



Project:	<i>UNDA 11 Tranche Project “Strengthening the capacities of national and local governments to formulate and implement evidence-based and participatory housing policies and strategies”</i>
Country / City:	Bulgaria
Key deliverables	Technical Assistance – Recommendations to the Operational Programme 2021-2027 based on lessons from “Regions in Growth” 2014-2020 (OPRG 2014-2020)
Timeframe:	2018-2020

1. Introduction and objectives of the report

An objective of this report is to formulate recommendations to inform future policy of the Government of Bulgaria on social housing and the design of the next cycle of the new EU Operational Programme “Development of regions” 2021-2027.

This report is building on the first report of UN-Habitat and UNECE submitted to the Government of Bulgaria (Ministry of Regional Development and Public Works) on 9 February 2020, which covered the findings from the UN-Habitat/UNECE mission to Bulgaria in January 2020.

This report includes:

- Identification of lessons learned, key causes and issues hindering the implementation of social housing programmes in Bulgaria in the current programming period (OPRG 2014-2020) and those faced by local governments to implement the social housing programmes; and
- Analysis and recommendations that could inform the applications in next operational programme for 2021-2027 and the broader national housing policy.

This report refers to the above-mentioned mission of UN-Habitat and UNECE, to various documents supplied by MRDPW concerning programme plans for the two phases: OPRD 2007 - 13; and OPRG 2014 -20; progress reports on the first phase; and any evaluative studies which have been available. It also draws on external sources from UNECE, the World Bank report and Housing Europe. These are listed in the footnotes and at the end of the report.

A further report will follow in May 2020 covering the broader strategic issues and the range of policy issues and linkages to other policy spheres.

2. Lessons learned from recent programmes

Recent EU operational programmes have focussed on two main activities, social housing and improvements to energy efficiency in multi-apartment buildings.

Operational Programme Regional Development (OPRD) 2007-2013

A report on the implementation of the first programme of Operational Programme Regional Development 2007-2013 (OPRD 2007-2013) published in 2010¹ describes the projects under the priority axis 1: Sustainable and integrated urban development or European Regional Development Fund (ERDF) which were designed to support social infrastructure, housing improvement of physical environment and risk prevention.ⁱ

Under OPRD 2007-2013, the housing component of PA1 represented less than 5% of all funding in the programme, according to the 2010 report. Funding for the housing strand totalled over €40m of which 85% was funded by European Commission (EC).²

Projects implemented under this OP comprised two elements:

- A. Renovation and change of use of existing buildings owned by public authorities or non-profit operators in order to deliver modern social housing in compliance with Article 47(2)(b) of Commission Regulation (EC) No. 1828/2006. The 2010 OP implementation report recognised explicitly that “expenditure of new buildings for housing purposes is not eligible”. The activities on new buildings were included later in the OP implementation, according to the OP programme implementation report published in 2014
- B. Renovation of multi-family residential buildings including refurbishment of structural elements and technical vertical installations. There were also plans to undertake energy consumption audits and energy efficiency measures for all projects related to housing.

Overall, the programme was aimed to “*provide better living conditions for citizens and make a contribution to social inclusion through raising living standards and generally improving the quality of life among disadvantaged and vulnerable urban communities.*” It was anticipated that this programme would increase social capital and have positive impacts on health, security, productivity and on community and household investments. The work was planned to improve approaches to energy efficiency in construction but.

Social housing

According to the OP implementation progress report of 2014, the committed funding seemed to have been allocated in full. The report refers to the successful application of partnerships nationally through the programme “Support to Provide Modern Social Housing for Vulnerable, Minority, and Indigent Groups of the Population and Other Disadvantaged Groups”. This had been achieved thanks to the establishment of an inter-institutional workgroup which had assessed and selected project ideas in order to “create a pilot / model for modern social housing and to solve social problems in a permanent and sustainable manner”.ⁱⁱ These were eight refurbishment projects in Dupnitsa, Vidin, Devnya, Varna, Tundzha, Sofia, and Lom.

The 2014 report at the same time informs about the late decision-making during 2014 on the approval of social housing schemes in Varna, Tundzha, Sofia, and Lom municipalities which resulted in the cancellation of the above housing schemes and reallocation of funds to other projects. Reasons for the cancellation of the projects included lack of capacity of some of the local authorities to implement the schemes due to the lack of support from stakeholders, an inadequate infrastructure, lack of capacity to plan and in some cases force major situations due to natural disasters.

By 2014, the OPRD objectives were achieved through a combination of activities on repair / reconstruction of existing (municipal) buildings and new construction. The conditions for the new construction included that the

¹ OPERATIONAL PROGRAMME “REGIONAL DEVELOPMENT” 2007-2013, (CCI 2007BG161PO001) Sofia, October 2010

² The 2014 report p50 shows €25.6m plus 6.3m going into energy and 8m in social housing

apartments would be furnished, accessible to people with disabilities, and local amenities improved. All projects approved were required: 1) not to be segregated and 2) to offer integrated services (education, employment, healthcare, social inclusion) provided by state agencies or NGOs. Eligibility criteria for residents were broadly outlined and would be required to be specified in detail locally. We have some of the relevant guideline documents and criteria but have not referred to them in detail.

Energy efficiency measures

The 2010 report showed this as financially significant with planned investment in excess of €31m and potential for almost 250,000 people to benefit from the investment in their homes. A condition was imposed on programme approval, namely: that the respective intervention should be listed in Article 47(2)(a) of R.1828/2006, requiring prior legislative change. As shown in the 2010 report this meant that interventions in multi-family residential buildings would be supported only after relevant changes to national legislation encouraging owners to create associations as a prerequisite to solve some of the existing problems regarding the housing in the countryⁱⁱⁱ. Home-owner associations had clearly existed by the point at which this programme was included. However, the Bulgarian Union of Homeowners Associations ([CAC](#))³ still argues the case for a proper legal framework.

The specific structural elements for refurbishment were to include roof, façade, windows/doors on the façade, staircase, inside and outside corridors, entrances and their exteriors, and elevators. Vertical technical installations were intended to include items such as water supply, sewage, electricity, heating, communications, fire hydrants. The audit was intended to address issues such as thermal insulation, replacement of woodwork, local installations connected to central heating systems, gas supply connecting pipelines or alternative renewable energy sources.^{iv}

The investments were intended to be targeted after analysis, findings and recommendations identified through a report on the demonstration project for renovation of multi-family residential buildings”. This was intended to reveal good practice for implementation of a much wider programme called Operation 1.2, which can be seen against the background not only of housing policy but national energy policy, with many other elements of the programme aimed at improving the capacity and efficiency of supply systems generally.⁴

Moreover, it was envisaged that specific investments through the residential refurbishment programme would support physical renewal in selected urban areas, providing “saturation with public works for building an attractive urban environment”, which in turn would lead to further investment and development. It was thought that in due course this would also assist in improving environmental quality of settlements and neighbourhoods inhabited by vulnerable social groups. These issues are not however included in the performance metrics/ indicators.

The 2014 report examines the impact of the programme in implementing energy efficiency measures in multi-family residential buildings. The end users are owners in residential buildings who were eligible to receive 50% and (from 2013) 75% contribution towards costs of renovation with the balance funded by loans. The total value of the investment thus increased from €25.6m to €33.3m in expectation (in 2014) of investment benefitting 180 multi-family buildings in 36 towns across Bulgaria. Of these 35 cities submitted 430 expressions of interest and support, with 203 applications for financial assistance and implementation of renovation for energy efficiency: 97 agreements for financial assistance had been executed by completion of the 2014 report.

³ <http://www.cac-bg.org/index.php?p=22674>

⁴ Operation 1.2 was designed to increase the number of households included in the distribution networks for electrical power, gas, water supply and ultimately to contribute to increasing the proportion of electrical energy consumption supplied from alternative and renewable sources.

A smaller stream of funding was also financed in a form known as a “financial engineering instrument for energy efficiency” through the Housing Renovation Fund (HRF). The goal of the HRF until the title “Energy Renovation of Bulgarian Homes” was to provide loans and guarantees to owner associations or individual owners within multi-family residential buildings to implement energy efficiency measures and renewable energy sources. It permitted the applicants to access 25% of the relevant costs. The instrument was for use in residential buildings and was managed by the Corporate Commercial Bank AD under a 10-year contract let in 2012 (following competitive tenders). The total value was €6.3m, (plus €0.5m from the bank) of which €4.9m was destined for investment in loans with subsidized interest rates. The management fee of 23% depended on investment of all the funds by year 10. The contract was due to end in March 2022 but in 2014 CCB went into liquidation / bankruptcy and the scheme ceased to exist having lent less than €0.3m.

Operational Programme for Regional Growth (OPRG) 2014 -2020

The focus was investment for growth, hence the title Operational Programme for Regional Growth, in support of the EU strategy for smart, sustainable and inclusive growth and the achievement of economic, social and territorial cohesion. Projects relating to housing were – as in the earlier phase, two-fold, focussed on

- A. Social housing provision under Priority Axis 1 (PA1): Sustainable and Integrated Urban Development, contributing to the spatial integration of marginalized groups in society and prevention of segregation, isolation and exclusion through modern social housing and social services ⁵
- B. Supporting energy efficiency, smart energy management and renewable energy use in buildings, including the housing sector (through deep renovation of residential buildings) under Priority Axis 2: “Support for Energy Efficiency in support centers in peripheral areas”.

Social housing

Proposals from any of the 39 eligible municipalities had to satisfy guiding principles for selection under PA1 Priority 9a - Investing in health and social infrastructure. Projects were expected to “contribute to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services.”

At least 5% of the aggregate budget under Priority Axis 1 would be directed towards two Specific Objectives:

- 1. “Improving the housing conditions for marginalised groups of the population including the Roma”; and
- 2. “Improving conditions for modern social services” ⁶

According to the programme notification, strong bids would be expected to demonstrate public support and agreement with the projects based on public discussions, campaigns, round tables, etc. before approval and implementation. Representatives of the target users of facilities and services would need to have been involved in discussions, along with other affected stakeholders.

New housing provision arising from this phase of the programme was estimated to total 560 units by 2023. It was recognised that just 65 of these might be delivered by the midpoint milestone in 2018, overtly reflecting learning from the programming period 2007-2013 about how long it can take to develop projects. Project duration (from point of approval) was generally scheduled to be 3 years, with possible extension of the grant agreements according to need. As at January 2020 a total of ten schemes had been approved, representing

⁵ Operational Programme Human Resources Development (OPHRD) 2014—2020 and co-financed by the European Social Fund

⁶ p64 of 2014 report

over €30m. Approval dates range over the period with most during 2018 and so, not yet complete. The earliest was approved in late 2016 and was the only project to have completed construction in Blagoevgrad. The last of this group was approved in 2019 and should be complete by June 2022. Proposals from a further 13 municipalities are under assessment: taken together, these would provide a further 394 properties totalling BGN 27.6m (at average of 60k BGN per unit).

The investment in social housing is accompanied by spending through the Operational Programme “Human Resources Development” (OPHRD) which was known as “Integra” during the 2007- 13 period. In the later period 2014 – 20 the programme refers to the “pilot model for integrated interventions to support marginalized groups of society, including investments for social housing” under OPRG and OPHRD supporting common target groups and beneficiaries. The 2014-20 programme indicated that "soft" measures under OPHRD in 2014 – 20 should start earlier, before development of buildings. Complementarity between programmes is identified as achievable and could be guaranteed through an interdepartmental working group to “oversee the overall policy on deinstitutionalization.”

A section in the 2014 -2020 programme encapsulates headline linkages with a range of other programmes in relation to: environment, transport, innovation and competitiveness, human resources development, science and education for smart growth, good governance and rural development. Human resources development is the only aspect developed in any detail in relation to housing.

Energy efficiency measures

As with the OPRD 2007 – 13, OPRG 2014 -20 projects were also funded to improve energy efficiency in various buildings including residential multi-family buildings. These were aimed at ‘supporting energy efficiency, smart energy management and renewable energy use in public infrastructures, including in public buildings, and in the housing sector’. The scale of the programme in OPRG 2014 -20 is significantly less than in OPRD 2007-13.

Bulgaria sought to achieve certain results with EU support relating particularly to small cities of which there are 28. It was envisaged that proposals would improve energy efficiency in buildings, help reduce residents’ energy consumption, and thus also reducing greenhouse gas emissions. Such achievements would help deliver the national indicative energy savings targets for 2020 set in the National Action Plan for Energy Efficiency 2014 – 20 and aimed to bring better air quality and living conditions to those areas. In due course this investment was expected to produce more cost-effective operation of the public buildings, facilitating more sustainable maintenance and thereby reducing outmigration to bigger cities from the smaller cities and surrounding areas. The ambitions of the programme are modest in reducing consumption of oil for heating, from 2,257 thousand tonnes to 2,254 with fewer than 2,500 households experiencing savings in consumption.

Proposals were also invited from municipalities seeking to assist with deep renovation in support to low income owners of properties built before 1999. Priority was to go to properties rated “C” on energy consumption to be eligible; or projects leading to energy savings of more than 60% as a result of deep renovation. Priority could be given to buildings with the greatest need of renovation and potential for energy savings and support available exclusively for owners who are socially disadvantaged and receive social assistance from the municipality or from the state. No details are available on the number of households targeted to benefit from such investment, or the scale achieved to date.

No use of financial instruments was included in this programme period. This instrument would be significant in order to support low income occupiers with loans for energy efficiency. However, in addition to the coordination elements of social housing, the OPRG 2014-20 refers to coordination and demarcation with the National Programme for Energy Efficiency in Multi-Family Residential Buildings. It was adopted in 2015, with resources of 1 billion BGN, available at up to 100%. An evaluation on this Programme was commissioned from independent analysts was published in 2017. It revealed an extensive programme of works and surveys across

the country with assessments of technical performance alongside cost reports and examination of user satisfaction. Technical performance recorded 73% exact compliance with standards; user satisfaction was high with reduced consumption costs and increased comfort. The study also revealed learning points about: challenges in achieving full consent to participate, user experience during works on site requiring greater quality control, observations about lack of management, and about information and communication before, during and after works including about grant eligibility.

We are aware that a further assessment of energy efficiency needs, and potential measures may be underway within the Ministry of Energy, along with various modelling, to inform future planning.

Lessons from programmes to date

The OP implementation is still ongoing, and it may be premature to draw lessons from the current OPRG. From the experience of the implementation of the OPs 2007-2013 and the activities under OP 2014-2020 so far, several lessons can be drawn.

- A. **Timescales:** Developing project proposals is time-consuming especially given the new projects ideas need to be developed through discussion and collaboration of authorities and relevant stakeholders at different levels. Programme timescales need to take this into consideration, as recognised in milestone planning in OPRG 2014-20 on social housing. Local authorities need to be invited to build the capacities to develop proposals for new projects, for instance, through the establishment of project implementation units to facilitate the preparation of proposals should be set up to start working on local project proposals as early as possible.
- B. **Improve the delivery of the programme through better focus:** capacities of the local authorities are focus on everyday problems and limited for the development of new projects. It is important to focus in the preparation of the new programme on the key priorities such as the refurbishment of the existing housing making it “greener” and energy efficient. To raise the absorption capacity for the project, involve homeowner associations to conduct mass trainings of housing managers to support applications for funding.
- C. **Stronger role of local government authorities in identifying local priorities for projects:** Local decision-making has critical in future identification of problems and opportunities at the municipal level. Based on local needs, local government must drive use of available funding secured by national government. The national government therefore should hold regular meetings with the local authorities’ representatives supporting them in developing approaches and capacities for the identification of needs. In addition, to training of local authorities in mapping needs and formulating projects, establishing project management focal points is necessary to further build capacity of the local authorities for the development of projects which would address the local needs.
- D. **Implementation influence:** Local government personnel (at all levels) could be more involved in the conception of programmes for the operational programme and in exploring, developing and testing how projects might work in practice. The more this happens, the better prepared personnel will be at the local level to respond to proposals quickly and with understanding. Local knowledge and perspectives could usefully shape national bids for funding. In addition, creating channels for using such experiences adds potential to build capacity and professional learning networks which become useful later in approaching sound implementation.
- E. **Collaborative working:** Different ministries have complementary roles to play in planning joined-up programmes which deliver and sustain meaningful sustainable outcomes which are beneficial to health and wellbeing of individuals and communities, support growth and improve the environment. Joining up their activities means proactive development of mechanisms to meet regularly, share information, air and resolve differences, undertake learning together, develop plans and proposals.

There is already widespread recognition of the need for better joint working / partnership, and of the value which could be added. Interinstitutional steering groups need to be established for specific projects activities and hold their meetings, have their information online to support the development of the projects and when the projects are implemented to support the evaluation and identification of lessons learned.

- F. **Beneficiary engagement:** End users should be engaged in processes at an early stage to identify what their needs are and build these into programme design as far as possible. This is relevant whether end-users are vulnerable and excluded or people who are articulate, economically active and expected to contribute financially to programmes. These require appropriately different methods and techniques to be used for communication. Resident panels could help to influence the shape of programmes at different scales. The earlier this happens, and with end user input clearly visible in eventual programme proposals, the more trust can be built, and more progress can be made. Having a sound foundation of relationships of trust with affected communities about general problems, needs and opportunities, makes it much easier to conduct formal consultation about specific proposals at a later stage.
- G. **Learning process:** The Government may consider commission regular studies to collect and organize exchange of best practices using local meetings, the programme website, mass media and social media. Learning is essential to effective outcomes and long-term development, with two key components. One part is about data, which underpins monitoring, project management, analysis and evaluation to feed into future planning. This relies on sound data collection from the outset with good design, an eye on the long term, and recognition of the potential to improve. The second part is embedding learning opportunities – informal and formal. The participants are likely to need to work in a team bringing forward different contributions. They will have different perspectives and shared data contribute to building shared understanding between them on the issues they are dealing with.
- H. **Long-term Sustainability:** Attention needs to be paid to long term maintenance and management services to achieve sustainable solutions: capacity needs to be developed at the local level in form of resources, priority, legal powers and competence. Attention to the importance and role of management and maintenance needs to be part of the project from its inception. These issues came up frequently and extensively, are reflected strongly in the conclusions of the evaluation on energy efficiency.

3. Opportunities in Operational Programme 2020-2027 for social housing programmes

The Agenda for Cohesion Policy 2020-2024⁷ and the Integrated Territorial Investment (ITI) tool⁸ remain key to future programme opportunities. It permits and encourages linkage of broad social housing proposals to other aspects of public policy to meet a range of needs across the population which were identified in the 2010 report on the OPRD 2007-2013 and reiterated in the World Bank report of 2017.

UN-Habitat's 'Housing at the Centre' approach complements these efforts recognizing the need for a long-term vision and commitment to housing sector development. 'Housing at the Centre' promotes housing policy and national urban policy blended in a context of increased importance on housing as an imperative for socioeconomic development and the sustainable future of cities.

⁷ <https://op.europa.eu/en/publication-detail/-/publication/343c1260-cec2-11e9-992f-01aa75ed71a1>

⁸ https://ec.europa.eu/regional_policy/sources/docgener/informat/2014/iti_en.pdf

Housing should be a central element of social and economic policies of a country. In order to place housing at the centre of national urban development, the following fundamental guiding principles should be considered:

- *Housing is inseparable from urbanization.* Housing policies and strategies at national and local levels should therefore be integrated into urban development policies and orchestrated with economic and social policies.
- *Housing is a socioeconomic development imperative.* Housing is a true support for survival making a substantial and prolonged contribution to socioeconomic development of people and cities. While housing provision is important for improving livelihoods, standards of living and welfare, it also accounts for a significant share of wealth and resources that can be an important source of economic growth, employment generation and a major component of the economic development agenda.
- *Systemic reforms, strong states and long-term policy and finance are needed to enable access to adequate housing for all.* National and local authorities should reassume a leading role in responding to housing needs and affordability constraints especially of the poorest segments of the population, being at the helm of formulating, regulating, implementing and monitoring policies. Finance for housing should be established and increased.
- *A simultaneous twin-track approach with curative (upgrading) and preventive (new provision) housing policies and programmes should be promoted* ensuring participatory and coordinated efforts of national and local governments, development finance institutions, the private sector and civil society.
- *Housing and upgrading policies should be accompanied by national strategies* with a detailed plan of action, time frame, and provisions for ensuring that resources are available to implement the actions proposed as well as indicators for monitoring and evaluating. These processes need to be guided by the human rights principles of transparency and accountability.
- *Human rights principles and standards are of outstanding relevance for urban development to lead to socially sustainable and inclusive cities.* Targeting the most poor and groups in vulnerable conditions is crucial if the situation is not to deteriorate, and interventions cannot depart from addressing the root causes that prevent their access to adequate housing.

The Closer to Citizens agenda⁹ outlines the values, ethos and methods which are meant to inform future programmes (2019 – 2024). These serve to remind us that the *process* of arriving at detailed proposals with meaningful sustainable outcomes may be equally important as the *content* of those proposals.

One of the central principles in the Closer to Citizens agenda is the idea of “Active subsidiarity”: involving cities and regions in the decision-making process. The approach recommended here thus structures a process for local development of proposals, emphasising future capacity development and learning which draws on the lessons learned identified above, the main findings of the January 2020 mission report.

The three components of the approach are linked and feed each other. It will be important for applications to reflect and demonstrate interconnectedness. The content of innovation is central to all three but without attention to process before and after, the innovation *per se* would be less valuable. Designed and used together these three components could help to build stronger linkage to relevant EU policies, and,

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<https://cor.europa.eu/en/engage/brochures/Documents/Working%20together%20to%20bring%20the%20EU%20closer%20to%20its%20citizens/3975%20blueprint%20brochure%20FIN.PDF>

cohesion policy investments and sustainable outcomes. The process suggested below, and menu of options could be adapted to work up local ideas and proposals into applications at a later stage.

- for innovation in relation to the content of proposals, in terms of national frameworks and specific local projects on social housing;
- for capacity-building, as an essential prelude to innovative thinking;
- for knowledge and communication, to cement / bind the learning resulting from the innovation and build on the lessons for future planning and policy development.

The rest of this section summarises the three components of the approach.

a) Support for innovative actions

Innovative funding applications are likely to seek support for experimentation in sustainable urban development. They could focus on innovation in governance, strengthening integrated and participative approaches, linking with the policy objectives of cohesion policy, with EU policies and the objectives of the Urban Agenda for the EU. There is a case for developing innovative solutions to urban challenges which are both transferable and scalable. This can be achieved by a commitment to demonstrating effectiveness and consolidating in the mainstream.

Innovation is likely to be key to future funding and offers opportunities to test new ideas. This section is offered as a menu of options around social housing in relation to target groups, legal tenure structures and institutional forms, to inspire local consideration of possibilities which could be relevant in particular areas.

Given that there has been funding in the past for new construction for supported housing, and given the importance of affordable housing in the EU, it should be possible to start by developing sites or re-using buildings (at least partly) in public ownership for new social housing. Social housing would be more broadly defined, for a wider range of citizens, as identified locally in response to known needs.

Possible pilot projects in selected communities:¹⁰

- Linking social housing construction to the integrated urban development. Link social housing construction with spatial planning that includes policies to: efficiently distribute economic activities; improve technical and social infrastructure and services; undertake urban regeneration; provide affordable housing.
- Planning, housing design, maintenance and retrofitting that: promotes healthy living; encourages the implementation of universal design principles in order to increase the usability of homes for all people across generational, gender and disability divides;
- Increase the use of low carbon and renewable energy technologies in social housing; retrofitting and renovating existing housing stock in an environmentally friendly, energy-efficient, affordable and cost-efficient way; making use of local solutions and knowledge when possible; and
- Putting in place strategies to ensure that the architectural design and construction of dwellings apply principles of environmental sustainability, with special regard to climate change mitigation and adaptation. A useful approach given the approval of the [EU Green Deal](#).

¹⁰ Based on Geneva UN Charter on Sustainable Housing, UNECE, 2015

Social housing opportunities/considerations

Aspect	Options
Target groups	<ul style="list-style-type: none"> ○ Vulnerable groups ○ In addition to young professionals starting out; families with children
Period of occupation	<ul style="list-style-type: none"> ○ Short term – months (12) ○ Medium term – years (2-5) ○ Long term – defined or indefinite
Institutional form	<ul style="list-style-type: none"> ○ Cooperative ○ Charitable ○ Restricted profit or not-for-profit (NFP), national or regional coverage ○ Accountable to local government body: area-wide ○ Single national agency accountable to ministry
Basis of charge	<ul style="list-style-type: none"> ○ Economic charge – full economic cost ○ Discount subsidy based on tenure or accommodation provider: up to 100% ○ Discount subsidy based on circumstances of occupier household: up to 100% ○ No charge on ground of eligibility criteria

Examples of all of these operate successfully in various European countries but not in Bulgaria at present. It is unlikely that there already exists in any country a form of social housing that suits Bulgarian circumstances and frameworks exactly: this is where innovation comes in.

Opportunity 4.a.1:

Various possibilities exist in relation to tenure - the balance of ownership and rental. These may of course require prior development as new / revised legal concepts in the Bulgarian legal system but change should be assumed to be possible. Options could include: subsidised partial owner-occupation with long-term low interest loans, full 100% rental (with or without subsidy), shared ownership where resident invests up to 50% equity (from sale or savings or inherited wealth) and pays regular rent on the balance owned by an institution. Or social or quasi-social rental with or without discount.

Opportunity 4.a.2:

The institutional form can vary in scale and in the extent to which the state is involved, or not in funding and governance. Municipal ownership is currently the only option in Bulgaria, other options at a much smaller involve cooperatives – which can exist with or without equity sharing and work well for active renovation settings as well as community regeneration. A further option is housing companies (which could be not for profit entities) partly owned or sponsored by a municipality or other tier of government but managed separately under scheme of delegation and accountable to a board appointed by the sponsor. Housing associations can exist as charitable companies or social enterprises, with residents involved to some degree in governance on the basis of membership of the organisation. A further option is that of a single agency created by the state to provide specialist services across the country with local offices, and including strategic planning, development funding and regulation to other providers.

b) Support for capacity-building

- *Building capacity is about fostering a community of practice supporting urban practitioners and local stakeholders on project formulation, the implementation and the management and monitoring at different levels.*

- *Networks of cities / municipalities can operate based on shared themes, similar level of knowledge or willingness to share innovation.*
- *Establish peer-2-peer exchanges (city-to-city), as well as through the provision of methodological support and thematic expertise.*

Opportunity 4.b.1

In relation to the proposed pilot infrastructure projects, to conduct a series of conferences to promote learning about problems, possibilities and existing practices in Bulgaria in relation to the integration of social housing into urban planning and regeneration, low carbon technologies – to add more to relate better to the first component.. This could usefully attract existing personnel in municipal authorities and new regional authorities, but also engage academics from the university field, relevant business interests and NGOs to build and sustain networks of learning. Local/ regional conferences would have the value of helping to build networks at the local level and apply the ideas to local situations. Conferences could also be organised across regions to bring together interested parties in diverse rural areas, or small towns to compare ideas and practices.

It would be vital to for participants to involve personnel with authority and responsibility and from diverse areas and levels of local government. It would also be important to attract people with a strong appetite for innovation. Those interested to engage and develop could be encouraged into a programme of continuing personal & professional development, sponsored by local and national government with support via operational programme. Learning might include visits or placements within Bulgaria but also in other relevant countries and organisations, afield in Europe, whether in person / groups for intensive visits and/ or using technology to sustain longer term connections. Networks could be identified by the participants and programme coordinators to suit needs and circumstances - such as interest, stage of progress and resource priorities.

c) Support for knowledge, policy development and communication

This component relies on deeper, evidence-based demonstration of facts, policies and approaches along with capturing the results of experience and bottom-up expertise/ knowledge on the ground on the implementation of projects and their management and monitoring. Evaluation, good practice case studies, impact assessments are essential tools to capitalise on shared learning and to share disseminate it through national / international networks, workshops, conferences and digital media.

Municipalities should monitor the management and successes through targeting key groups in their areas based on evidence already collected, new surveys and/or engagement. This can include informal knowledge but has to be formalised in some way as a baseline: that may require support.

Opportunity 4.c.1

To support identification of best practices and their exchange, the government may consider commissioning evaluations to be undertaken by independent bodies commissioned by the state or by state agencies, funded through the programme. They could alternatively be drawn from the academic community with opportunities to influence the supply of informed and qualified personnel to work in various parts of the housing sector.

Local projects would need to set out from the premise that they were part of a pilot / demonstration programme and be subject to examination and scrutiny by others, and potentially amendment in response to evaluation. Residents eventually occupying the projects would need to accept at the start that this might be short term and subject to review but ideally longer than three years, and not necessarily conditional. Detailed planning of buildings and services would need to take account of the timescales.

Network participants at a) could undertake research about process and operation using a common analytical framework defined at the start of the programme based on the overall objectives. They would become key learning managers within localities. They would typically be in coordination roles to support personal and organisational learning rather than in delivery roles.

Funding could help to support posts in local, regional and national government which focus on data, knowledge, communication and learning to help skills in this area to develop and while these practices become embedded. This would contribute to interconnecting the strands together. The three component strands would help build a virtuous spiral of knowledge and intelligence in support of a more robust housing system, with a shared commitment to a strategy and policies and programmes of implementation of new ideas to suit Bulgaria of today and tomorrow. It could help to retain a younger educated population and harness their potential, and bring about a healthier and more attractive environment.

4. Recommendations

Housing policy is inherently linked to the other urban elements, housing should be included in the new integrated approach for territorial investment. Housing is a platform for access to better opportunities, and investing in housing helps boost the overall economy. Below are three key principles of how to place housing at the centre of sustainable urbanization:

1. Put people at the centre: building houses is about building homes for people, and we should leave no one behind. *Focusing on vulnerable groups and definition of clear targeted beneficiaries.*

When developing, formulating and implementing our tools, policies and programmes, we should place people at the centre of our thinking and action. In doing so, our especial attention should be to the housing needs of the poorest and most vulnerable, those who live in on the street, in temporary shelters, and housing with inadequate conditions, including women, youth, older persons, and migrants.

2. Building housing is about building sustainable and inclusive communities and cities. *Linking to energy efficiency measures and better local capacity to better plan and design for project implementation.*

This is where the link with urban planning and access to land and infrastructure become important. Good planning can enable the provision of housing that is connected to livelihood and job opportunities, with access to transportation and other services, contributing to reduce spatial inequalities and urban sprawl. Ultimately designing and building adequate housing means shaping inclusive and prosperous cities and communities. Furthermore, around 40% of global energy is consumed at the household level, inside our own houses. This represents an opportunity for us to innovate, to apply technologies and housing design solutions that will contribute to save energy and use natural resources more efficiently.

3. Housing is a vector for socioeconomic inclusion and development. *Linking to social housing provision with other social measures.*

The nature of the housing sector is one that touches every single aspect of the economy of a country. It also has interface with practically every social development sector. People living in adequate homes have better health, education and higher chances to seize opportunities in cities. A well-functioning

housing sector and access to adequate housing can indeed make a real difference in the lives of our people and the prosperity of our countries and cities. A well-functioning housing market can be a vector for economic development and a potential source of job creation, given that housing investments represent 6% of GDP. For every house built, five jobs are created.

It is important to place knowledge, evidence and learning at the centre of future programmes to innovate for sustainable housing solutions to meet future needs. Drawing on evaluations and impact assessments to inform and apply lessons which can be learned from previous programmes to inform the planning of opportunities ahead and development of future strategy. This section brings these together some key recommendations to consider:

5.1 Refurbishment of building, especially using Estonian example (KREDEX), <http://cityinvest.eu/content/kredex-revolving-fund-energy-efficiency-apartment-buildings>, where homeowners and housing managers were extensively trained in how to access the money for renovation. This should be central part of the whole action. This should include creating lines of trainings to prepare applications of homeowners/associations to access money to refurbishment. To teach people how to manage properties. Please see additional case studies in <http://www.housingeurope.eu/resource-557/structural-funds-housing-in-2014-2020>.

5.2 On social housing the government is invited to consider developing a clear policy and definition: to adopt the Housing Strategy, to establish the clear definition. Please see Annex for definitions of social housing.

5.3 Innovation should be highlighted, including environmental aspects in the relation to refurbishment. Please see examples and good practices in https://vasab.org/wp-content/uploads/2018/06/2016_VASAB_Urban_Revitalisation_inBSR_web.pdf

5.4 A menu of social housing options could be developed for local government to select according to priority and local needs and demands. A condition of funding could be a commitment to ongoing evaluation and transparency in shared learning with others as the next section outlines.

5.5 Make better use of interested parties – local government, NGOs, local communities and end users in the process of planning programmes and projects. Involve through the creation of project advisory groups, organizing local meetings to learn on local needs. Local authorities need to be invited to build the capacities to develop proposals for new projects, for instance, through the establishment under the local governments project implementation units to facilitate the preparation of proposals should be set up to start working on local project proposals as early as possible.

5.6 Ensure that feasible timelines are established for the for delivery of projects and programmes. Efforts should be made to start projects as soon as the funding is received and that it is transferred to the local/local governments for them to carry out the projects.

5.7 Value evidence and start compiling information from the earliest possible stages – statistics, evaluations, etc. on the beneficiaries, on the duration of occupancy, the impact positive/negative on the economy, the source of the materials and labor force used, etc. as basis for learning, inspiration and spreading lessons.

5.8 Protect investment by building sustainable solutions framed in terms of buildings, people and funding. This means incorporating the measures for the management and maintenance of the project from the inception of the project, potentially including the beneficiaries.

Annex

Concept of 'social housing'

Social housing has been and remains central to recent programmes and to the Ministry's intentions for future funding applications. There is interest from many in Bulgaria (inside and outside Government) who would like to see greater clarity about a wider role for social housing, and a common agreed framework as it is linked to many other elements of "urban life" in the cities and regions - education, income, infrastructure, mobility, social services, healthcare, environment, etc.

A UNECE report on [Social Housing in the UNECE region](#), reviewed the term and practice and concluded that while "social housing" takes varying forms in different countries and has no *single* definition, the concept enables governments and interested stakeholders to exchange knowledge about their systems, in particular about that part of the housing system that aims to: ***satisfy the housing need that is supported by the state and distributed through administrative process distinct to their local contexts.***

The concept of social housing is widespread across Europe and context of recent discussions in [EU](#)¹¹ and in the UNECE region. The features and characteristics of social housing throughout Europe vary hugely in terms of scale, population reached, target group, status and governance of providers, funding, period of occupation, regulation and so on. But the need for affordable social housing has never been greater. Housing Europe's profile on Bulgaria cites the European Commission as viewing the limited scope of the social housing measures ... as a call for further dedicated investment.¹²

Recent social housing in Bulgaria features: renting from municipalities, furnished, subsidised, short-term/temporary, supported, selective / highly targeted, conditional and operating on a rather small scale.¹³ This report therefore uses the term "social housing" to mean something wider than the current definition in Bulgaria, to include a range from permanent / long term-rented housing for people who are unable to access or sustain owner-occupation, as well as short term supported accommodation to assist those who are most vulnerable and in urgent need. Although social housing is typically understood to be rented housing it can refer to subsidised forms of owner-occupation such as equity sharing. Ownership in Bulgaria is widespread at 97% with an estimated one third who are low income occupiers (without savings), who may become eligible for financial support for energy efficiency improvements.

¹¹ See "The Housing Partnership Action Plan" (HPAP), from one of four pilot partnerships launched within the framework of the Urban Agenda for the European Union. In 2016, the Partnership welcomed the official endorsement of the Pact of Amsterdam in 2016 and its recognition of housing as one of the urban2 priorities in Europe. In line with the Pact of Amsterdam, the Housing Partnership 'objectives are to have affordable housing of good quality. The HPAP presents actions and recommendations developed between 2015 and 2018.

¹² Member States' profiles of the Housing Sector p6 -7, accessed March 2020 <http://www.housingeurope.eu/resource-1323/the-state-of-housing-in-the-eu-2019>

¹³ The 9 February 2020 report from January mission refers in more detail and in comparison, with municipal housing

Resources

Geneva UN Charter on Sustainable Housing. 2015

Country Profile on the Housing Sector: Bulgaria prepared and published by UNECE (December 1996)

Operational Programme Region Development 2007 – 2013 (CCI 2007BG161PO001) MRDPW (2010)

Model for operational programmes under the investment for growth and jobs goal: Annex to the Commission Implementing Regulation (EU) No 288/2014 (2014)

Social Housing in the UNECE: models, trends and challenges. UNECE (2015).

The Housing Partnership Action Plan (2018)

The EU Housing Partnership recommendations

The State of Housing in the EU 2019: Decoding the new housing reality. Housing Europe (2019)

ⁱ ^^ p96 oct 2010 report

ⁱⁱ [Annual Report \(2014\) On The Implementation Of Operational Programme Regional Development 2007 – 2013](#) p37
accessed 27 Feb 2020

ⁱⁱⁱ P102 2010 report

^{iv} P102 2010 report