to low income and marginalized households

Source: World Bank. "Bulgaria Housing Sector Assessment." World Bank Group, Jun 2017a, Washington, DC. Available at https://openknowledge.worldbank.org/handle/10986/28563.

3.3.2. Outdated Master Plans

Marginalized communities are not likely to be included in master plans, which are outdated, and municipal governments require support to update their plans.

Marginalized groups living in neighborhoods located at the town periphery are often excluded from municipal and technical infrastructure planning processes due to outdated spatial plans or unclear designation of territory. Since they are not included in master plans, they are also excluded from municipal planning. Some marginalized communities are located in segregated neighborhoods at the periphery of towns and cities. More often than not, these neighborhoods are not fully and formally recognized by the municipality's master plans and detailed development plans that provide for the availability and access to technical infrastructure. The exclusion of these neighborhoods from the administrative jurisdiction and master plans has not only resulted in the lack of access to services but also deprived these neighborhoods - in their entirety - of the necessary infrastructure underpinning the delivery of public services. Outdated master plans, in fact, impede assistance for both legal and illegal homes; they are not in sync with current building requirements, recent developments, changing hazard risks and vulnerabilities, and changing spatial patterns of population density and concentration.

As the outdated master plans do not appear to include marginalized settlements, marginalized housing dwellers who are exposed to unmitigable natural hazards and future eviction risks are not identified and supported. NW Bulgaria is particularly vulnerable to flooding along the Danube River and its tributaries, though landslides and earthquakes also pose a threat (see Box 3)**.** Buildings considered fit by the municipality, as per their master plans, may not necessarily ensure safety with regards to natural

hazards, as they do not incorporate modern codes and resilience measures or factor climate change scenarios and changes in hazard profiles of the built-areas. This means residents may continue to live in vulnerable units with a false sense of safety against natural hazards. In addition, those who live in an area that needs to be secured as a right-of-way for a future technical infrastructure extension or for protection of the natural environment can be neither identified nor supported.

Municipalities conveyed the need to update their master plans while municipal experts interviewed admitted the need to fully integrate marginalized neighborhoods. During surveys, the municipality of Montana stated that new detailed master plans are required to improve conditions and safety in marginalized neighborhoods. The municipality of Vratsa noted that despite the concentration of marginalized households on Dospat Street and Atanas Jovanovic Street, these two neighborhoods were not included in the urban plan for Vratsa. The municipality of Oryahovo determined that three areas inhabited by marginalized communities had no cadastral maps. During the qualitative fieldwork, all of the municipal experts interviewed also stressed the need to update plans. Statements by these municipal experts who predominantly work on core urban development, design, and housing further accentuated the discrepancy between existing plans and urban reality. The expert from Vidin provided an example of the extent of misalignment between spatial plans and current reality. The Deputy Mayor of Montana, another municipal expert interviewed, relayed a similar message underscoring the need to "carefully survey the local population… capture the current situation," highlighting the changing designation of land plots when it comes to urban planning and managing public ownership.

*"…Everything in construction starts with the availability of land. Our Spatial Plan is 16 years old, it is out of date, not in line with today's economic situation. Separately, we have detailed urban plans which say what the designation of each plot is; these are from the 80s and are in poor condition." (**Vidin, Municipal expert)***

Source: Key information interviews (KII), Qualitative fieldwork, 2020

However, this crucial exercise is difficult for municipal governments to undertake without external support. Municipal experts mentioned that updating master and detailed plans would be resource-heavy. Municipalities were not armed with the requisite capacity – both financial and technical – to be able to incorporate marginalized neighborhoods within their development plans and thereby equip them with necessary technical infrastructure. The self-reported cost estimates for updating municipal master and detailed development plans are significant hence unlikely to be supported given limited municipal budget resources (see Annex 4). At the same time, the rise of settlements at the periphery of towns and cities may also have contributed to their systematic erasure from the planning process, as it is unclear if they fall within the munipality's territory.[47] In either case, there is an urgent need to reconcile master and detailed plans with the current demographic situation keeping in mind those areas in and around the municipality with a relatively high population density and a greater need for public goods.

[47] Although the various restitutions laws were successfully enacted following the fall of the communist regime, the issue of Roma neighborhoods in many cases was not clearly addressed. In many urban zones, the restituted lands had been settled by marginalized groups who had built their neighborhoods in the previous few decades. Since the habitants of these lands have no legal rights to the land, the overall unclear designation of the territory exacerbates difficulties with the formal integration of such neighborhoods within administrative boundaries (World Bank, 2017a).

3.3.3. Dysfunctional Rental Markets

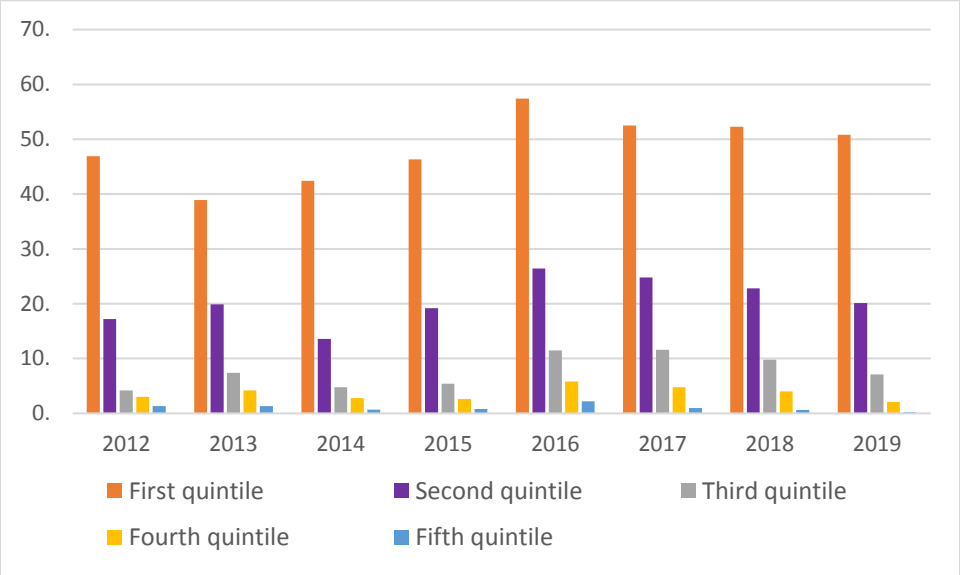
There appears to be an absence of a robust private rental market that provides affordable housing units to the marginalized.

Despite the existence of vacant units in the private housing market, the availability of housing units is constrained due to a low supply, and therefore high cost, of rental housing. In Bulgaria, as per NSI data, less than 5% of the country's housing stock is leased out in the private rental market. An additional 8% of the stock constitutes "shared," "free," or subsidized rental housing; how much of this is transaction-based or formal versus informal is difficult to ascertain from the data. Despite the housing "surplus" prominent in the country, it is this markedly low number of units leased out formally that dramatically inflates costs in the private market. This situation indicates that regulations are preventing the private market from functioning effectively, such that landlords are unwilling to rent their properties and prefer to keep their units vacant.

NW Bulgaria is no exception to the dysfunctional state of the private rental market prevalent nationwide, in which homeowners are reluctant to rent-out their units. Vacancies are a common occurrence in the six settlements, with homeowners working abroad and unable to take care of housing maintenance and repairs. Absentee landlords prefer to leave their property vacant as opposed to renting them out due to several reasons including, (i) current eviction laws, which lean in favor of the tenant and make eviction difficult; (ii) the inability to enforce formal lease agreements in the court of law, even when registered by a notary; (iii) a general hesitation in renting out property based on the assumption that tenants would not maintain the property; and (iv) a flat 10% income tax which applies to rental income, which, although minimal, could be a disincentive to report rental income (World Bank, 2017a). Not only are landlords averse to renting, but over the years, vacancies have left units dilapidated and rendered them unlivable. However, no state intervention seems to be available to incentivize landlords to rent out vacant units to marginalized households.

Renting houses available in the private housing market is even more challenging for marginalized households. During qualitative fieldwork, most interviewees in marginalized neighborhoods accepted that they were essentially immobile and could not afford to move into better rental housing without some form of assistance (see Section 3.2). Indeed, data shows that, for marginalized groups, rental costs present a substantial burden. Eurostat defines the *housing cost overburden rate* as the percentage of the population living in households where the total housing costs represent more than 40 % of disposable income. Figure 8 shows that more than 50% of those belonging to the bottom 20th percentile of the income distribution currently are overburdened. When contrasted with the situation of those belonging to the top 40% of the income distribution, the overburden rate among the poorest is stark and warrants attention. However, the inability for the poor and/or marginalized households to afford rental units offered by the private housing market is not mitigated by a dedicated rental subsidy targeting households beyond standard social assistance support (see Box 5).

Figure 8: Housing cost overburden for households belonging to the bottom 40 percentile is notably high



Source: European Union Statistics on Income and Living Conditions (EU-SILC), 2020

Box 5: Housing Surplus and Vacancy in Bulgaria

Housing surplus, prevalent across all districts in Bulgaria, can be attributed to the current decline in the country's population. Housing surplus is defined as the difference between the number of housing units and the number of households. According to NSI data, there is a housing surplus in all districts of Bulgaria, which has grown from 677,053 units in 2010, to 926,853 units in 2014. The 2015 housing assessment found a negative correlation between housing surplus and higher district populations, meaning that the housing surpluses in less populated districts are of greater magnitude which may to a large extent be attributed to the significant population decline in smaller towns located in less populated districts.

In Bulgaria, housing vacancy exceeds housing surplus indicating that households are doubling up. An *uninhabited / vacant* dwelling unit is one in which no one lives at the time of the Census, or in which only temporary residing persons were counted. According to the 2011 census, almost a third of the country's housing stock was uninhabited or vacant. Taking into account data and calculations from the 2011 Census, it appears that while the 3.9 million dwelling units for 3 million households might, at first glance, have suggested a "surplus," the fact that 1.2 million of these units are uninhabited implies that effectively 3 million Bulgarian households are living in 2.7 million housing units. In other words, 15% of the population live in dwelling units that are shared by more than one family.

Source: World Bank. "Bulgaria Housing Sector Assessment." World Bank Group, Jun 2017a, Washington, DC. Available at https://openknowledge.worldbank.org/handle/10986/28563.

4. SOCIAL HOUSING

Social housing currently exists as one of the few municipal-level initiatives aimed at transitioning dwellers of marginalized housing to better housing conditions. The social housing stock in all municipalities is, however, exceedingly small and over-subscribed. Taking this as the starting point, this chapter considers the demand for social housing programs amongst marginalized communities and the extent to which policy and implementation capacity can support the demand.

Meaning of 'social housing' in Bulgaria

Social housing serves as the only alternative for those living in marginalized communities. Municipal governments are mandated by national law to provide social housing to those in need. The SDA defines 'social housing' as a portion of municipal housing intended for persons with established housing needs, the construction of which has been financed or carried out with the state's or the municipality's assistance. Social housing also includes housing units to provide shelter and normal living conditions for vulnerable minority and socially disadvantaged groups who cannot afford their own home or rental housing at market levels.[48]

Municipal governments have considerable freedom to set their own terms of social housing provisions, and the cost is to be borne by municipal governments. Bulgaria's 265 municipalities each adopt their own ordinances on social housing according to the Municipal Property Act. These ordinances define the terms, conditions, and processes under which social housing is provided. However, they do specify funding provisions for social housing construction and maintenance other than the general provision that the cost is to be borne by the municipality. Municipalities charge subsidized rents to social housing unit residents and the level of rent varies per municipality.

The variation of municipal ordinances on social housing across municipalities is further amplified by the existence of special ordinances that regulate newly built units. In addition to municipal ordinances that set the terms for social housing provision, municipalities have adopted special ordinances that regulate newly-built social housing. Montana, Vratsa, Vidin, and Lom adopted special ordinances for members of vulnerable or minority groups or persons at risk of social exclusion to be accommodated in social housing. The special ordinances of these four municipalities have been adopted following the requirements of the EU "Regional Development" operational program and as a precondition for applying for funding for the restoration and/or construction of social housing situated in these municipalities.

For ease of reference, the remainder of this section will refer to social housing regulated by all ordinances as "social housing" unless otherwise specified.

4.1. Stock and Availability

Existing stocks are small in quantity and potentially underutilized.

The reported social housing stock is very small for all locations. Table 5 presents social housing stock relative to population size, as declared by the five municipalities. The figures presented are predicted to be far smaller than the population currently living in marginalized housing conditions.

[48] Additional Provisions to the SDA, Section 5, point 67.

Table 5: Social housing relative to population size (self-declared by municipalities)

District	Municipality	Population*	Existing Social Housing**	% of total housing units in municipality	Additional Unit Potential
Montana	Montana	38,341	99	0.5%	189
	Lom	19,361	145	1.1%	200
Vratsa	Vratsa	51,674	520	1.6%	50
	Oryahovo	4,204	30[49]	1.0%	n/a
Vidin	Vidin	40,620	380	1.6%	43
	Dunavtsi	1,826	n/a	n/a	n/a

*Source: NSI December 31, 2019.
**Source: advanced inquiries with municipalities.

While the social housing stock is small, it is possibly also underutilized. Municipalities do not appear to track the vacancy and occupancy rates of social housing systematically. The qualitative assessment found indications that the dilapidation of the social housing stock has resulted from its non-use. Interviewees reported this in Oryahovo, where interviewed municipal experts reported that the social housing stock needed to be upgraded before being fit for use. It cannot be excluded that vacancy issues exist in the other target municipalities since municipal and non-municipal experts raised social housing unit quality as an issue across all the municipalities.

Existing social housing appears to be over-subscribed. However, waiting list information is not collected systematically. In interviews, municipal experts suggested that social housing is over-subscribed, with waiting lists reported in Vratsa and Lom.[50] However, the same interviewees also suggested that many applicants on the waiting lists lose interest and waiting lists are not updated to reflect changes in applicant status. Overall, information regarding waiting lists – such as the average duration of time that eligible households spent on waiting lists before admission – was not made available and did not appear to be systematically collected across locations.

Although municipal governments reported the need to add social housing units, they are subject to funding availability. As discussed earlier, social housing is primarily a local-level mandate. Municipalities are currently dependent on receipt of external funding to upgrade their social housing stock. According to the website of the MRDPW, plans are underway to develop social housing units in Vratsa, Vidin, Lom and Montana, but these have yet to be implemented.[51]

Existing social housing units are in poor condition and overcrowded.

[49] The municipal survey for Oryahovo described the 30 social housing units as being "planned" units yet to be built, but the field interview indicated that this was the number of existing units. It is possible however that the units exist and are occupied, yet are not habitable according to the municipality's building standards.
[50] According to inquiries with municipal experts, there were 206 persons on the waiting list for social housing in Lom at the end of 2019, and at least 100 persons are currently waitlisted for social housing in Vratsa.
[51] No information was available about the extent to which EU funding is available to support these plans or the number of units per municipality funded by the EU.

Across all locations, social housing units are reported as in need of major repair. Municipal experts and tenants confirmed this. Such repairs include or repainting the walls, changing the flooring or tiling, and replacing water taps. Serious structural issues are less common in social housing than in marginalized housing. Social housing compounds are composed of blocks of flats that appear to be structurally sound, apart from occasional problems with roofs.[52] However, in some places, non-structural problems were serious enough to make social housing unfit for accommodation. In Oryahovo, for example, some social housing units were in very poor condition. Experts from the municipality confirmed that these units would normally be considered unfit for accommodation.

Overcrowding is also common in social housing. In all locations where social housing was present, the Bank team encountered individuals who lived in social housing units with four or more persons per room. The primary reason for overcrowding appears to be growing families after the birth of children. Overcrowding, strictly speaking, violates social housing eligibility criteria. The prevalence of overcrowding indicates that implementation constraints exist in social housing (see Section 3).

4.2. Community Perspective

Community awareness regarding social housing options and eligibility appears limited.

Overall, marginalized housing dwellers appeared to have low awareness of social housing. Awareness was low, even though marginalized housing dwellers had some expectation that the municipality should assist with housing. A minority of respondents reported learning about social housing through self-initiated trips to the municipality to check whether some housing support was available, usually seeking assistance for home repairs. For most, however, information on social housing appeared to be obtained mainly through word of mouth or chance encounters.

Consequently, marginalized housing dwellers shared conflicting reports on the nature of social housing. Less than a quarter of interviewees in marginalized housing had concrete information on social housing. Of these, less than a third thought social housing was worth moving from their current home. Interviewees shared conflicting impressions, including that social housing was either cheap or expensive, that buildings had nice amenities or poor amenities, and that they were well maintained or poorly maintained. This highlights the substantial misinformation about social housing programs in the municipalities visited – which could be remedied by better information dissemination (further discussed in Section 4.3).

Where awareness did exist, social housing was generally viewed as a last resort option.

Marginalized housing dwellers who had heard about social housing generally viewed it as a last resort rather than a desirable option. Residents in marginalized neighborhoods expressed their view of social housing as a 'last resort.' These impressions were usually accompanied by examples of persons affected by some incident or disaster that led them to move into social housing. Residents in marginalized housing often viewed social housing as an option for those in dire need and not pertaining to them, even though they were petitioning the municipality for housing assistance. Those who wished to move out of marginalized housing rarely mentioned social housing as their first order preference. Instead, they mentioned simply wishing to live in a better house. Perceptions may change if and when new social housing is available, and provided residents are aware of these options.

[52] Structural engineering assessment was out of scope for this diagnostic; hence this observation is based on the enumerator's impression.

Furthermore, moving into social housing was viewed as a potentially risky, rather than more secure, option for marginalized housing dwellers. Section 3.2 discussed how some marginalized housing dwellers viewed the risk of eviction to increase upon leaving marginalized housing. This perception applied to social housing too. Dwellers of marginalized housing linked concerns over eviction to an inability to pay rent and utilities. Some seemed to have knowledge of social housing being a 'temporary' solution with the possibility of the rental contract not being renewed (see Section 4.3 below).

4.3. Policy and Implementation bottlenecks

4.3.1. Funding

Social housing is currently under-funded, affecting maintenance of existing stock.

Beyond limited EU-funded projects, social housing seems to be largely an unfunded mandate in all the assessed municipalities. Interviews with municipal experts in all locations visited indicated that the budget for social housing was either unspecified or too little to build and maintain new and existing units. This issue was underscored by each municipal government's estimate of the cost required to rehabilitate existing social housing units, which were as high as 201% of annual municipal expenditure for Lom, 43% for Vidin, and 28% for Montana, and 213% for Orahyovo (see Annex 4).

As such, both tenants and municipalities are struggling to afford the regular upkeep of social housing units. Maintenance of social housing units is divided between tenants and municipalities according to tenancy contracts, with contractual arrangements varying across municipalities.[53] During the interviews, experts perceived poor maintenance and improper use by inhabitants (often implying the Roma) as the main reason for the deterioration of units. On the other hand, inhabitants of social housing tended to mention a lack of any support from the municipality, even regarding repairs that the municipality was contractually bound to make. Whichever the case, it appears that funding of improvements is beyond budget for both inhabitants and the municipality. Households residing in social housing do not receive any financial support beyond standard social assistance.

4.3.2. Eligibility Criteria

The most marginalized may not be eligible for social housing.

The eligibility criteria for social housing currently in place across all five municipalities share many common features. These common criteria include conditions on income, employment, current living conditions, having a valid address, and household size, among others (see Annex 7). The ordinances for social housing across the five municipalities also share criteria related to employment and commitment of accommodated families to enroll their children in compulsory education and guarantee regular school attendance, as well as to be registered with a general healthcare practitioner for mandatory

[53] Three of the municipalities in question use model contracts for social housing, which be amended according to the specific accommodation: For Vidin Municipality and Vratsa Municipality, art. 12-14 of the draft rent agreement, annex 3 to the Municipal ordinance on Social Housing. For Montana art. 11-13. However, the model contract was not made available to be analyzed.

immunizations of children and for preventive medical examinations. These eligibility criteria have been set to achieve several goals including financial sustainability.[54]

However, some of the current eligibility criteria (particularly those related to income and proof of residence) may not accommodate the typical profile of marginalized housing dwellers. All municipalities require social housing applicants to prove five years of uninterrupted residency in the municipality through proof of a registered address. Marginalized housing dwellers who live in illegal housing would not meet this requirement. Furthermore, applicants must demonstrate an income below a certain threshold but still have a regular income to pay rent and utilities. Forty percent of social housing dwellers interviewed for this study did not have employment at the time of the interview. Even if they had a fixed income at the time of admission to a social housing unit, this indicates the potential difficulties for social housing dwellers to continue meeting the eligibility criteria.[55]

The special ordinances regulating access to new social housing replicate the above criteria and are more stringent in some municipalities. For example, in Vratsa, applicants are required to prove a regular income. Having a regular income can be particularly difficult for marginalized housing dwellers to demonstrate, considering that many households come from the poorest segments of the population and may have not have a regular income. In a context where social housing stock is limited, and municipalities lack sufficient financial resources to provide and maintain social housing stocks, introducing controls set out in this and the previous paragraph may make fiscal sense. However, issues remain in creating access to social housing for the most marginalized, which calls for tailored solutions.

4.3.3. Tenancy Periods and Graduation

Graduation of households from social housing units to access more sustainable housing solutions in the private market seems not to be occurring

Social housing is not designed as a long-term solution in either national law or municipal law. Under the Municipal Property Act, social housing provided in the case of damage or disaster is to be provided for no longer than a period of two years. However, social housing for low-income households seems to be subject to renewal provided eligibility criteria are met.[56] By contrast, accommodation in social housing regulated by special ordinances, and built with EU funds, is strictly limited to a period not longer than three years, with no option for renewal.[57]

However, tenants of social housing continue to rent for much longer than their initial tenancy period. Current inhabitants of social housing in all examined locations are reported to have spent a long time in the unit, with half of them spending more than ten years. A quarter of them have spent more than 18

[54] Other practical considerations also include the limited social housing stock and cost of building new social housing, capacity for service provision

[55] Between 20 and 25% of the sample had full-time contracts at the interview, and 25% were retired.

[56] Tenancy conditions are set by Model Contracts which are appended to the relevant Municipal Ordinances. These were not reviewed as part of this study.

[57] Article 2, paragraph 2 of the Ordinance for the Accommodation in Municipal Social Houses of Members of Vulnerable or Minority Groups or Persons at Risk of Social Exclusion in Montana, Vratsa, article 2, paragraph 3 in the Ordinances for Vidin and Lom.

years in their unit.[58] It is too early to tell if and how people will transition out of social housing regulated by the special ordinances and how municipalities will enforce the three-year tenancy period in practice.

Low graduation rates from social housing put an even bigger strain on the small social housing stock. Existing practices shows that persons and households continue to meet requirements for social housing accommodation for long periods of time. Inhabitants seemed to be aware that their chances of renewal were high. Over 90% of interviewees said they expected their contract to be renewed. Furthermore, in Montana and Lom municipalities, the interviewees reported that sitting tenants of municipal housing units have the right to buy the unit after a certain period of time.

An absence of low-cost housing options and lack of economic opportunities pose significant obstacles to graduating from social housing. Since there are no programs that help tenants graduate out of social housing to affordable housing in the private market, municipalities are unable to accommodate households that are on the waitlist for a social housing unit. The only way for municipalities to be able to accommodate everyone on the waitlist is by building more units – this seems to be unaffordable for municipalities who are already struggling to pay for the rehabilitation of existing units (see Table 6 for estimated social housing rehabilitation costs). Measures such as household-targeted rental subsidies (coupled with incentive provisions for landlords) and enhanced livelihood support, including support with education and vocational skills attainment, may be considered to facilitate tenants' graduation from social housing. Such support may make the municipal effort to provide social housing more sustainable and effective in a long run.

4.3.4. Administrative Capacity

Municipal capacity to effectively administer existing social housing is constrained

Eligibility criteria, though stringent, appear to be inconsistently applied – indicating excessdemand and implementation capacity issues. One area in which this is apparent is in the case of overcrowding- as previously stated, some households living social housing have four or more persons per room. Another area in which such an inconsistency in the application of eligibility criteria is apparent is in income. Interviewees in social housing included those with no fixed income, despite proof of regular income being an eligibility criterion. Here, it was not clear whether applicants simply misunderstood criteria or if the income criteriawas subsequently applied as part of prioritizing applicants in the context of limited supply.

The demands on municipal staff to provide tailored assistance to those in need, at the point of application adds to the workload. Social housing dwellers themselves seemed to have poor knowledge of eligibility criteria and bureaucratic processes – indicating high levels of reliance on municipal staff that stretch municipal capacity even further. Those with higher education levels seemed to correctly remember the main eligibility criteria mentioned in municipal regulations when asked during the interview. Most, however, did not remember the eligibility criteria when they applied for social housing or incorrectly remembered the criteria. Reliance on municipal staff is likely exacerbated by ineffective information dissemination and outreach methods.

Experts in some locations cited low implementation capacity as a justification to limit the production of additional social housing. From their responses, it appears that the municipality has demonstrated a preference for selling existing units. Indeed, in Montana and Lom municipalities, interviewees reported

[58] This is based on stakeholder interviews. No quantitative data and municipal breakdown were made available.

that sitting tenants of social housing units have a right to buy their unit after a certain period. In the absence of further social housing construction, such a move threatens to shrink the existing social housing stock even further.

The municipal governments seem to require support, beyond financing, to better design and manage their social housing unit portfolio. In addition to special ordinances, municipal action plans for integration support include commitments to build additional social housing units for vulnerable groups.[59] However, these plans generally lack specificity as to specific targets, time frames for project implementation, and costing and financing strategies. As some of the commonly applied eligibility criteria (e.g., proof of residency and regular income) may limit the inclusion of those who are most marginalized, guidance from the central government on minimum standards for inclusion may help improve the criteria set by municipal governments. Best practices in the design and management of social housing – from planning, effective information dissemination (e.g., eligibility criteria, application process, rules such as tenancy and maintenance policies), to grievance redress mechanisms – will also be critical to share across municipalities, as social housing unit tenants expressed various uncertainties and difficultiesfrom their experiences (see Annex 6).

5. IMPROVING HOUSING AND LIVING CONDITIONS IN NORTHWESTERN BULGARIA – A PROPOSED APPROACH

Given the range of issues identified in this diagnostic, a "one size fits all" program for the target municipalities will not be successful. This diagnostic reveals a range of issues facing municipalities in their efforts to improve the housing and living conditions of marginalized groups. Despite declining populations and large housing surpluses, marginalized communities are still struggling to access good-quality, safe, and affordable housing. All the municipalities included in this diagnostic reported that they are taking actions to improve marginalized neighborhoods but still require support from the national government to achieve their goals. The municipalities have either planned or established programs to improve living conditions for marginalized communities (see Annex 4). An adaptable program that provides municipalities with a range of financial and technical support will increase the chances for local ownership and action, and ultimately, program success. The Ministry could package both financial and technical support into a range of options for municipalities to support marginalized groups to access safe and affordable housing units.

There is an opportunity for the Ministry of Regional Development and Public Works (MRDPW) to leverage European Social and Investment Funds (ESIF) and harmonize national strategies with existing EU frameworks. The new EU financial framework 2021-2027 provides significant opportunities to step up financial and technical support for North-West Bulgaria municipalities. These resources offer diverse funding options for green and inclusive housing, infrastructure investments, andrelated social inclusion measures. Using the funds effectively will also allow Bulgaria to achieve the housing and living conditions-related targets under the 2020-2030 EU Roma Strategic Framework, including: (a) reduce the gap in

[59] The Action Plan for Support of the Integration Policies in the Municipality of Montana (2015-2020) outlines commitments to improve housing conditions for socially disadvantaged Roma and other vulnerable families, including through provision of social housing. The Lom Municipality Action Plan for Integration Policy Support 2017-2020 has a specific sub-objective of building and rehabilitation of social housing. The Roma Integration Strategy for Vratsa Region (2012 – 2020) details shortages of municipal housing solutions for those in need as a problem to be redressed.

housing deprivation by at least one-third; (b) cut the gap in overcrowding by at least one half; and (c) ensure that at least 95% of Roma have access to piped water.

For the way forward, the MRDPW may consider a four-track policy strategy to improve housing and living conditions of marginalized communities. These would include: 1) develop on-site housing and infrastructure improvement programs for marginalized communities, 2) expand affordable housing options by leveraging private market solutions, 3) improve existing social housing program practices, and 4) cross-cutting measures to improve the monitoring of housing and living conditions and to improve the targeting and effectiveness of housing programs. Concretely, the strategy would be comprised of the following policy actions, program activities, and expected outcomes at the national and local level.

Key Policy Action #1: On-site housing and infrastructure improvements for marginalized communities

Activity 1.1. Development of targeted neighborhood upgrading programs. For households living in marginalized neighborhoods that desire to stay in their current location, the MRDPW may develop, in collaboration with municipal governments, neighborhood upgrading programs similar to those carried out both in Bulgaria (see Box 6) and globally (see Annex 1). This type of program could benefit from EU funding. As upgrading of illegally-built housing units is prohibited under the Spatial Development Act, the MRDPW could first evaluate the Act to see whether legal pathways can be created to support marginalized households to legalize their housing units on an exceptional and limited basis within the program area. Such an upgrading program could be implemented by municipal governments that would identify target areas and undertake detailed needs assessments[60] in a way that utilizes participatory mechanisms to enhance housing and livelihood conditions. Making the program a participatory process would be critical for developing an upgrading plan that is tailored to the community's needs. The participatory needs assessment process would help inform aspects of the plan, including the sequencing of interventions, economic feasibility, and social benefits. Given the range of issues identified by municipalities, the program scope would need to remain flexible and tailored to respective communities and municipalities. The scope of the upgrading program could range from a minimalistic one that solely focuses on providing access to technical infrastructure to a larger scope that addresses informality and its root cause through tenure provisions and livelihood support for those living within the program area.

Expected outcomes of Activity 1.1: Those who live in marginalized housing units have the option to improve their housing and living conditions on-site.

Activity 1.2. Technical assistance to municipal governments to incorporate marginalized communities in their master and detailed spatial plans. The MRDPW could support municipal governments to update their master and detailed spatial plans to allow for tailored solutions for housing units exposed to unmitigable natural disasters and/or future eviction risks. Municipal governments indicated during interviews that they require technical and financial support in updating their master and detailed spatial plans; the MRDPW could provide technical assistance and/or financing as part of its menu of options. As marginalized neighborhoods are incorporated into such plans, housing units that are either exposed to unmitigable natural disaster risks or under threat of future eviction risk could be identified and the residents of these units could be offered tailored solutions to either upgrade their housing and

[60] A needs assessment should include elements such as housing quality, technical infrastructure access, legal status of housing units, socioeconomic profiles of residents, and land use designations.

infrastructure on-site, or relocate to a safer alternative housing unit. As the neighborhoods become integrated into master plans, legal housing units that lack access to infrastructure and municipal services can also be identified and connected.

Expected outcomes of Activity 1.2:

- Those who live in units exposed either to unmitigable hazard risks or future eviction risks are identified and provided with tailored alternative housing solutions.
- Those who live in legally built units are provided with access to key infrastructure.

Box 6: Case Study 1 - Urban Upgrading and Tenure Support Program in Kavarna Municipality, Bulgaria

Kavarna municipality made various successive investments from 2004-14 in the neighborhood of Hadji Dimitar, a predominantly Roma neighborhood. The aim was to improve living conditions and promote social inclusion of the Roma. These investments covered a wide range of areas such as housing, infrastructure, education, employment, healthcare, and political participation. The Center for the Study of Democracy examined the social and economic effects of the public investments and compared the living conditions and social inclusion of the Roma in Kavarna to elsewhere in the country as well as other non-Roma groups. The most direct impact of the investments was in the area of housing and infrastructure. The municipality designated land within Hadji Dimitar for the construction of new houses and developed a scheme for architectural planning that gave owners of illegal dwellings the chance to legalize their homes. In 2015, there were no illegal dwellings in Hadji Dimitar reported to the municipality. The municipality was also successful in improving the quality of infrastructure within the neighborhood. This was done through the construction of a sewerage system and a water pipeline. Through these measures, 92% of Roma in Kavarna now have access to indoor piped water as compared to 61% of Roma nationally. Since the construction of the sewerage system in 2004, less than 1% of the dwellings in Hadji Dimitar are not connected to the sewerage system or do not have a wastewater tank. Nationally, the figure is much higher. According to a regional survey, 39% of Roma are not connected to a sewerage system or have a wastewater tank. According to the 2011 Census, 17% of Roma are not connected to a sewerage system or have a wastewater tank.

Source: World Bank. "Bulgaria Housing Sector Assessment." World Bank Group, Jun 2017a, Washington, DC. Available at https://openknowledge.worldbank.org/handle/10986/28563.

Key Policy Action #2: Expand affordable housing options by leveraging private market solutions

Activity 2.1. Consider a rental subsidy program for marginalized households. For those willing to move from their current location to access a wider range of affordable housing options, the MRDPW could develop, in collaboration with other ministries, a program to target rental subsidies for marginalized households to afford rental units available in the private market. To do this, the affordable rental prices for marginalized households would first need to be calculated, based on their level of income, and information regarding the quality and location of vacant housing as well as root causes of vacancy and weak rental market should be analyzed.

Activity 2.2. Consider incentives for homeowners to rent out vacant units. The MRDPW could also develop, in collaboration with other ministries, a program to encourage homeowners to rent out their vacant properties, thereby stimulating the private rental market. Incentives for homeowners can be created through, inter alia, tax incentives, legal protection in the event of non-payment of rent, zoning options to increase housing supply (see Box 7 for an example), and reliable mechanisms for landlord-tenant conflict resolution. Additionally, mechanisms to ensure equal access and non-discrimination are considered instrumental in achieving the objectives of this policy instrument (including grievance redress mechanisms, enhanced transparency, effective monitoring and reporting on program implementation and beneficiary profiles, as well as information campaigns targeting marginalized communities).

Expected outcome of Activity 2.1 and Activity 2.2: Those who are willing to move from their current location have a wider range of options to access safe and affordable housing units in the private market.

Box 7: Case Study 2 - Rental Mediation Program in Spain

Provivienda is a non-profit organization in Spain established in 1989 focusing on facilitating access to private rental housing for people with limited financial needs. The Rental Mediation Program, implemented and managed by Provivienda, addressed the needs of both landlords and tenants, and between property owners and marginalized groups, through mediation. The program resulted in successful social intervention in the private market and opened up opportunities for marginalized groups that would not have otherwise been available. Currently the program is operational in 25 municipalities and has had 87,000 beneficiaries over the last 20 years.

The program was designed to tackle the continuous increase in rental prices, high vacancy rates, poor living conditions, and overcrowding among those who could not afford to buy their own homes or were ineligible for social rental housing. Policies in the housing sector in Spain appear to prioritize home ownership and as a result there is limited availability of rental housing especially for those at risk of poverty. Nationally 82% of housing is privately owned - the second highest percentage in Europe, 8.5% is privately rented, and 9.5% is socially rented. In Spain, due to market conditions, it is not easy to increase the supply of rental housing. Consequently, a significant portion of the population struggles to find decent housing, among them many people with socio-economic difficulties. The continuous increase in house sales and rental prices has significantly increased the housing cost burden among the poor.

The Rental Mediation Program is executed in partnership with a municipal authority and is targeted toward low-income individuals with limited social support, especially the young, ethnic minorities, refugees, immigrants, those with physical or mental disabilities, single parent families, exiles, homeless persons, older persons, and others at risk or socially vulnerable.

Provivienda addresses landlord concerns by arranging multi-risk insurance guarantees for rental payment, either through an insurance company or, more often, providing guarantees themselves. Landlords are typically wary of renting, or impose abusive contractual terms, for those they perceive as having insecure/irregular employment. Under the program, agreed rents are approximately 20% lower than market rents, but still attractive for landlords, particularly those whose property has been sitting empty. These guarantees serve to attract landlords, though in practice they are rarely called upon, as incidences of unpaid rents are very low. Many landlords, for example, are concerned about renting to immigrants, but rates of rent payment are good and it is often not necessary to invoke the insurance offered by the program.

At the same time, the program also ensures support to renters and households through the provision of mortgages for young people and directly providing shared accommodation and supportive housing for those facing social or economic challenges. Provividenda collaborates with local authorities to identify residents in need and for program funding.

Provivienda also provides a range of services including information and training for tenants and landlords on their rights and obligations under tenancy law; assessment of rental properties, including valuations and furniture inventories; selection and invitation of applicants for identified properties; drafting of contracts and follow-up assistance in case of disputes; termination of contracts; defaults; etc. These services are provided without any charge. Occasionally, the program provides funding support to homeowners for the renovation of their property.

The Rental Mediation Program has resulted in not only more affordable rental housing for those most in need but has also brought empty properties back into use, improved attitude of landlords towards tenancy and enhanced greater social interaction between tenants and local communities by providing more secure tenure

Key Policy Action #3: Improve existing social housing program practices

Activity 3.1. Improve targeting and management of existing social housing units. The MRDPW may incentivize and enable municipal governments to improve existing social housing unit conditions and management by creating a performance-based financing and technical assistance program. To design such support, the MRDPW may first assist municipal governments in evaluating the performance of existing programs across variables such as unit condition, occupancy rate, and beneficiary poverty/marginalization-related profile. Such evaluation can inform the design of a social housing performance-based monitoring system, which the MRDPW can use to better track the achievement of housing-related goals enshrined in the National Roma Inclusion Strategy and EU Roma Strategy. Importantly, such a monitoring system can be used to strategically allocate available state and/or external financing to municipal governments based on performance while incentivizing municipalities to achieve better housing outcomes. In addition to performance-based financing, the MRDPW may provide technical assistance packages that enable municipalities to improve their performance. Such packages may include, inter alia, providing minimum standards for social housing eligibility criteria so that the most marginalized may qualify, and best practices in program management such as mechanisms to enhance transparency and grievance redressal. To facilitate tenants' timely graduation from social housing, the MRDPW may explore, with other ministries, tailored support for residents to access safe and affordable housing in the private market after their tenancy ends – such as the aforementioned rental subsidy and livelihood support programs discussed in Approaches 1 and 2.

Expected outcomes of Activity 3.1:

- The most marginalized will gain enhanced access to existing social housing units.
- The quality of social housing units and certainty of tenancy period are improved for those who live in the units, and they will be better supported to graduate from social housing.

Key Policy Action #4: Cross-cutting measures to improve the monitoring of housing and living conditions and to improve the targeting and effectiveness of housing programs

In addition to the activities outlined in Key Policy Actions #1-3, there are two cross-cutting measures the Ministry could take to improve the monitoring of housing and living conditions in marginalized areas and ensure the success of future housing programs:

Activity 4.1. Improve data quality on housing and living conditions of marginalized communities and fill data gaps to enhance effectiveness of housing policies and programs. Data constraints on housing quality, poverty, and infrastructure service access are evident at the municipal and settlement levels. Social housing-related data is held at the municipal level, yet having comprehensive information, such as on vacancy and unit conditions, seems to be a challenge. It is critical that municipal governments are guided and supported to collect and report key information on both the housing and living conditions of marginalized groups and on the efficacy of social housing programs. The MRDPW, in consultation with municipal governments, may develop an information management system on housing and living conditions of marginalized groups and performance of policies/programs (e.g., a social housing unit

database and protocols for managing and updating the database) to support data improvement. The government-collected information can supplement private housing market assessments to identify bottlenecks in making safe and affordable units available in the private market. Combining improved municipal-level data with existing national data sources associated with poverty and marginalization (e.g., administrative and census data, poverty maps) and national-level housing statistics (e.g., the household burden on housing expenditure, overcrowding) can provide a more comprehensive overview of the housing and living conditions of marginalized groups. This would enable the national government to prioritize and better target interventions.

Expected outcome of Activity 4.1: Housing policies and programs for marginalized communities improve their targeting and effectiveness.

Activity 4.2. Municipal governments may adopt approaches that systematically involve local stakeholders and communities in policy development and implementation - beyond just consultations. To be effective in addressing housing deprivation, policies will have to be tailored to the real (rather than perceived) local needs of marginalized groups. The findings of this research point to a diverse and sometimes complex set of needs in the context of housing for Bulgaria's marginalized communities. Hence, localized and participatory approaches are instrumental to adequately address those needs and tackle spatial and social inequalities. The disconnect between social housing programs and community needs underscores the importance of actively engaging marginalized communities, particularly Roma residents and Roma organizations. Moreover, international evidence has shown that investments in community engagement have been the most important common denominator for successful and sustainable housing interventions. Prioritizing community engagement as the first step in the sequenced approach to policy development and implementation is critical to building trust and a shared vision between local government officials and residents. Local governments may establish new and strengthen existing mechanisms to reach out to residents and civil society organizations/non-governmental organizations to invite their feedback and participation throughout the entire project cycle (such as for needs assessments and participatory planning and budgeting). In addition to project-specific engagement, municipal governments may work with civil society partners to enable a continuous dialogue between citizens and authorities. This requires capacity building as well as new engagement formats for broader and more active participation in community development (such as citizen engagement platforms and civil society advisory committees). Genuine community engagement serves not only to foster ownership of the agenda but also serves as a critical requisite for trust-building activities aimed at overcoming frictions between the government and local community and service providers, as well as between Roma and non-Roma residents. Genuine and comprehensive community engagement will be a critical factor to ensure success for all of the three proposed approaches to improving housing and living conditions for marginalized communities that are presented in this report (see example in Box 8).

Expected outcomes of Activity 4.2:

- Housing policies and programs are tailored to the real local needs of the community.
- Local government officials and residents develop a shared vision of the program agenda.

A summary matrix of the recommendations that outlines key actions, expected outcomes, activities, and responsible institutions follows. The matrix includes details of sub-activities for each policy action.

Box 8: Case Study 3: Community engagement approach n the Iztok neighborhood, Kyustendil Municipality

The Roma neighborhood of Iztok ("east") in Kyustendil, Bulgaria, is a community of approximately 12,000 inhabitants. Living conditions in the neighborhood were characterized by dilapidated houses, many illegally built and overcrowded with tenants, along with a lack of running water, indoor bathrooms, or functioning ventilation systems. Many of the adults in the Iztok community are unemployed, with limited formal education and with young children living in a single-room home without proper sanitation.

The ongoing project financed by the Adventist Development and Relief Agency (ADRA) of Bulgaria began in 2002 with the key objective of improving Roma integration by providing affordable housing, in combination with creating favorable conditions for Roma children to access education and experience healthy lifestyles to escape the cycle of poverty and exclusion. The ADRA project in Iztok used the good practice of **building trust with the local Roma community,** which was critical for implementing the project. A functioning partnership with the local municipality, even a nonformalized one as in the case in Iztok, was vital for the success of the project's housing component. Depending on relations with the municipality, project activities can either proceed smoothly or be prevented due to a lack of political will. The **inclusion of Roma beneficiaries in all stages of the project** was also important, as was securing early agreement from Roma community members about the code of conduct expected for future residents. Mechanisms for **Roma ownership over housing construction and maintenance** and the management of residential facilities created a strong sense of responsibility in the community.

Source: World Bank and European Commission. "Handbook for Improving the Living Conditions of Roma." World Bank Group, 2014, Washington, DC. Available at https://openknowledge.worldbank.org/handle/10986/20787.

Summary Matrix of Recommendations

Key Policy Actions	Expected outcomes	Activities and responsible institutions
1. Develop on-site housing and infrastructure improvement programs for marginalized communities	Those who live in marginalized housing units have the option to improve their housing and living conditions on-site.	The MRDPW, in collaboration with municipal governments, develops neighborhood upgrading programs to: • Evaluate the Spatial Development Act to see whether legal pathways can be created to support marginalized housing dwellers within targeted program areas to legalize their housing units on an exceptional and limited basis. • Support municipal governments to undertake detailed assessments of housing and living conditions, legality-associated issues (e.g., land tenure, compliance with building regulations), resident socioeconomic profiles, and community needs beyond housing in target neighborhoods, ensuring genuine community participation. Critically, this should include affordability assessments of public services. • Identify the upgrading program scope for each municipality. The scope may range from a minimalistic approach (that extends access to technical infrastructure only while the status of housing units remains illegal) to a comprehensive approach that includes measures to address underlying causes of illegality. Measures could include tenure provision and microloans to improve livelihood or to upgrade housing units in the program target areas. • Support municipal governments to establish local stakeholder platforms to promote public dialogue and broad participation in the design and implementation of the upgrading programs. For this, it will be critical to ensure participation of residents from marginalized neighborhoods, especially from ethnic minorities, and civil society organizations/non-governmental organizations representing marginalized groups, at the earliest stages of program development and throughout program implementation and the monitoring and evaluation process.
	Those who live in units exposed either to unmitigable hazard risks or future eviction risks are identified and provided with tailored alternative housing solutions. Those who live in legally built units are provided with access to key infrastructure.	The MRDPW provides technical and financial support to municipal governments to: • Update master and detailed spatial plans to include marginalized neighborhoods. • Identify housing units exposed to unmitigable natural disaster risks and future eviction risks (e.g., blocking the right-of-way for a future infrastructure/service extension or consolidation, or land to be protected for biodiversity). • Design alternative solutions for those who live in at-risk units that may include, inter alia, disaster risk mitigation measures on-site or relocation support to safe and affordable housing options elsewhere. • For legally built units identified in the updated plans, provide connections to technical infrastructure.
2. Expand affordable housing options by leveraging private market solutions	Those who are willing to move from their current location have a wider range of options to access safe and affordable housing units in the private market.	The MRDPW could design mechanisms, in collaboration with other ministries, to enhance the availability of safe and affordable rental units, coupled with targeted subsidies to marginalized households to afford such units: • Undertake private housing market assessments that include consultations with private stakeholders (e.g., vacant unit owners, realtors) to identify underlying causes of vacancy. • Undertake affordability and needs assessments of marginalized housing dwellers to understand potential monetary and non-monetary barriers. • Design incentives for homeowners to rent out their vacant properties (e.g. tax incentives, legal protection in the event of non-payments of rent, zoning options to increase housing supply, and reliable mechanisms for landlord-tenant conflict resolution), thereby stimulating the private rental market.

		• Design targeted rental subsidies for households to afford rental units that available in the private market. • Design mechanisms to ensure equal access and non-discrimination, including grievance redress mechanisms, transparent and effective monitoring of program implementation and beneficiary profiles, and information campaigns targeting marginalized groups to boost participation.
3. Improve existing social housing program practices	The most marginalized will gain enhanced access to existing social housing units. The quality of social housing units and certainty of tenancy period is improved for those who live in the units, and they will be better supported to graduate from social housing.	The MRDPW, together with municipal governments, could incentivize and enable municipal governments to improve the performance of existing social housing program practices: • Undertake a detailed assessment of inclusion (e.g., what is the degree of marginalization for those who can access social housing, what is the profile of those who cannot access) and overall performance of existing social housing stock (e.g., quality of units, occupancy rates, length of actual residency, estimated % of rent against monthly resident expenditures, livelihood and satisfaction of residents). • Design minimum standards for eligibility criteria to be applied to all municipalities and support their adoption. • Establish a performance-based monitoring system to better track achievement of the housing-related goals laid out in the National Roma Inclusion Strategy and the EU Roma Strategy and to strategically allocate international and national funding to municipalities. • Design and provide technical assistance packages in which best management practices are shared in the areas of, among others, program information dissemination, application support, maintenance and tenancy rules, and effective grievance redress mechanisms (to ensure that procedures are fair and the principle of non-discrimination is enforced). • In collaboration with other ministries, design a support program to facilitate the timely graduation from social housing. Such a program may include, among others, rental subsidies (that are coupled with a policy to unlock vacant units in the private rental market) and any other livelihood support.

4. Cross-cutting measures to improve the monitoring of housing and living conditions and to improve the targeting and effectiveness of housing programs	Housing policies and programs for the marginalized improve their targeting and effectiveness.	The MRDPW, together with other ministries and state agencies (e.g., Census Bureau) and municipal governments, could overcome data constraints on housing quality, poverty, and infrastructure access of marginalized communities for better targeting of policies and programs: • Identify the full set of data necessary to design well-targeted housing policies and programs for marginalized communities and any existing data gaps (e.g., sub-municipal-level data on housing quality, living conditions, vacancy, household affordability). Identify data that needs to be collected through specialized surveys, such as private housing market data and data for the evaluation of social housing programs. • Develop a data collection and information management strategy that complements existing data. For poverty and deprivations at the subnational level, this can include, for instance, the updating of the Poverty Maps and yearly updates to the Index of Multiple Deprivations when new data becomes available. Housing related data collection may be pursued through updating census and household budget survey questions as well as through complementary private housing market assessments. Design implementation mechanisms for the proposed data collection and information management strategy.

	Housing policies and programs are tailored to the real local needs of the community. Local government officials and residents develop a shared vision of the program agenda.	The MRDPW can support municipal governments to adopt approaches that systematically involve local stakeholders and communities in policy development and implementation: • Establish new and strengthen existing mechanisms to reach out to residents and civil society organizations/non-governmental organizations to invite their feedback and participation throughout the entire project cycle (such as for needs assessments and participatory planning and budgeting). • Municipal governments may work with civil society partners to enable a continuous dialogue between citizens and authorities beyond project-specific engagements. • Introduce new engagement formats for broader and more active participation in community development (such as citizen engagement platforms and civil society advisory committees).

ANNEX 1: Additional International and National Case Studies

Case Study 4: Participatory Slum Upgrading Process in Argentina

The Housing Institute of Buenos Aires City Government has designed and implemented a large-scale participatory slum upgrading process that is integrated, sustainable, and inclusive through broad stakeholder participation in all phases of the intervention. Villa 20 is a slum located in the Lugano neighborhood. There are 9,200 families (a total of 28,000 people) living in 4,500 houses. The slum has poor infrastructure, with poor access to water, lack of access to sanitation facilities, lack of sufficient living space, and lack of tenure security.

The Participatory Slum Upgrading Process (PSUP) launched by the Housing Institute of Buenos Aires presents an innovative approach in the planning and implementation of slum upgrading at the urban and community level. The process is based on three pillars of inclusion and integration that are the foundations of the Institute's approach to neighborhood improvement:

a) **Housing integration**, providing adequate housing, and connecting basic infrastructure service networks to each home.

b) **Socio-economic integration**, facilitating access to education, health centers, and employment.

c) **Integration into the urban fabric**, connecting the neighborhood with the rest of the city by providing services and connectivity (streets, sidewalks, and public transportation) and domain regularization.

The PSUP's goal is the three-way integration of the neighborhood. Its design includes the construction of new housing, the improvement of existing housing, the opening and consolidation of public roads, the provision of urban equipment, the improvement and consolidation of public space, and the provision of infrastructure and services (drinking water networks, electrical energy, sewerage, and storm drains), among others.

PSUP places a strong emphasis on broad stakeholder engagement encouraging active participation of slum dwellers throughout the slum upgrading process. Participation of all key stakeholders throughout the process is formalized and ensured in the different phases of the process.

A key lesson learned from this project is the importance of using a participatory approach. It improves the design and quality of the program. If stakeholders help make decisions at all stages of the program, problems are more likely to be understood and solutions are more effective. A participatory approach enhances program impact and sustainability through local ownership of projects and a sense of responsibility for the community. Involving community members in critical decision processes and generating grassroots demand and support for housing initiatives can lead to better outcomes. A participatory approach contributes to overarching goals of good governance and democratization of rights. It favors people's empowerment and helps to foster informed and responsible citizens.

Sources:
Participedia. "Participatory Slum Upgrading Process in the City of Buenos Aires: The "Villa 20" Case." Available at https://participedia.net/case/5988.
Buenos Aires Ciudad. "Neighborhood Integration." Buenos Aires Ciudad. Available at https://www.buenosaires.gob.ar/institutodevivienda/integracion-de-los-barrios-0.

Case Study 5: Upgrading program - Community Development Block Grant (CDBG) Program in the United States

The U.S. Community Development Block Grant (CDBG) program is a flexible program that provides communities with resources to address a wide range of community development needs. The goal of the CDBG program is to ensure decent, affordable housing, provide services and infrastructure to the most vulnerable in their communities, and create jobs through the expansion and retention of businesses.

The annual CDBG appropriation is allocated between state and local jurisdictions called "non-entitlement" and "entitlement" communities, respectively. Entitlement communities are comprised of central cities of Metropolitan Statistical Areas (MSAs), metropolitan cities with populations of at least 50,000, and qualified urban counties with a population of 200,000 or more (excluding the populations of entitlement cities). States distribute CDBG funds to non-entitlement localities not qualified as entitlement communities.

The U.S. Department of Housing and Urban Development (HUD) determines the amount of each grant by using a formula comprised of several measures of community need, including the extent of poverty, population, housing overcrowding, age of housing, and population growth lag in relationship to other metropolitan areas.

A grantee must develop and follow a detailed plan that provides for and encourages citizen participation. This integral process emphasizes participation by persons of low or moderate-income, particularly residents of predominantly low- and moderate-income neighborhoods, slums or blighted areas, and areas in which the grantee proposes to use CDBG funds. The plan must provide citizens with the following: reasonable and timely access to local meetings; an opportunity to review proposed activities and program performance; timely written responses to submitted complaints and grievances; and instructions for how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.

The CDBG program is administered by more than 1,000 metropolitan cities and urban counties and 50 state governments. An evaluation of the impact of CDBG spending on urban neighborhoods in 2002 by the Urban Institute found that, in general, larger CDBG investments are linked to improvements in neighborhood quality.

Source: U.S Department of Housing and Urban Development. "Community Development." U.S Department of Housing and Urban Development, 24 Sep 2020, Washington, DC. Available at https://www.hud.gov/program_offices/comm_planning/communitydevelopment.

Case Study 6: Tenure regularization approach - The usufruct program in the Philippines

Usufruct is a property right in which beneficiaries are entitled to enjoy nearly all rights of ownership, except the right to have a legal title and to alienate, transfer, or dispose of property. Usufruct arrangements have turned out to be a viable approach to provide tenure security to poor people. The terms and conditions of a usufruct arrangement can be stipulated in legally binding documents such as Memoranda of Agreement (MOAs), Contracts to Sell, and Usufruct Agreements between and among the primary stakeholders involved. These documents specify the period, other terms, conditions, and the responsibilities of the parties concerned. Typically, the local government retains ownership of land, but poor families are allowed the use of the land for a 25 to 50 year term, which is renewable if mutually

agreed upon. In most cases, a private entity or non-profit organization constructs housing units for which the families amortize payments over 20 to 30 years. Because the users do not have to pay for the cost of the land, amortization payments are affordable. There were two cases in the Philippines where usufruct arrangements have been used successfully.

The local government of Taguig considered the usufruct scheme a speedier and more affordable way of providing housing and secure tenure to informal settlers. Thus, the city made it a policy to develop housing programs for informal settlers using an usufruct arrangement. As of 2009, the city government of Taguig provided housing units in medium-rise buildings to 204 families in partnership with the non-profit organization, Habitat for Humanity Philippines (HFHP). In order to retain the city's ownership of the land, the project entered into a usufruct arrangement with HFHP, which constructed the residential buildings and provided financing to beneficiaries. The target beneficiaries of the partnership's housing project were informal settlers and renters living in the city. To qualify, they had to have been Taguig residents for at least five years, registered to vote, have no other property anywhere else in Metro Manila, and had to have at least one income-earning family member. The screening of intended beneficiaries based on the housing application forms was handled by the Family Selection Committee of the Local Housing Office and was validated based on the inventory of the city's informal settlers. Before units were turned over, HFHP met with qualified beneficiaries and conducted an orientation discussing the contents of the contract. Those who agreed to the terms were organized into associations. The associations maintained membership savings allotted for the repair of the buildings. HFHP also regularly conducted housing education seminars with beneficiaries.

Meanwhile, in Muntinlupa, the National Housing Authority (NHA) utilized a usufruct approach on land proclaimed for a large-scale resettlement project in Southville 3, benefiting 7,000 informal settler families who were displaced from their homes which were situated in the rights-of-way of the South-Rail Linkage Project and various areas of the New Bilibid Prison (NBP) site. Prospective beneficiaries were screened by the Muntinlupa Urban Poor Affairs Office (UPAO) before they were cross-checked with the NHA master list. The NHA met with the beneficiaries and discussed with them the contents of the usufruct agreement. Community associations were also formed to oversee the relocation of beneficiaries for this particular project. As stated in the usufruct agreement entered into by NHA and the beneficiaries, the latter would continuously occupy the property exclusively for residential purposes and abide by the NHA's occupancy rules and regulations. The beneficiaries were also required to pay taxes, assessments, and other fees on home improvements.

Residents of both sites perceived that they had secure tenure for 50 years. Even more, the Taguig residents had an additional 25 years if they complied with the rules and regulations stated in the contract. Meanwhile, the Muntinlupa beneficiaries were certain that the usufruct arrangement was a better alternative to the repeated evictions they had experienced in the Bilibid Prison site. Those relocated from the railroad site also expressed the same thought and added that aside from being free of the threat of eviction, they also felt secure because they were no longer likely to experience flooding the way they had in their previous community.

Additionally, such a program granted beneficiaries proof of documentation and made housing much more affordable. The usufruct grants on both sites were well documented through the MOAs and proclamations executed, and the entry pass given to residents acted as proof of residency. With usufruct, housing units were made affordable because the land was acquired at no cost. Beneficiaries of both sites agreed that the payment for the units was affordable and reasonable and, in some cases, a third of the rent they were paying previously. This was possible as they had to pay only for construction costs and site development.

Good community organizing helped tremendously in making any new approach work. This was proven in Muntinlupa where the residents were organized for years before they were relocated to the NBP social housing site. Community organizations assisted the beneficiaries in the preparation of the necessary documents and in their negotiations with the project administrators.

Finally, the local government acknowledged that the livelihood component of the usufruct arrangement should be strengthened so that beneficiaries would not have to look for jobs far from their dwellings. The local government therefore invited business groups to help address the livelihood needs of the beneficiaries. As such, the local government strived for continuous site development and livelihood opportunities.

Source: UN-HABITAT. "Innovative Urban Tenure in the Philippines: Challenges, Approaches and Institutionalization Summary Report." United Nations Human Settlements Programme, 2012, Nairobi, Kenya. Available at https://unhabitat.org/sites/default/files/2014/06/Innovative-Urban-Tenure-in-the-Philippines-Summary-Report.pdf.

Case Study 7: Lessons from social housing - Home for Everyone Project and Human Resource Development Project (A), Bulgaria

The key objective of these interconnected projects was to improve the well-being and sustainable integration of marginalized groups in the town of Duniptsa by providing new houses and access to public utilities and services. This included opportunities for educational and vocational training, employment, and access to healthcare. To make this possible, the municipality and its two non-governmental organization (NGO) project implementers adopted an integrated approach to interconnect their activities.

Some of the lessons learned from the project design included:

- The importance of including mentoring support for disadvantaged people to adjust to lifestyle changes associated with the transition to new social housing; and
- The need for robust criteria and a process for selecting tenants for social housing to ensure that the most disadvantaged and qualified people are targeted.

The Home for Everyone project specifically supports construction activities, while the Human Resource Development (HRD) project supports training and soft measures, which together include: construction of 150 social houses in 15 single-family and multi-family residential buildings; courses for improving adult literacy rates; adult vocational training for professional qualifications and key competencies; assistance with job searches and in securing employment in local enterprises; instruction on the educational system and its requirements for children and their parents, along with general education courses; and referrals to local human services and medical providers, to improve the Roma community's access to facilities and care.

Key dimensions of the integrated project in Dupnitsa included: (i) A cross-sectoral partnership: the projects married NGO technical expertise in building homes and in running educational training with the resources and logistical support of the city; (ii) Beneficiaries with clear recipient requirements: families accommodated in the newly built homes were required to participate in activities and programs to improve their livelihood. All tenants had to pay rent and utilities, and children had to attend school regularly; (iii) Sanctions were enforced for violating an established home rental contract: the project's managing authorities were involved in monitoring and enforcing these requirements; (iv) Inclusion of other disadvantaged groups in the larger HRD project helped avoid singling out one group (such as Roma)

for new housing at the perceived expense of another social group which improved social cohesion and made integration more possible for all peoples.

The Home for Everyone and HRD projects in Dupnitsa employed the good practice of providing information on eligibility and instructions for joining the new housing and human development activities as an early step to raise awareness about the project**.** The municipality and NGO partnership helped make this possible, as the former relied on the latter for the information campaign and consultations with disadvantaged groups. The NGOs already were well known for their proven effectiveness in working with the Roma community in town. They became even more efficient as they tapped into municipal support for the construction of homes and running activities that required links to educational and social service institutions. The project sought to overcome segregation and marginalization by connecting Roma communities to urban housing, human services, and employment opportunities in the wider Dupnitsa community.

Source: World Bank and European Commission. "Handbook for Improving the Living Conditions of Roma." World Bank Group, 2014, Washington, DC. Available at https://openknowledge.worldbank.org/handle/10986/20787.

ANNEX 2: Methodology Research and Fieldwork

In this report, several sources of data both qualitative (at community level) and quantitative (at national, regional, and partially municipal level) were used to gain understanding of prevailing and predominant conditions and policy gaps with respect to housing and living conditions of marginalized communities.

(a) *Official statistics:* Official statistical data[61] was used to understand socio-economic conditions, demographics, potential natural hazard risks,[62] and housing sector trends at the national and sub-national levels. Wherever possible, the most recent data at the municipal level was also analyzed. In most cases, this was limited to findings from the 2011 census. Given the lack of recent municipal-level data on poverty[63] and monetary deprivations, the World Bank assembled a comprehensive database from different official sources[64] that could provide a better picture of non-monetary deprivations experienced by municipal residents among many different dimensions, including housing, health, education, labor, and demography. A tool, the Index of Multiple Deprivations (IMD)[65] , was developed to measure and compare target municipalities with the average municipality in Bulgaria with respect to access to services and economic opportunities.

(b) *Publicly available literature and prior housing sector assessment:* Literature on existing programs and policies were reviewed to derive information regarding housing and living conditions in Bulgaria as well as to gain insights on marginalized neighborhoods and prevailing legal and social norms in the country. Ror the purposes of this report, the World Bank's "Bulgaria Housing Sector Assessment" conducted for the MRDPW and published in 2017, was considered foundational for contextual analysis and for understanding the policy environment.

(c) *Official questionnaire circulated to municipal governments:* A questionnaire was prepared and officially circulated to the municipal governments of Montana, Vratsa, Vidin, Lom, and Oryahovo. Responses received were critical as they highlighted challenges, perceptions, and priorities of individual municipalities. The spatial development plans of municipalities were not shared, hence were not within the scope of analysis.

(d) *Qualitative research and fieldwork supported by the World Bank:* The World Bank supported a qualitative assessment to understand settlement-level housing and living conditions. The assessment undertook several activities, including (i) on-site visits, (ii) interviews with marginalized and social housing dwellers, (iii) conversations with municipal and non-municipal experts, and (iv) spatial analysis to understand the situation from the point of view of local stakeholders. Interviews included a wide variety of stakeholders and were carried out in three

[61] Data source for municipal level were info stat and administrative data. Population census was used for settlement-level. For many statistics, however, latest available data was from 2011 (previous census).
[62] World Bank / GFDRR analysis in 2020 using Fathom v2 global flood hazard data.
[63] Latest poverty maps produced with 2011 Population Census data.
[64] Official NSI data, including NSI Population statistics, NSI Justice and crime statistics, NSI Healthcare statistics, Employment Agency, NSI Business statistics, NSI (Regions, districts and municipalities in the Republic of Bulgaria), NSI Healthcare statistics.
[65] Details of the Bulgaria Index of Multiple Deprivations can be found in Annex 5.

different formats to best capture stakeholder viewpoints. The study involved the participation of 147 marginalized housing dwellers and 51 inhabitants of social housing across the 18 focus group discussions (FGDs) conducted (3 in each settlement) and the 72 in-depth interviews (IDIs). The selection of participants from the marginalized neighborhoods and social housing was carried out intentionally with a focus on the Roma population but also included other ethnic groups living in marginalized settlements. The fieldwork study was also supplemented with 25 key informant interviews (KIIs) that included a mixture of municipal experts and NGO representatives in each location who have been directly or indirectly involved in local housing issues.

It is important to note that in the absence of quantitative data at the neighborhood level and the scarcity of recent official statistics at the municipal levels, the qualitative fieldwork and data collection and municipal survey responses were vital. Required data for this report at the municipal level provided by the National Statistical Office, which is publicly available, was found to be scarce and limited to the findings from the 2011 census. In addition, data at the settlement level related to population ethnicity amd housing informality was absent. Therefore, to analyze housing and living conditions and policy bottlenecks across the five municipalities, primary data collection efforts such as the official municipal surveys and the qualitative fieldwork were necessary and proved to be essential to comprehend the situation faced by communities at the settlement level and challenges faced by municipalities at the local level. Although the fieldwork is not a comprehensive population survey, the findings and anecdotes from the sample interviewed are representative of the conditions in marginalized settlements and social housing units. Wherever possible, evidence from the fieldwork was triangulated with other data sources to validate the analysis.

ANNEX 3: Relevant Bulgarian Land Policies Reviewed

1. National Legal Framework
    a. Constitution of the Republic of Bulgaria
    b. Anti-Discrimination laws
    c. Spatial Development Act
    d. Administrative Procedure Code
    e. Law on the Protection against disasters
    f. Municipal Property Act
    g. Ordinances of the Municipal Councils

2. National and Local Strategic Documents
    a. The Framework Program for Equal Integration of Roma in the Bulgarian Society
    b. National Program for Improving the Housing Conditions of Roma in the Republic of Bulgaria (2005-15)
    c. National Roma Integration Strategy of the Republic of Bulgaria 2012-20
    d. Regional Roma Integration Strategies

ANNEX 4: Summary of municipal government responses to questionnaires

Lom

Lom faces increasing issues with non-compliant structures and social housing stock that needs upgrading. Lom's Municipal Development Plan recognizes that marginalized communities are facing increasing social isolation (Municipality of Lom, n.d.). Nonetheless, three neighborhoods have increasing construction of illegal buildings: Humata, Mladenovo, and Stadiona. These neighborhoods have infrastructure issues, including poor solid waste networks, illegal electrical connections, and poor-quality streets. The formalization program has been partially successful, but many of the owners live abroad and have not taken advantage of the opportunity. Despite flooding damage to administrative and residential buildings in April 2006,[66] recurring issues or related infrastructure improvements were not highlighted by the municipality. In 2018, Lom identified 125 families with housing needs; 70% of them are Roma. Although the municipality acknowledges many vacant houses could accommodate these families, it was noted they are often in remote areas with poor technical infrastructure.[67]

In response to these issues, Lom allocated resources to improve social housing and identified land for new construction. In the Integrated Plan for Urban Recovery and Development, 2.2 million BGN were allocated for social housing, mostly for rehabilitation.[68] As part of the Regions in Growth operational program, Lom's target is to have ten new households accommodated in social housing.[69] Nonetheless, the rest of the social housing building stock is old and in need of maintenance; however, the municipality does not have the resources to address this deficiency. Municipal staff have made general assessments and found that some of the needed improvements include window and door replacement, plumbing and electrical upgrades, patching, and improving walls and floors. If they had the financial resources to update their existing plans, they could build 200 housing units on vacant municipal land to provide sufficient housing for the current households in need.

Lom is also improving its social infrastructure through the construction of new schools in marginalized neighborhoods. Under the Regions in Growth program, Lom plans to renovate five schools and two kindergartens. In 2018, two of the projects were completed.

Vidin & Dunavtsi

Vidin has several large neighborhoods with marginalized communities that the municipality has made efforts to improve. The neighborhood with the largest marginalized community in Vidin is Nov Pat, with another neighborhood in Dunavtsi. Vidin expanded the sewerage network to Nov Pat in the late 1990s, and the Environment Operational Program 2014 – 2020 was expected to provide funding to continue to expand and rehabilitate the network. However, in practice, funding has not been available to expand the sewerage network. The municipality also rehabilitated some roads in 2019. These investments were

[66] Municipal Development Plan of Lom 2014-2020.
[67] District and municipal reports for 2018 for Northwestern Bulgaria by priority "Housing conditions."
[68] Per an indicative list of projects and activities included in the Municipality of Lom's "Integrated Plan for Urban Recovery and Development of Lom" (n.d.).
[69] *Ibid.*

expected to reduce flooding issues encountered in Nov Pat. Note that there is no sewerage network in Dunavtsi. In 2017, the Vidin Municipal Council initiated a program to determine the market price of housing. The program will also allow households to be connected to the electrical network.

Montana

Montana has several neighborhoods with a high concentration of marginalized communities, but housing conditions vary between neighborhoods. Housing conditions are reported to be the worst in two neighborhoods, Virove and Dr. Yosifovo. Dr. Yosifovo only had six houses, though they are all identified as non-compliant, old, and unsafe. Both neighborhoods need new detailed master plans. The other neighborhoods have all had some infrastructure upgrades. Montana worked with local NGOs and the Federal Council of Switzerland to improve the Kosharnik quarter's social infrastructure. The project built a new kindergarten and health advisory center. The municipality still needs to upgrade the elementary school but does not currently have the resources available.

The municipality needs resources to build infrastructure and upgrade existing social housing units. In Gabrovnitsa, three blocks of flats with 14 units are unusable. In Kosharnik, there is an unfinished six-story building. Montana plans to complete the sewerage network in Ogosta, but resources are not available. Montana also identified roads within Kosharnik and Gabrovnitsa that need to be upgraded when resources become available.

Vratsa

Vratsa has several neighborhoods with marginalized communities but no designated marginalized neighborhoods. These neighborhoods include Dospat Street, Atanas Jovanovich Street, Skaklya Street, Vasil Kanchov Street, and Seniche. Two neighborhoods- Dospat Street and Atanas Jovanovic Street - have a high concentration of non-compliant structures constructed with materials that violate the spatial plan. Despite the concentration of marginalized communities, these areas are not identified in the Integrated Plan for Urban Recovery and Development of Vratsa (IPURDV) as marginalized neighborhoods. Therefore, the IPURDV focuses on retrofitting prefabricated social housing blocks and building single-family housing for marginalized communities, including Roma.

These neighborhoods have issues with technical and social infrastructure, despite municipal efforts to provide services. In one of them, Roma families are living in structures made of boards, slats, nylon, and other waste materials. There is no access to sewerage or running water. In the other neighborhood, the conditions are better as the residents live in one-story brick houses. In the other neighborhoods, where marginalized communities tend to own their own homes, the street infrastructure is high quality, but the houses are not connected to the sewerage network. However, Vratsa provides garbage collection, waste management, and general infrastructure repair to these neighborhoods.

Vratsa is improving social housing through the "Regions in Growth" operating program. The project will reconstruct and renovate 30 social housing units. The financing from the program increases the annual allocations the municipality already makes to maintaining and operating social housing. The target population for the housing units is homeless people, people living in very poor housing conditions, families with disabled children, and people at risk of social exclusion and poverty.

Oryahovo

Marginalized communities, including Roma, live in separate neighborhoods, but there are no non-compliant structures. These neighborhoods include Selanovtsi, Ostrov and Galovo. Their houses are one or two stories and are well-maintained. There is a water supply and sewerage system in the city. However, no cadastral maps and registers were created. There are detailed development plans for the different settlements on the territory of the municipality for the period 1927-1992. These plans have not been updated. The streets are mostly paved with water and sewerage networks in neighborhoods inhabited mainly by the Roma population. Although there is a garbage collection and disposal system, household waste containers are not always used properly. The coulee passing through the neighborhood is contaminated with municipal waste. In response to existing conditions in marginalized communities, the Municipality of Oryahovo has made road improvements and identified the need to improve water mains and parks (Republic of Bulgaria, Council of Ministers; 2014).

As part of the surveys, each of the municipalities estimated the costs of improving some aspects of housing conditions in marginalized neighborhoods. Table 6 shows that Lom identified the highest needs and Vratsa the fewest, which is consistent with their identification of issues with marginalized community housing. Lom's estimates account for more than 200% of their total annual public expenditures in 2018. All the municipalities identified costs to rehabilitate social housing. This reflects a widespread issue across Bulgaria with deferred maintenance and the need to increase the seismic resilience of prefabricated panel buildings that account for a large share of social housing. Improvements to technical infrastructure were also a universal and large cost.

The implication is that municipalities require additional funding to upgrade and maintain services and expand technical infrastructure coverage to marginalized neighborhoods. Social infrastructure was also a widely identified cost that would support efforts underway in nearly all the cities to improve access to schools. Finally, nearly all the municipalities identified costs to update spatial development plans to account for marginalized neighborhoods and convert municipal plots for social housing. Overall, each municipality's ongoing efforts and identified funding needs indicate a considerable demand for additional support to fully integrated marginalized communities. These identified needs suggest clear space for additional support to municipalities.

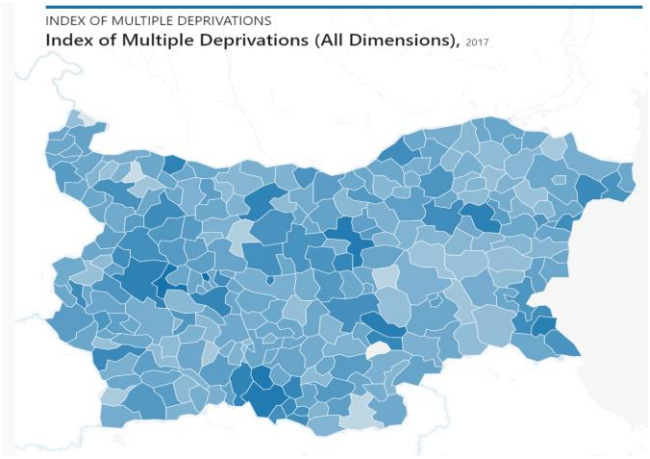
Table 6: Costs of improving marginalized neighborhoods, self-reported by municipal governments (USD, 2019)

Estimated Improvement Cost	Vidin	Lom	Vratsa	Montana	Oryahovo
Spatial Development Plans	500,000	100,000	-	200,000	-
Social Housing Rehabilitation	1,200,000	11,700,000	2,400,000	3,200,000	500,000
Technical Infrastructure Improvements	11,400,000	9,700,000	300,000	1,300,000	16,000,000
Social Infrastructure Improvements	1,100,000	8,600,000	-	4,200,000	600,000
Total	**14,200,000**	**30,100,000**	**2,700,000**	**8,900,000**	**17,100,000**
Annual Public Expenditures (2018)	33,376,490	14,969,401	-	31,763,064	8,033,943
Share of Annual Public Expenditures (2018)	**43%**	**201%**		**28%**	**213%**

Source: Municipal questionnaire responses

ANNEX 5: Index of Multiple Deprivations - Results and Methodology

The Index of Multiple Deprivations (IMD) is a municipal-level tool to identify, monitor, and diagnose deprived and lagging municipalities based on non-income dimensions of poverty. It is constructed by linking administrative records and other sources of information available at the municipal level to determine multiple levels of deprivations a municipality face. The possibility of updating the IMD every year provides a significant advantage over the poverty maps that require a new Population Census and can be of extreme value to improve policy alignment to tackle poverty and deprivations.



The IMD is helpful in support policymaking on social inclusion and the integration of deprived areas, as it can help policymakers make allocation decisions for EU-funded regional integration projects and other projects, and align line ministries towards a standard prioritization of municipalities.

The IMD has been widely used in other countries:

- Turkey: The Turkish Socioeconomic Development Index ranks 81 provinces according to their socioeconomic development level.
- Germany: Area-level deprivation at the district-level was defined by the German IMD.
- Scotland: The Scottish IMD consists of seven domains and 38 indicators.
- United Kingdom: The United Kingdom has advanced the most in developing multiple deprivation indices for small areas. Separate indices are developed and produced for each of the four countries in the United Kingdom (England, Wales, Northern Ireland, and Scotland).
- Croatia: A project was supported by the World Bank and co-financed by the European Union from the European Fund for Regional Development.

Three basic concepts are underlying the Bulgaria IMDs, determining how indicators were chosen, how the data is treated, and the scale is used:

- The Index focuses on measuring deprivation levels, not gaps - The IMD is designed to measure deprivation levels in essential services and economic opportunities in Bulgarian municipalities.
- The Index captures levels of outcome variables rather than levels of input variables.
- The Index ranks municipalities in Bulgaria according to the level of outcomes in several dimensions, and overall - The objective is to provide a snapshot of where municipalities stand regarding some fundamental outcome indicators in five priority areas: health, education, housing,

labor markets or economic opportunities, and demography. The IMD does not include policy indicators. Therefore, the Index is useful to provide the most objective basis for discussing underlying contextual drivers.

The dimensions and indicators included in the Bulgaria IMD are presented in Table 7 below.

Table 7: Bulgaria Index of Multiple Deprivations by dimensions (Subindex) and indicators (Variables)

Structure of Bulgaria Index of Multiple Deprivations	
Subindex	Variables
Education	Kindergarten student teacher ratios
	Primary student teacher ratios
	Lower secondary student teacher ratios
	Dropout rates primary and lower secondary
	Coverage ratio in nurseries
	Schools (per 1000 people)
Labor Markets and Economic Opportunities	Employment rate (with registered employment only from business statistics)
	Labor market tightness (ratio of registered vacancies over registered unemployed)
	Gross real wages
Health	Medical establishments for hospital aid (per 1,000 people)
	Medical centers (per 1,000 people)
	Dental centers (per 1,000 people)
	Number of beds in the medical establishments for hospital aid (per 1,000 people)
	Number of beds in the medical centers (per 1,000 people)
	Physicians (per 1,000 people)
	Dentists (per 1,000 people)
	Medical specialists on 'Health cares' (per 1,000 people)
Housing	Dwellings per 1000 people
	Overcrowding (Persons per room, PPR)
Demography	Annual population change
	Dependency ratio
	Population density
	Mortality rate
	Net migration Rate
	Child mortality rate

Sources: The Index is constructed by the World Bank based on official NSI data, including NSI Population statistics, NSI Justice and crime statistics, NSI Healthcare statistics, Employment Agency, NSI Business statistics, NSI (Regions, districts, and municipalities in the Republic of Bulgaria), NSI Healthcare statistics.

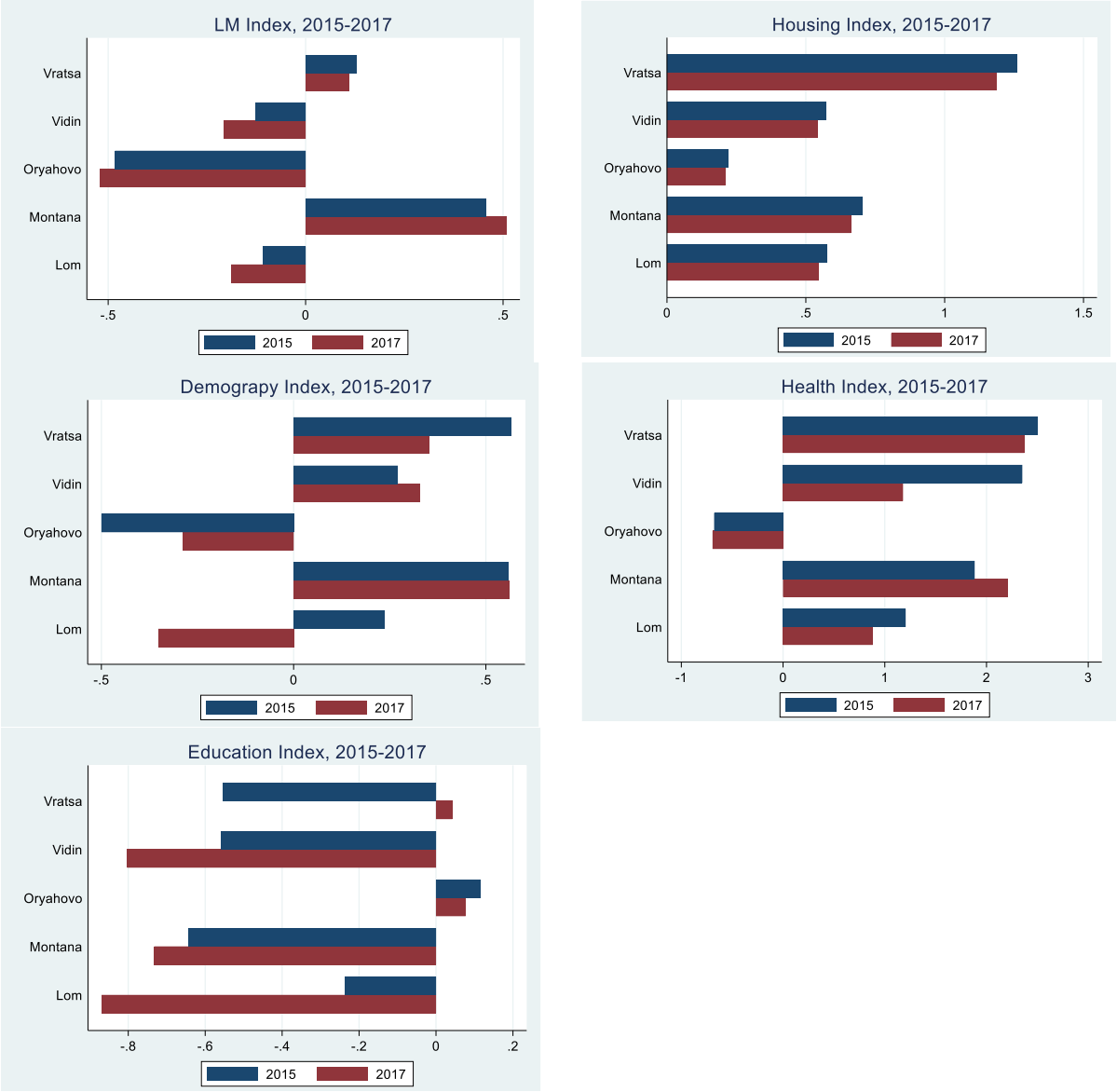
The interpretation of the IMD scores is as follows:

- *Positive z score*: Above the mean - less deprived than the average municipality.
- *Negative z score*: Below the mean - more deprived than the average municipality.
- *Zero z score*: At the mean - equally deprived with the average municipality.
- A z-score of -1.4 indicates that a municipality is 1.4 standard deviations below the mean. A municipality in that position would have done as well or better than 8% of the other municipalities (assuming normality) - less deprived than 8% of municipalities.
- A z score of -2 indicates that a municipality is two standard deviations below the mean, or near the bottom 2.5% of distribution (assuming a normal distribution).

A dashboard with the indicators, as well as the IMD, can be accessed at: Bulgaria Subnational Inclusion Dashboard and Maps.

The sub-indices for each sector for the five municipalities are also presented in Figure 9.

Figure 9: Index of Multiple Deprivations8/ (IMD), Labor Market (LM), Housing Index, Demography Index, Health Index, Education Index



Source: World Bank estimates based on official NSI data, including NSI Population statistics, NSI Justice and crime statistics, NSI Healthcare statistics, Employment Agency, NSI Business statistics, NSI (Regions, districts and municipalities in the Republic of Bulgaria), NSI Healthcare statistics.

ANNEX 6: Summary of Behavioral Diagnostics

The objective of the behavioral diagnostic was to map the key bottlenecks to enhanced integration of marginalized communities in NW Bulgaria, particularly through housing programs and policies. Mapping of bottlenecks involving different actors is fundamental to identifying actionable solutions to improve the housing conditions of marginalized groups. This involved a mapping of the operational process of housing programs as well as a mapping of the beneficiary journey (residents of marginalized communities) - specifically, evaluating bottlenecks in policy formulation and implementation (procedures, information, delivery) on the supply side, and housing needs, views of programs, aspirations, and the social context on the demand side.

Bottlenecks to housing inclusion among marginalized groups in NW Bulgaria are numerous and take many forms, though commonalities across ethnic groups and housing transition statuses exist. The diagnostic uncovers structural and behavioral bottlenecks unique to specific ethnic groups and circumstances, highlighting that a wide range of policy interventions must be considered to address housing exclusion among marginalized groups in NW Bulgaria. However, many of these bottlenecks are independent of ethnic group or type of transition being considered.

While the Bank team's fieldwork uncovered the possibility of many housing transition scenarios, the team could only identify bottlenecks for a subset of these. Given the limited number of options for marginalized households to improve their housing situation, the team was only able to identify bottlenecks in a subset of housing transition statuses (see the full list of scenarios in Table 8). Among those currently in marginalized (non-social) housing, the two most common scenarios are moving to social housing and upgrading the existing property's legal status (which is not legalization per se, but rather protection against demolition). While aspirations exist for moving to upgraded (non-social housing) properties and upgrading existing property's physical status, these scenarios are rare and thus were not discussed in detail by participants or municipal experts.

Table 8: Housing transition scenarios

Current housing status	Move to social housing	Move to new/ build new	Upgrade legal status	Upgrade physical status
Marginalized housing	Common	Rare	Common	Rare
Social housing	Rare	Rare	n/a	Common

There are numerous factors that explain why upgrading existing marginalized housing or moving to new (non-social) housing are rare. In general, the process of building compliant housing units is poorly understood and expensive for marginalized groups. Information on securing land ownership, obtaining a building permit or upgrading dwelling is scarce and not formally disseminated. Moreover, proving compliance with building regulations is costly to establish. Moreover, there is a lack of knowledge around housing subsidies and housing finance. Both experts and beneficiaries did not know about rental/home ownership funding options beyond social housing. Lastly, and most importantly, there is a very low penetration of housing finance, both from public and private sources. Financing that does exist

is inaccessible to marginalized households. Few banks offer mortgage products for properties that cost less than BGN 1,000 per month.

Common bottlenecks across all ethnic groups and housing transitions

Across ethnic groups and housing options being considered, the design of housing programs excludes key vulnerable populations. Eligibility criteria restrict access of the most marginalized groups to housing programs. In effect, a household that needs the program and would benefit the most tends not to qualify for them.

Demand for housing programs is high, but few options exist outside of social housing, which is viewed as a "last resort" for vulnerable households. Among vulnerable housing dwellers, improvements to current dwellings are more favorable than social housing, but this option is virtually nonexistent.

Information on program processes, including eligibility requirements and the application process, is scarce. Limited information (official and public-facing) about existing programs leads to misinformation and over-reliance on personal networks to learn about benefits.

Implementation of housing programs is generally ad-hoc and based on individual interpretation and interpersonal interactions. Access to housing programs (both in terms of information and the benefits themselves) is conditional upon the interaction between beneficiaries and municipal authorities. Transparent application and selection processes are not in place, possibly leading to an inefficient distribution of benefits.

Bottlenecks to accessing social housing

Through fieldwork, the team identified various bottlenecks in the efficient operation of social housing programs. Figure 9 maps out program bottlenecks and beneficiary levels, dividing these between program design, dissemination, and implementation.

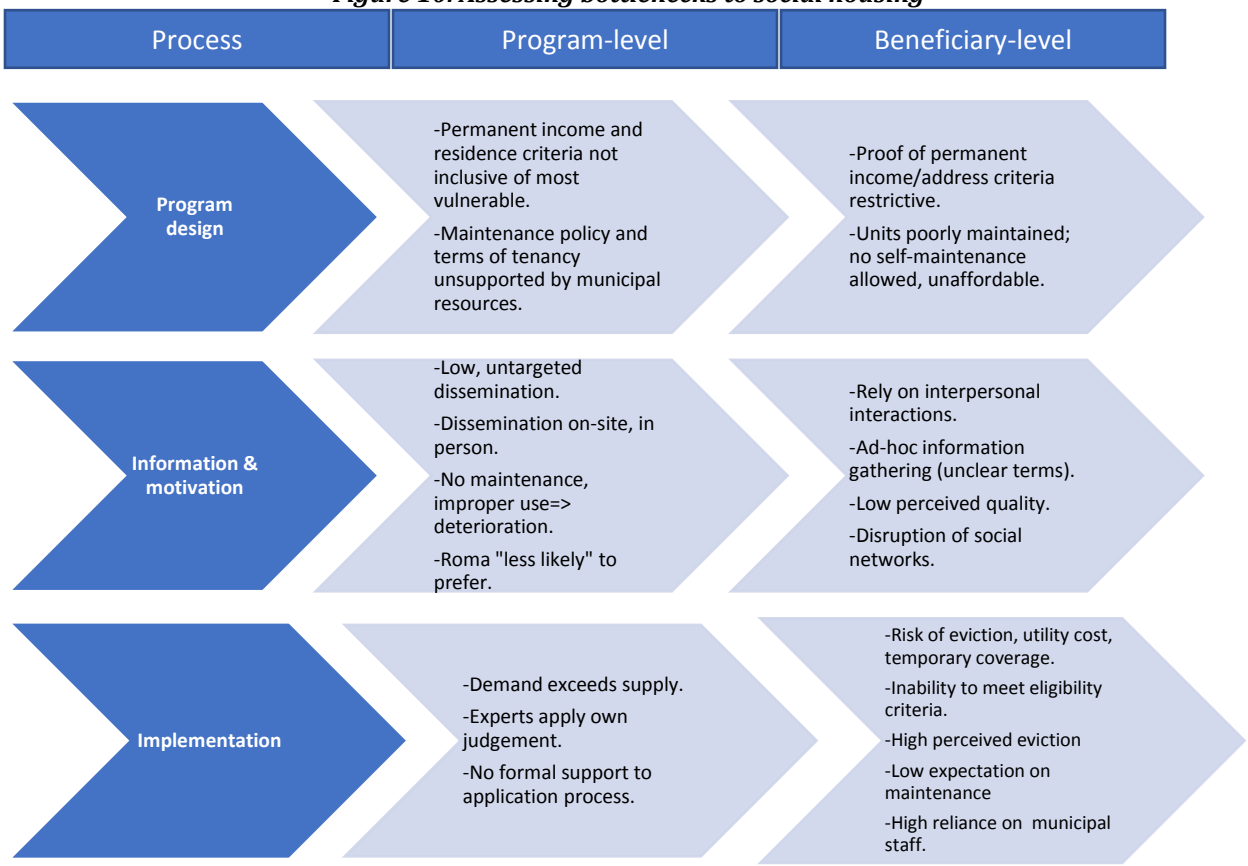
In terms of social housing program design, the most salient bottleneck appears in the eligibility criteria. While common across all housing programs intended to improve inclusion among marginalized groups, eligibility for social housing tends to be particularly restrictive in terms of access. Two criteria in particular – proof of permanent income and established residency – are challenging for vulnerable groups to meet. Unintended consequences from eligibility criteria are further complicated by fixed tenancy terms, which further serve to limit participation.

The information regarding social housing is not well disseminated by the municipalities. Both government officials and beneficiaries report that the best way to get information is in-person and on-site or by word-of-mouth. Limited formal information leads to misinformation and lack of clarity of program terms. Poor communication – in addition to units being viewed as being in disrepair – affects people's motivation to pursue participation in social housing programs when information is confusing, unclear, or discouraging.

The field perception assessment indicated that sometimes officials apply flexibility to the eligibility criteria for families in need and/or apply their own judgment. As a result, the program is seen by beneficiaries as something hard to predict and understand, suppressing their demand for the

program. Even when beneficiaries decide to apply for the social housing program, no formal support exists for application, and they are heavily reliant upon municipal staff.

Figure 10. Assessing bottlenecks to social housing



Bottlenecks to upgrading existing social housing units

While social housing is meant to be an alternative to other marginalized (and often non-compliant) housing, fieldwork nonetheless uncovered demand for better living conditions. In addition to the need to finance improvements of their current dwelling, social housing dwellers face the additional challenge of having to navigate rules and regulations about the use and improvement of their unit.

From the standpoint of the design of social housing, rules and regulations surrounding use can complicate housing inclusion. Fixed tenancy terms serve to suppress demand from those who would benefit most from social housing but also create a sense of uncertainty for existing tenants and limit investments to improve housing conditions. On the other hand, maintenance policies (which limit changes that can be made to units by requiring authorization and the use of public resources) remain unsupported by municipal administrators, leading to poor maintenance of existing dwellings and mistrust of authorities. Housing units remain poorly maintained since local authorities do not fulfill responsibilities, self-maintenance is not allowed, and improvements are typically unaffordable for social housing dwellers.

Perceptions of low quality of social housing units not only suppress demand but often require frequent intervention among those currently benefitting from the programs. Maintenance of units is typically required at the time of moving in and throughout the tenancy in many cases.

From the standpoint of implementation of social housing benefits, there are numerous bottlenecks for existing residents to maintain favorable housing conditions. The risk of eviction from social housing for failure to make payments of rent or utilities (or to continue to meet eligibility criteria over time) is low, but the top of mind for many residents (perceived risk continues to be high despite practice).

Bottlenecks to upgrading the legal status of current dwelling

The team's fieldwork identified various bottlenecks to upgrading the legal standing of existing marginalized dwellings. Figure 10 maps out program bottlenecks and beneficiary levels, dividing these between program design, dissemination, and implementation.

The only existing tool to support legal protection of current (non-compliant) dwellings - the tolerance certificate program - is severely limited in terms of eligibility. Eligibility criteria to progress towards legal protection from demolition are costly to establish (in terms of financial and transaction costs) and not inclusive of the most vulnerable groups.

There is limited information on policies to legally protect non-compliant dwellings, and awareness among all stakeholders is low. Information on securing land ownership, obtaining a building permit, or upgrading a dwelling to established standards is scarce and not formally disseminated (information transfer happens on-site, in-person, in municipal offices); knowledge is limited for both municipal experts and potential beneficiaries, thus both are subject to misinformation.

The process to benefit from tolerance certificates is slow, complicated, and costly. The lack of urgency to improve the legal standing of a dwelling is due to a low perceived probability of eviction and lack of prioritization by municipal experts. The process to benefit from having a tolerance certificate (reliant upon informal support from municipal authorities) reduces motivation to participate in the program and thus limits action and persistence in accessing benefits.

Motivation to seek legal protection for existing dwellings is partly suppressed given the community's lack of success stories. Few fieldwork participants know someone who has benefited from having a tolerance certificate.

ANNEX 7: Social Housing Eligibility Criteria

Table 9: Prioritized groups of beneficiaries under municipal ordinance special regulations on social housing for the accommodation of people with established housing needs

Prioritized Group	Vidin	Vratsa	Montana	Lom	Oryahovo
Families with two or more children	×	×	×	×	×
Single parents of minor children	×	×	×	×	×
Family with one child				×	
Families where one member has a disability level high than the stated percentage	50%	70%	70%	90%	71%
Young families		×	×	×	×
Families to have lived longer in poor housing conditions	×	×	×	×	×

Table 10: Key eligibility criteria under municipal ordinance special regulations on social housing for the accommodation of people with established housing needs

Eligibility Criteria	Vidin	Vratsa	Montana	Lom	Oryahovo
Not owning property usable for housing	×	×	×	×	×
Not owning properly for commercial use	×	×	×	×	×
Permanent address in the municipality for at least five years without interruption	×	×	×	×	×
Never squatted in public housing	×	×	×	×	×
No financial obligations to the municipality	×	×		×	
No ownership of motor vehicles (subject to disability)		×	×		

Table 11: Critical eligibility criteria under municipal ordinance special regulations on social housing

Eligibility Criteria (for all members of the family)	Vidin	Vratsa	Montana	Lom
The maximum term of accommodation is three years	×	×	×	×
Not owning real estate property	×	×	×	×
Must be a Bulgarian citizen	×	×	×	×
Or people with international protection, humanitarian status, residence permit, etc.				×
Have a registered address in a municipality for at least five years without interruption for all family members		×	×	
Have a registered address in a municipality for at least five years without interruption for at least one family member	×			×
No ownership of motor vehicles (except people with disability)		×	×	
Gross monthly income per family of 2 or morepersons not exceeding minimum salary (BGN 650) for a year ago		×	×	
Have a regular income		×		

Never squatted in municipal housing	×			
Have not squatted in municipal housing during the last five years		×	×	
Have not squatted in municipal housing during the last year				×
No financial obligations to the municipality		×	×	
Not to be registered as sole traders, not to participate in commercial companies, and not to be members of cooperatives	×			×
Additional criteria				
Unemployed to be registered in Employment Bureau	×	×	×	×
Children enrolled and regularly attending kindergarten and school	×	×	×	×
Children registered with a general healthcare practitioner for performing mandatory immunizations and conducting preventive medical examinations	×	×	×	×

ANNEX 8: Stakeholder Mapping

During FY20, a World Bank multi-sectoral team (Poverty, Urban, Social, and Digital) conducted a stakeholder mapping exercise to identify critical stakeholders working on the Roma inclusion agenda. The team held external consultations with a wide range of stakeholders from the government, development partners, and non-governmental organizations to consult and brainstorm ideas and priorities on Roma housing. Consultations were complemented by desk research to get a more granular picture of the different programs. The main objectives were to (i) validate some of the key challenges and constraints to accessing housing, as identified in previous analytical studies, with local stakeholders; (ii) map existing activities and programs initiated by different actors; and (iii) based on the findings, identify key entry points for engagement, focusing on areas in which the World Bank can add value compared to other stakeholders in Bulgaria. The following matrix summarizes the list of agencies met to date and the critical areas of focus of the programs reviewed.

Institution	Program(s)/Name/ Research	Brief Description	Website
Council of Ministers, National Council for Cooperation on Ethnic and Integration Issues	Coordinate development and implementation of National Roma Integration Strategy of Bulgaria (2012-2020) Establishment of a monitoring system for tracking outcomes under the National action plan	Establishment of a Monitoring System for the National Roma integration strategy in the 5 priority areas for the European Commission (EC) (financed by the EC). Designing a questionnaire to be administered to municipalities to determine the extent of legal and illegal construction, particularly in Roma neighborhoods, and whether municipalities have proper zoning, number of vacant plots. Led a nationally representative survey (joint with Ministry of Labor and Social Policy) in 2014/2015 to identify pockets of marginalization, with the purpose of constructing ethnic disaggregated indicators	http://www.nccedi.government.bg/index.php/en
Ministry of Labor and Social Policy	Different types of social welfare support related to housing	They have the following types of social welfare support related to housing: 1. Targeted support for rent payment of municipal social housing • Eligibility requirements: must live in municipal housing, the municipal housing rental contract must be signed with the person applying for targeted social benefit for rent payment - if there is no municipal housing available (stock is low), they cannot receive this subsidy • In general, they aim to target 3 vulnerable groups: a) Orphans until the age of 25; b) Elderly people (>70 years, without any additional $ support); c) Single parents; an income criterion is also applied (250% of the differentiated minimum income - 75 BGN per month) 2. Targeted housing support to people with disabilities: • Monthly support for people with disabilities • Single persons with permanent disability and single parents of a child with a permanent disability have the right to use municipal housing programs for accommodation purposes.	https://www.mlsp.government.bg/index.php?section=CONTENT&I=186&lang=_eng

Institution	Program(s)/Name/ Research	Brief Description	Website
		The lease is concluded with them or with their legal representatives, when relevant. • The targeted assistance is in the amount of the legally defined rent under the Municipal Property Act, and it is transferred from the Social Assistance Directorate after the respective municipality provides the Directorate with documentation declaring the costs. A housing committee at each municipality decides on the requests for support; the SAA officials often sit on this committee. 3. <u>Provision of social services that are related to housing – several types:</u> • Temporary accommodation in centers (up to three months, but can be extended if needed) • Temporary accommodation in shelters (only for the night; receive medical care and dinner; leave in the morning). Note: can be available to those who have applied or not applied to social housing • Long-term accommodation of elderly at homes for elderly • Long-term accommodation of people with mental disabilities at homes for people with mental disabilities Special project on Social Housing for vulnerable populations in Burgas, Vidin, Devnya and Dupnitsa - Integra Program (implemented during the previous program period for EU funds, 2007-2013) • They implemented a project on social housing (co-financed by the two managing authorities and under two operational programs, on regional development, and on human resources development; the latter provided support in the form of soft measures to the dwellers of social housing) • Social housing is different from municipal housing (we must check to what extent rent payments are equal in both with a municipality such as Vidin).	http://integrobg.org/files/11_case_study_report_art_7_2.pdf

Institution	Program(s)/Name/ Research	Brief Description	Website
		• Suggestion: meet the municipal administration of Vidin and inquire about the current state of the social housing built under the above-stated project	
Trust for Social Achievement NGO	Research and Projects in several areas Housing: Program "Urban Planning – Everybody Wins"	Trust for Social Achievement (TSA) has programs in several areas (education, maternal health, etc.), including housing. TSA piloted the program "Urban Planning – Everybody Wins" in three municipalities (Kyustendil, Peshtera, and Dupnitsa) with longstanding Roma communities to zone and legalize informal settlements. The awarded project promotes slum regulation, access to land, basic services, infrastructure, and urban legislation. TSA's work to zone and legalize Roma neighborhoods includes community-based action groups, the introduction of green and public spaces into urban planning, and access to basic services such as safe drinking water, sewage systems, and waste removal. Once they create zoning plans, they helped Roma families to purchase land and update their homes. With this project, TSA was selected to travel to the United Nations headquarters in New York City to receive a "Sustainable Cities and Human Settlements Award for Outstanding Contribution." TSA is also working in partnership with some municipalities to pursue legal changes to pursue urban planning.	https://us4bg.org/projects/trust-for-social-achievement/
Open Society Institute (OSI)	Quantitative and Qualitive Research on Roma inclusion in several areas Housing: Geocoding mapping of Roma neighborhoods	Working on qualitative and quantitative research to inform evidence-based policies on Roma inclusion in different areas, including education, employment, health, housing and living conditions, and social norms. OSI is starting a project on Roma housing. This work involves constructing geocoding mapping of Roma neighborhoods, including an assessment done by social workers covering all Roma neighborhoods (~800). They are starting to geocode this database (available early 2020). Assessment estimates of Roma population: 700,000 vs. Census (400,000). Cadaster provides info on	https://osis.bg/?page_id=849&lang=en

Institution	Program(s)/Name/ Research	Brief Description	Website
		plots and ownership and covers some of the Roma neighborhoods (https://data.egov.bg/). Recent Research and Roma inclusion projects: *"Bridging Young Roma and Business – Intervention for inclusion of Roma youth through employment in the private sector in Bulgaria and Hungary*" http://bridgetobusiness.eu/public/portfolios/view.cfm;jsessionid=A9D27560AA10A72F0DD374F63AC5441A?id=89 *2019* – PusH – Precarious Housing in Europe. Pushing for innovation in higher education, Grant Agreement No.: 2019-1-DE01-KA203-004986. *2019 – Roma Early Childhood Inclusion (RECI+) report Bulgaria, funded by the OSI – London, UNICEF and Roma Education Fund.* *2016 – Creating methodology and carrying out a longitudinal research on the feasibility and acceptability of the Nurse - Family Partnership pilot project,* funded by the Trust for Social Achievement Foundation. 2016 – 2018 *IN FOR A STRONG EQUAL START, World without Borders and OSI – Sofia in coalition of 18 Roma and Pro-Roma NGOs,* funded by the OSI – Budapest (2016 - 2018). 2016 Designing and implementation of a system for monitoring, evaluation, and control of implementation of the National Strategy of the Republic of Bulgaria for Roma Integration 2012-2020 (2012 - 2020). *03.2015-10.2015, Follow up data collection for the impact evaluation "Bulgaria: springboard for school readiness"*	
UNICEF	Research and projects in four thematic areas related to children	UNICEF has programs in four thematic areas: 1.Childcare and ECD 2. Inclusive Education	https://www.unicef.org/bulgaria/en/reports/research-social-norms-which-prevent-Roma-girls-access-education

Institution	Program(s)/Name/ Research	Brief Description	Website
		3. Prevention and Response to Violence 4. Partnership and Communication to Social Change No studies on housing but recognize that lack of access to housing is linked to other issues including domestic violence, overcrowding, low levels of immunization, lack of access to documents on their property. In the districts of Zuma and Montana, they have some projects on the following: ○ Establishing new community centers to support families to access education and other services ○ Mapping of vulnerable families and children	
Informal group of Ambos on Roma Issues: UK	Advocacy	Limited advocacy work on Roma issues	
Institute for Population Study, Bulgarian Academy of Sciences	Qualitative and Quantitative Research	Research on Roma inclusion covering several areas Recent Research: • "Integrated Model for Work with vulnerable groups: cessation of the marginalization of the Roma in the town of Kyustendil via generating a model for community development (2014-2016)" • "Objectives, Priorities and Policies concerning the implementation of the strategy for demographic development of the Republic of Bulgaria (2014-2016)" • "Identifying and Reducing prejudices as a source of conflict between Roma and Non-Roma Population – cases of Bulgaria, Italy, Romania, and Slovenia compared (Redupre)," 2013.	http://www.iphs.eu/n/en/departament-demografiya-2/vazproizvodstveni-protzesi-i-strukturi-na-naselenieto.html
Informal group of Ambos on Roma Issues: Switzerland	Programs in health and education (ZOV Programme)	ZOV Programme (Health and Education for all)-Bulgarian Swiss Cooperation Programme of Social Inclusion of Roma and other Vulnerable groups: Pilot model implemented in Bulgaria at the local and national level using the Swiss experience on access to good quality education and healthcare for children and young parents.	

Institution	Program(s)/Name/ Research	Brief Description	Website
	Housing: Integrated Approach for Roma Inclusion in Montana Municipality" Mapping report	Target groups: children and young families in six regional centers. Integrated Approach for Roma Inclusion in Montana Municipality Mapping report: Mapping Roma neighborhoods in four targeted settlements. The long-term goal is to provide a reliable database for the planning and implementation of subsequent municipal policies and activities (as well as for evaluating their results), aimed at integrating citizens of the municipality. These policies are called in national and local documents - on Roma integration.	
Informal group of Ambos on Roma Issues: France	Institutional and technical cooperation with NGOs and collaboration with the Bulgaria Academy of Sciences Housing: Small scale census	The French embassy has institutional and technical cooperation with several Roma NGOs. One collaboration is with "Water and Life NGO" on access to water. Collaborating with the Bulgarian Academy of Sciences to launch a contextual database (a small-scale census) of segregated neighborhoods.	
Habitat for Humanity NGO	Program for prevention of child abandonment Housing: "Social protection and alleviation from deprivation for at-risk children and adolescents in Bulgaria through improving living conditions and other community-based support" - micro-finance	NGO is working in decent and affordable housing among Roma communities. In 2008, Habitat for Humanity (HFH) started with a program for the prevention of child abandonment. HFH also started a program, "Social protection and alleviation from deprivation for at-risk children and adolescents in Bulgaria through improving living conditions and other community-based support," which provides interest-free loans (e.g., Micro-finance Program /Loans without collateral) and support capacity building. The program started in July 2014 and allows low-income families living in poor housing conditions to improve their homes. These interest-free loans range from 200 to 1000 BGN (about €100 to € 500) and are re-paid in small monthly installments for up to a one-year period. This amount can cover the costs of some urgent home repairs. The eligible families are	https://www.habitat.org/

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	program/loans without collateral	usually beneficiaries of the partner NGOs and their various social services such as family counseling, adult education courses, training, health care, and many others. HFH is pulling out of Bulgaria (programs will end of the end of June 2020).	
Bulgarian Academy of Science, Institute for the Study of Society and Knowledge	Building Bulgarian contextual database on segregated neighborhoods Research	This project is done in collaboration with the French Embassy and includes a map of all illegal settlements. They have 40 neighborhoods, but the goal is to cover more than 3,000 neighborhoods nationwide. This work includes data on housing, employment, child trafficking, and the proportion of illegal houses in the settlements. Recent Research: • "Civil Society Monitoring Report on Implementation of the National Roma Integration Strategy in Bulgaria" • "Social distances and ethnic stereotypes towards the minorities in Bulgaria"	https://bas.academia.edu/AlexeyPamporov
Amalipe Center for Interethnic Dialogue and Tolerance	Projects in multiple sectors, focusing on education. Advocacy and empowerment	Leading Roma organization. Currently, Amalipe runs nine projects within the sectors of: education, health care, social services, and advocacy. Financed by the European Commission, Open Society Institute, Roma Education Fund Bulgarian Ministry of Health. Their main focus area is education. Amalipe has initiated action plans to establish a network for Roma advocacy organizations and for preparing a common advocacy agenda. More than 90 Roma NGOs, CBOs (Community-Based Organizations), and informal groups have been reached and included in civil society mobilization actions that compose nearly all working Roma organizations. This NGO has also organized advocacy campaigns and structures for Roma.	http://www.amalipe.com/index.php?nav=program&id=4&lang=2
National Institute of Immovable Cultural Heritage	Immovable Cultural Heritage	National Institute assisting the Minister of Culture in the implementation of state policy in the field of conservation of immovable cultural heritage, preparing comprehensive assessments and scientifically reasoned proposals for the registration of immovable cultural values. This includes examining Roma social issues.	https://egov.bg/wps/portal/en/egov/institutions/institutions/tute05

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European Union Agency for Fundamental Rights (FRA)	FRA FRA and National Statistics Institute (NSI)	FRA works on fundamental rights and data collection and analysis; FRA implemented in 2016 EU-wide survey on migrants and minorities (EU-MIDIS II). In the area of housing, FRA is undertaking a permanent needs assessment and micro-census of all the persons at risk of eviction. FRA is working with the NSI in designing a national representative survey on vulnerable communities (funded by the Norwegians), including person with disabilities, Roma, etc. Nationally representative sample (~15,000 households, much larger than EU-SILC). Fieldwork was expected in February. FRA Analytical Reports based on EU MIDIS survey: • FRA 2019, "Second European Union Minorities and Discrimination Survey Roma women in nine EU Member States" • FRA 2018, "Transition from education to employment of Young Roma in 9 EU Member States" • FRA 2016, "Second European Union Minorities and Discrimination Survey: Roma selected findings"	https://fra.europa.eu/en
Council of Europe	ROMACT	ROMACT is a joint initiative seeking to assist mayors and municipal authorities to work together with local Roma communities to develop policies and public services that are inclusive of all, including Roma. ROMACT aims to improve the responsiveness and accountability of local authorities, particularly elected and senior civil servants, towards marginalized Roma communities. ROMACT focuses on generating long-term sustained political commitments which are designed to compel member states to sustainable measures for Roma inclusion.	http://coe-Romact.org/
European Union	The European Regional Development Fund	Launch of an EU co-financed housing initiative to provide quality homes within an integrated approach (also addressing employment, education and health challenges simultaneously) for Roma people in four municipalities (Burgas, Dupinitsa, Vidin, Devnya). The	https://ec.europa.eu/info/sites/info/files/factsheet_0.pdf

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		municipalities of Varna, Peshtera and Tundzha are also considering taking up this initiative. The European Regional Development Fund for the pilot initiative on housing has foreseen € 8 million being awarded (so far € 5.3 million awarded to three municipalities).	
National Centre for Regional Development (NCRD)	Spatial Planning and Housing	The NCRD is a public consulting company in the fields of regional and spatial planning, urban design and many related issues under procurement of Ministry of Regional Development and Public Works (MRDPW). The NCRD mainly works in following fields of activities: • Strategic planning and programming documents: National Strategy for Regional Development, National Concepts for Spatial Development, Regional Development Plans and Schemes for Spatial development, Regional/district Strategies, Municipal Development Plans according requirements by the Regional Development Act. • Master Plans of Municipality, Master Plans of Settlements, and or specific areas, detailed plans. • Regulations in the field of spatial planning and regional development. • Analyses and strategic documents of national importance related to key policies for the country's territory. • Analyses and monitoring of housing situation and policy for the whole territory of the country. • Perform feasibility studies on the impact of large infrastructure projects on spatial development. • Maintain statistical and GIS database for the whole country's territory. • Participate in international projects and events. • Provide an opportunity for student internships.	http://www.ncrdhp.bg/en/
National Association of Municipalities in	Local Policy and Finance Team	The NAMRB's activities are focused on three main areas: 1. Representation of municipalities in front of the central government: research, analysis, evaluation, and development	https://www.namrb.org/

Institution	Program(s)/Name/ Research	Brief Description	Website
the Republic of Bulgaria (NAMRB)		of proposals for change and improvement of policy on local government; lobbying. 2. Support to municipalities in executing their powers: studying of municipal opinions and developing consensus positions and strategies; providing a wide range of consulting services and training programs; issuing thematic and advisory guides; providing its own training center for municipalities. 3. Participation in Bulgarian and international forums; and organizational strengthening of NAMRB.	
Equal Opportunities Initiative Association	Legal Program	Developing initiatives aimed at promoting equality in the capabilities of the Roma population through the development and implementation of legal aid and assistance programs; legal education and equal opportunities in the main public areas - education, health, employment and housing. Development of initiatives for local development of Roma population and communities. Promoting relations of mutual cooperation and tolerance between Roma and other groups of Bulgarian citizens.	https://www.equalopportunities.eu/en/

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