

ANNUAL REPORT 2005

Foundation for Local
Government Reform



- » Dialogue
- » Training
- » Information
- » Assistance
- » Twinning
- » Sustainability

FLGR IS AN INDEPENDENT PROFESSIONAL CENTER,
SUPPORTING LOCAL DEMOCRACY

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Dear partners and readers,



In this publication we present the activities of the Foundation for Local Government Reform (FLGR) in the period of January – December, 2005. Established in 1995 by a group of mayors, the Foundation strengthens its position successfully and works as an independent professional resource center, supporting local democracy.

In 2005 FLGR concentrated its efforts on delivering support to integrated local development and participated actively in the development of the Operational programs for the 2007 – 2013 period - with regard to Bulgaria's future membership in the European Union

FLGR supported the elaboration of Municipal development plans.

In 2005 FLGR provided different forms of trainings to over 700 people from the whole country. FLGR broadened its network of international partners in the field of life long learning by participating in two projects within Grundtvig 1 Program, funded by the European Union, in consortium with EU partners.

In 2005 FLGR published 16 printed publications, 50 electronic newsletters and 12 English electronic monthlies, broadcasted 11 Municipal Radio Forum monthly shows in the Bulgarian National Radio's Horizont Program, increased 6 times the number of unique visits to its web site (www.flgr.bg), included another 267 titles in its online library, motivated the municipal specialists to share 177 new innovative practices, awarded the fourth consecutive Innovative Municipality Award, recruited national newspapers and weeklies as media partners and attracted corporate support for its activities, provided expert input for the Communication Strategy on the European Union.

In 2005 FLGR: continued to provide support to projects of Bulgarian regional associations of municipalities and professional associations of municipal officers; supported the institutional strengthening of the Chitalishta Development Foundation; continued to deliver advisory and methodological assistance to Bulgarian municipalities with regard to the establishment of citizen information centers; as a Project Office under SDC's Community Forum, supported the development, monitoring and evaluation of over 120 projects in 24 municipalities; continued to be a participant in the consortium implementing the Sustainability Strengthening Strategy for the Non-Governmental Sector in Bulgaria Project, financed by the Trust for Civil Society in Central and Eastern Europe; supported the implementation of 23 projects under Improving the Social Environment Program, financed by the Charles Stewart Mott Foundation.

In 2005 FLGR expanded its support to local governments with regard to the amplification of the effects from international technical partnerships and the replication of best managerial practices and models. The Foundation initiated the maintenance of a wider dialogue with the national agencies and institutions and continued to participate in national and international networks and to share experience with its partners.

The proven professionalism makes the FLGR team a desired partner of organizations and institutions, working in the field of local development and local self-government.

11-year experience of FLGR contributes to continuously building on and enriching the variety of services provided to partners and colleagues. As in 2005, FLGR will continue to count on teamwork, networking, acquiring new knowledge and introducing innovative practices in order to accomplish its strategic goals.

A handwritten signature in black ink, appearing to read 'Ginka Kapitanova'.

Ginka Kapitanova,
Executive Director

OUR STRATEGIC GOALS:

1. Promote the dialogue and build public consensus for policy change and joint initiatives between local, regional and central governments and their civic partners ... page 2

2. Provide professional development and consulting services to local authorities and their civic partners for better governance ... page 4

3. Provide needed and tailored information to local governments and other customers by using appropriate technology ... page 6

4. Enhance our capacity to support the implementation of projects of NGOs and municipalities ... page 8

5. Assist local governments in establishing international partnerships based on professional interests ... page 10

6. Ensure our sustainability as a non-profit organization ... page 12

In 2005 FLGR concentrated its efforts on delivering support to integrated local development and participated actively in the development of the Operational programs for the 2007 – 2013 period - with regard to Bulgaria's future membership in the European Union. FLGR supported the elaboration of Municipal development plans by providing consulting assistance to 13 Bulgarian municipalities. Representatives of the Foundation contributed to the development and the discussion of several Operational Programs, and together with the Ministry of Regional Development and Public Works organized a series of workshops to discuss the draft Regional Development National Operational Program.

STRATEGIC GOAL 1

Dialogue

In the first half of 2005, the Foundation for Local Government Reform provided technical assistance and consultations for the elaboration of the Municipal development plans (MDPs) of 13 Bulgarian municipalities: **Gurkovo, Dolna Banya, Hisarya, Ihtiman, Kaloyanovo, Knezha, Lyaskovets, Mizia, Panagyurishte, Rakovski, Smyadovo, Tutrakan and Yablanitsa**. A team of regional development and strategic planning experts worked in these municipalities and supported the overall process of MDP formulation, following the Methodological Guidelines on MDP Elaboration and applying the principle of participatory planning through wide stakeholder involvement.



operational Program, Priority 4: **Encouraging Regional and Local Development**. The comments and the recommendations made by the municipal representatives and the District Development Council members will be considered in the finalization of the National Operational Program on Regional Development.



FLGR was an active participant in the development of the 2007 – 2013 Operational Programs. FLGR representatives took part in the National Working Groups on the Regional Development National Operational Program of the Ministry of Regional Development and Public Works; the Administrative Capacity Operational Program of the Ministry of State Administration and Administrative Reform; and the Rural Development National Strategic Plan of the Ministry of Agriculture and Forests.

In the context of the formulation of the 2007 – 2013 Operational Programs and their consultation with local and regional socio-economic partners, FLGR held a series of workshops – a joint initiative with the Ministry of Regional Development and Public Works – to discuss the draft Regional Development National Op-

FLGR was a co-organizer of the first national conference of municipal council chairpersons titled **„Formulation, Financial Support and Adoption of the Municipal Development Plans“**, held in Hisarya in January, 2005.

As a part of the implementation of a project under the Communication Strategy on Bulgaria's Accession to the European Union, FLGR developed a study **„Readiness at Local and Regional Levels for Bulgaria's Membership in the European Union. Pre-Accession Financial Instruments and Structural Funds of the EU“**. The study presented the existing challenges faced by the municipalities with regard to the upcoming accession of the country to the European Union in the following areas: legislative harmonization; administrative capacity building; increasing the awareness of the role and the importance of the local and regional administrations in the accession process.

In October, 2005 FLGR developed a **Concept on the Establishment and Functioning of a National Rural Development Network in**



Bulgaria, commissioned by the Ministry of Agriculture and Forests. The public consultation of the draft Concept included a variety of events: public internet forum, more than 15 national and regional seminars, a radio broadcast, FLGR publications, questionnaires and feedback from more than 170 organizations, municipalities and institutions throughout the

country. All comments and recommendations have been incorporated into the final version of the Concept.

FLGR developed a study on **the implementation of the partnership principle in local and regional development in Bulgaria**. The

study was conducted under assignment by the United Nations Development Program and provides an analysis of the partnerships between municipalities, non-governmental organizations and businesses, the inter-municipal cooperation, and the support to the small municipalities in regional development planning and project development. The study also presents best practices in the above-mentioned areas. The conclusions were presented and discussed at a roundtable on **Partnerships in the Planning and the Absorption of EU Structural Funds for Regional Development. Lessons Learnt from EU Member States**. The roundtable was organized by UNDP and MRDPW in October 2005.

On behalf of the National Association of Active Municipal Councils` Chairpersons in the Republic of Bulgaria, I would like to express our most sincere gratitude for the partnership in the organization and the holding of the first national conference of municipal council chairpersons, „Formulation, Financial Support and Adoption of the Municipal Development Plans“: The assistance and the expert support you provided are a positive sign for the governmental and non-governmental sectors` ability to interact and support each other in the making of the most important strategic decision of the municipal councils during the current term - the adoption of the seven-year municipal development plans. I believe that our cooperation will continue in the future, as a guarantee for the provision of adequate solutions and practices to local governments` problems.

Andrey Zahariev, Chair of the Board, National Association of Active Municipal Council Chairs in the Republic of Bulgaria



Please, accept my sincere gratitude for your assistance which enhanced and directed the efforts of the municipal team involved in the formulation of the municipal development plan. We hope to have a similar mutual and beneficial cooperation in the future.

Valko Makaveev, Mayor, Municipality of Hisarya

In 2005 FLGR provided different forms of trainings to over 700 people from the whole country. 12 new trainers were certified. FLGR broadened its network of international partners in the field of life long learning by participating in two projects within Grundtvig 1 Program, funded by the European Union, in consortium with EU partners. A Memorandum of Understanding with the United Nations Thessaloniki Center for Public Service Professionalism (UNTC), Greece, was signed.

STRATEGIC GOAL 2

Training

More than **200 participants** attended the trainings on **Elaboration of the Municipal Development Plans**, which were held in early 2005 in six Bulgarian cities (Montana, Blagoevgrad, Lovech, Plovdiv, Varna and Sliven). The purpose was to assist the municipal specialists involved in the preparation of municipal development plans.

The **Teamworking** training seminar continued to be offered in 2005. This training is available to municipal administrations' teams and was used by 9 municipalities (Sapareva Banya, Pazardzhik, Krichim, Dolna Banya, Kostenets, Sliven, Malko Turnovo, Sandanski and Knezha). A total of 180 municipal employees learned the rules and the characteristics of an effectively functioning team; communication and trust building within a team; dealing with interpersonal conflicts and conflicts between

organized by FLGR's Training Center.

FLGR's Training Center and the St. Kliment Ohridski University, Sofia, continued to organize **post-graduate courses**. The 2005 topics included: human resources management; protocol and etiquette; strategic planning; administrative management; life-long learning management; project development and management under EU programs. **A total of 139 trainees** completed the courses successfully and were awarded specialization certificates from the University of Sofia.

Representatives of the National Association of the Mayoralties in the Republic of Bulgaria completed training on **project development**. They were given practical guidelines on the development of project ideas and proposals. The discussions were focused on problems associated with different approaches of identifying a project idea; stakeholder identification; basic components of the project proposal, characteristics of the application forms, the logical framework and the budget of a project idea.

FLGR held a long-term training on project development, targeting the teams of the 40 JOBS centers (Job Opportunities through Business Support, a project implemented by the Ministry of Labor and Social Policy with the support of the United Nations Development Program). The training included three modules: an introductory module on the European Union policies; a four-day practicum on project development and evaluation; and a concluding two-day course on project management, monitoring and reporting. As a part of the practicum, the participants developed 22 projects. 85 specialists from the local business organizations passed a test and received a certificate from FLGR's Training Center.

In 2005 FLGR continued to work under the **ILME Project (Implementation of Life-Long Learning Management through Different Educational level Establishment)**, funded under EU's Socrates Program, Grundtvig 1. A five-day training module on life-long learning management in educational and training institutions was developed. The course targeted life-long learning managers. The project is being implemented in partnership with five other countries: Estonia, UK, Italy, the Netherlands and Germany.

The purpose of the second project under the Grundtvig 1 Program, **ALAVA (Adult Learning**



teams; leadership and basic managerial and organizational skills of a manager; distinction between team and administrative group, etc.

With regard to Bulgaria's upcoming accession to the European Union, FLGR prepared and held two pilot trainings on **Preparing the Municipalities to Effectively Absorb the EU Structural and Cohesion Funds**. **90 representatives** of municipal administrations and municipal councils from the Smolyan and Blagoevgrad regions attended the two seminars, held in Smolyan and Blagoevgrad.

FLGR's team of external experts was complemented by **12 new lecturers** who completed a training-of-trainers course. These lecturers now participate in trainings and seminars or-

as an Added Value to the Activities of Community-Based NGOs), on which FLGR worked in 2005, is to support the strengthening of non-governmental organizations in small municipalities and their transformation into training centers. A study was conducted under the project on the local needs of the Bulgarian participants and training modules were prepared on the following topics: preparation for work; personal development; project development and local community development. The trainings will be held in five Bulgarian municipi-



palities. In this project, FLGR is partnering with 6 other organizations from Germany, Bulgaria, UK, Poland, Romania and Switzerland.

In 2005 FLGR shared the Bulgarian experience with local government representatives from the Eurasian region. In February, FLGR provided training on **strengthening the capacity of the municipal councils** to 8 representatives of municipal councils and members of the Armenian Association of Municipal Councilors. The training was focused on sharing best practices with regard to the role and the responsibilities of the municipal councils, the relations with the mayor and the municipal administration, the interaction with the citizens, the decision-making process, citizen participation and public discussions.

In June, 2005 the Council of Europe, Urban Institute (Georgia) and FLGR organized a study visit on **Administrative and Territorial Reform** for an official delegation of the Georgian government that works on decentralization and administrative and territorial reforms in Georgia.

In 2005 FLGR continued to inform Bulgarian local government representatives about the achievements of their European counterparts. In June, FLGR and World Learning organized a study visit to the Czech republic on „**Business Retention and Expansion. Recruitment of New Investment to the Municipalities**“. The participants had the opportunity to study the

Czech experience in investment recruitment, with a special focus on the preparation and the development of industrial parks. Public-private partnerships, cluster formations and other experiences were also studied.

In December, 2005 FLGR signed a **Memorandum of Understanding** with the United Nations Thessaloniki Center for Public Service Professionalism (UNTC), Thessaloniki, Greece. The Center was established in 2000 with the purpose to support public service reforms in the Central, Eastern and Southeastern Europe countries. UNTC was established under the guidance of the United Nations Department of Education and Social Affairs (UNDESA) and is a part of the United Nations Online Network in Public Administration and Finance (UNPAN). FLGR and UNTC will work together in the following areas:

1. To increase public service professionalism and improve the quality of public services;
2. To promote effectiveness and transparency in the public administration;
3. To support dialogue between public administration, businesses and the civic sector;
4. To establish a regional information exchange network.

Our newly established NGO, Civil Society, won its first financing under the small grants program of the Lale Foundation. We consider this a successful start, as this is the first project that we've ever developed. I'd like to express my sincere gratitude for your trainings on project development and management. I've been attending different trainings in this field for years, but yours was the only one that gave me some basic knowledge that has allowed us to initiate our activities. You have a great team. Keep supporting civil society development!

Kremena Slavcheva, town of Elena



In 2005 FLGR published 16 printed publications, 50 electronic newsletters and 12 English electronic monthlies, broadcasted 11 Municipal Radio Forum monthly shows in the Bulgarian National Radio's Horizont Program, increased 6 times the number of unique visits to its website (www.flgr.bg), included another 267 titles in its online library, motivated the municipal specialists to share 177 new innovative practices, awarded the fourth consecutive Innovative Municipality Award, recruited national newspapers and weeklies as media partners and attracted corporate support for its activities, provided expert input for the Communication Strategy on the European Union.

STRATEGIC GOAL 3

Information Exchange

In 2005 the **Reform in Local Government Monthly Newsletter** continued to discuss the hottest issues faced by the local governments in the country, such as the challenges to the Bulgarian municipalities in the accession of Bulgaria to the European Union, and the experience of local government representatives from old (Sweden, Portugal) and new (Lithuania, Hungary) member countries with regard to the functioning of the local authorities as a part of a large local government family. The

April issue was completely dedicated to the tenth anniversary of the Foundation. It reminded some key events in the functioning of the organization, solicited opinions on behalf of friends and partners about FLGR's past and future.

The articles of greatest interest to the foreign readers were included in two English digests.

The 44 regular issues and the 6 shortened summer editions of the **weekly electronic newsletter** reaffirmed FLGR's position as an organization that provides the richest and most up-to-date information on local government and the civic sector in Bulgaria.

The 12 issues of the English **electronic monthly, e-Brief**, provided the Foundation's foreign donors and partners information on interesting aspects of FLGR's work in 2005.

All publications of the Foundation are also published in electronic format on its website.

FLGR collected and disseminated online 177 new innovative practices of municipalities and their civic partners, and held two topical in-



novative practices competitions on the following topics: European integration – delivery of information and implementation of successful European projects; and inter-municipal cooperation and public-private partnerships. The most interesting practices were published as two topical booklets.

FLGR awarded the **2005 Innovative Municipality Award** during a ceremony at the Third Annual Meeting of Bulgarian Local Authorities. The Foundation expanded the number of corporate partners to increase its award fund. The award ceremony was attended by mayors and chairs of municipal councils, municipal experts and representatives of donor organizations. This fourth consecutive award served to encourage local governments' competition in the innovations arena. The 2005 winner was the Municipality of Svishtov.

In 2005, FLGR and the Bulgarian National Radio broadcasted 11 shows of the **Municipal Radio Forum** series. The shows were attended by mayors, municipal experts, government officials, donors and NGO representatives. The topics reviewed included: problems faced by small municipalities; social services decentralization; municipal development plans; preservation of cultural monuments; national rural development network, etc.



INNOVATIVE PRACTICES IN BULGARIA

With regard to the devastating floods from the summer of 2005, FLGR and 6 other Bulgarian organizations and companies initiates a fund-raising campaign in support of the reconstruction works and of the development of prevention mechanisms in the areas that were damaged the most (<http://www.floodaid-bulgaria.org>). The European Integration and

Project Development departments of small municipalities affected most by the floods (Gorna Malina, Ihtiman, Kostenets, Mizia and Smyadovo) were each donated a computer by the Foundation, in order to optimize their communication with the national administration in the development of projects for accelerated damage recovery.



At the INTERFILMART Association, which functions in a network with 15 other organizations, at least 50 of us (producers, directors, cameramen, script writers, writers, translators, musicians, artists, actors, etc.) are subscribers of e-weekly, so on behalf of everyone I thank you for professionally and timely:

- informing us on a wide circle of issues;
- providing Bulgarian translations of documents and legislation;
- providing access to information on sessions and competitions (thanks to which last year we participated and different competitions and won 3 of them);
- giving us information on possible trainings, which is important to the young authors and the students among our members,

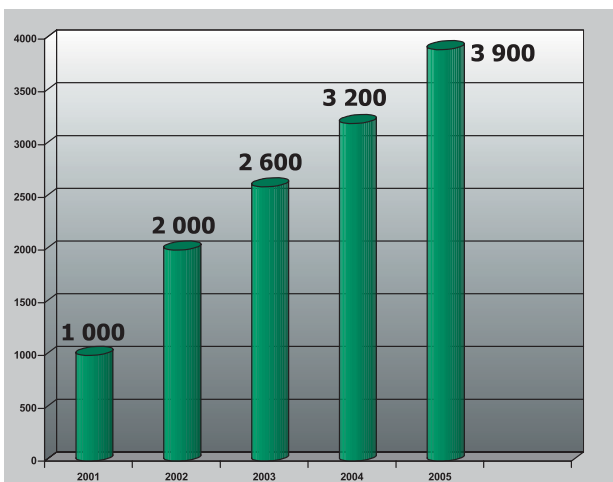
and also for illustrating what would be the results from the cooperation between public sector NGOs, municipalities and private sector.

Nikolay Yotov, INTERFILMART Association, Sofia and INTERFILMART Kurdzhali Branch

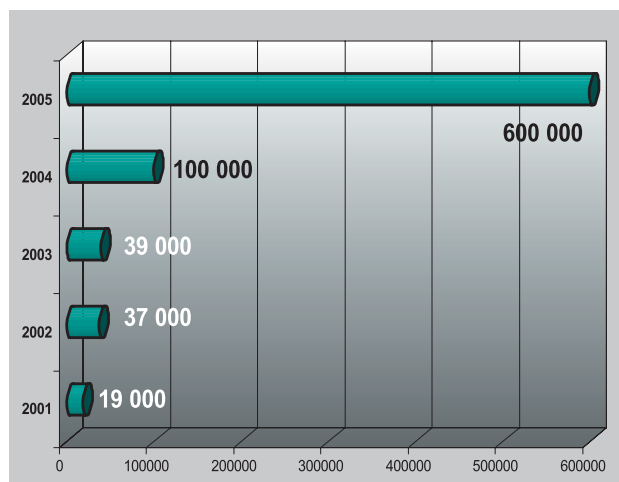
This immense information base that your organization has established to the benefit of municipalities and NGOs, as well as schools, cultural institutions, etc., is an extremely useful basis for the success of motivated people. I'd like to thank your team for the opportunity to have access to such detailed and comprehensive information.

S. Popova, Samokov town

E-weekly Subscribers



www.flgr.bg - Number of Unique Visitors



In 2005 FLGR continued to provide support to projects of Bulgarian regional associations of municipalities and professional associations of municipal officers; supported the institutional strengthening of the Chitalishta Development Foundation; continued to deliver advisory and methodological assistance to Bulgarian municipalities with regard to the establishment of citizen information centers; as a Project Office under SDC's Community Forum, supported the development, monitoring and evaluation of over 120 projects in 24 municipalities; continued to be a participant in the consortium implementing the Sustainability Strengthening Strategy for the Non-Governmental Sector in Bulgaria Project, financed by the Trust for Civil Society in Central and Eastern Europe; supported the implementation of 23 projects under the Improving the Social Environment Program, financed by the Charles Stewart Mott Foundation.

STRATEGIC GOAL 4

Support to Projects of municipalities and NGOs



In 2005 FLGR, with financial assistance from USAID, continued to support **projects of Bulgarian regional associations of municipalities**. The total value of the projects exceeded BGN 1,500,000. The projects targeted improved local government transparency, support to sustainable development initiatives for the respective region, as well as implementation of joint inter-municipal advocacy campaigns aimed at solving specific municipal governance problems. The 8 regional associations of municipalities (RAMs) that partner with FLGR: Trakia RAM, Association of the Bulgarian Black Sea Municipalities, Association of the Rhodopi Municipalities, Danube Association of Danubian Municipalities, Maritsa RAM, Association of the Southwestern Municipalities, Yantra RAM and Central Balkan RAM, have 76% of the Bulgarian municipalities as their members. As a result the associations are providing better and more diversified services to their members, have increased the set of paid services available to members and have improved their capacity to develop projects under European programs. The partnerships between the regional associations have become more active, many ideas for joint initiatives have been generated.

In 2005 FLGR announced two rounds of the Support to Initiatives by Professional Associations of Municipal Officers Fund. The main goal of the Fund, implemented with financial support from USAID, is to increase local governments' capacity through projects resulting in greater transparency of municipal administrations' operations, reduced obstacles to businesses at local level, local legislation improvements and improved capacity of the municipal experts. The Fund supported initiatives of the National Association of Municipal Secretaries in Bulgaria, the National Association Legal Initiative for

Local Government, and the Association of the Municipal Communication Specialists.

In 2005 FLGR supported the institutional strengthening of the **Chitalishta Development Foundation**, a joint USAID and UNDP initiative. FLGR allocated BGN 184,000 to support activities targeting the strengthening and the expansion of the public role and the active involvement of the community centers in local community development. The project provided support to the community center development network and the expansion of the portal website www.chitalishte.bg. The program includes the publishing of the Modern Community Center series, the delivery of training, information and advice and the exchange of experience.

Building on FLGR's historic efforts towards the delivery of e-services in the public sector, FLGR experts initiated in early 2005 a pilot project, **Integrated Local Administrative Services**, in the municipalities of Teteven and Gabrovo. The purpose was to expand the coverage of the services to include those of them subject to licensing. A real-time official communication mechanism was developed to link the Regional Government, County Court, National Revenue Agency, Regional Environmental Protection Inspectorate and Regional Inspectorate on Public Health Protection and Control. The official start of the new platform was given in Teteven on May 25, 2005 by the President of the Republic of Bulgaria, Georgi Parvanov. By the end of the year, more than 800 requests for integrated services have been submitted in Teteven. On October 5, 2005 the exchange of information between state and municipal institutions was also initiated in the municipality of Gabrovo.

In late 2005 FLGR initiated two similar projects in the Blagoevgrad District and in the Municipality of Sofia.

In its capacity of a Project Office under the **Community Forum Program** of the Swiss Development and Cooperation Agency (SDC), in 2005 FLGR supported the development, monitoring and evaluation of more than **120 projects in 24 municipalities**. Within this program, FLGR's team managed financial support in excess of BGN 1,000,000. The final beneficiaries included more than 190,000 citizens. The





projects covered the following areas: public works, training, tourism development, cultural monuments, youth and social activities, improving administrative services, environment and sports.

The forum approach began to be used for the first time as a direct democracy element in the management of the cultural and the historic heritage at regional level. On November 21, 2005 the minister of culture, Stefan Danailov, and the Swiss ambassador to Bulgaria, Rudolf Knoblauch, signed cooperation agreements in the area of the cultural and historic heritage. The agreements are between the Culture National Fund and SDC and the municipalities in two pilot areas. The first is comprised of the municipalities of Silistra, Tutrakan and Alfatar, and the second one - by the municipalities of Smolyan and Zlatograd. The efforts will be focused on transforming the cultural and the historic heritage into a factor for the sustainable development of the regions and will be implemented from November, 2005 through the end of 2006.

In 2005 FLGR and SDC financed by BGN 155,000 a project by **Central Balkan Regional Association of Municipalities, Gabrovo** for the improvement of the capacity of the Balkan Mountain municipalities. The project resulted in the completion and expansion of the Gabrovo Citizen Information Center, with a focus on its information and presentation capabilities.

The Karl Schonefeld Bruner Foundation, Switzerland, financed through FLGR a project for a social kitchen in Turgovishte. The total value of the project exceeded EUR 27,000. FLGR provided technical assistance and monitoring on the implementation.

In consortium with Open Society Institute (Sofia), Interethnic Human Rights Initiative Foundation, BlueLink Information Network and the network of Open Society Clubs in Bulgaria, FLGR implemented a project on **Sustainability Strengthening Strategy for the Non-Governmental Sector in Bulgaria**. The project is financed by the Trust for Civil Society in Cen-

tral and Eastern Europe and aims to strengthen the capacity of the Bulgarian non-governmental sector to participate more effectively in the decision-making process, and advocacy to influence policy formulation at central and local level. Five families (networks of non-governmental organizations) were initiated from April through July, 2005; FLGR organized the functioning of the Regional and Local Development family. Priority areas for joint actions were identified, in order to provide for effective influence, effective networking and involvement in the formulation of public policies in the topical area.

In 2005 the FLGR team worked on the implementation of Phase III of the **Improving the Social Environment Program** financed by the Charles Stewart Mott Foundation. The purpose of the program is, by working in small and medium-size municipalities, to enhance



the communication models and to encourage partnerships for the improvement of the social environment between citizens and local governments, as well as to build the capacity of local civic groups to actively defend their positions and to solve problems by the use of local resources. Local initiative groups were formed in 10 municipalities: **Bobov Dol, Bratsigovo, Godech, Ihtiman, Kostenets, Kresna, Peshtera, Sapareva Banya, Sopot and Strumyani**. Trainings were held and project ideas in the most problematic areas of the social environment were developed in these municipalities. 23 projects were approved in two project selection rounds (10 of which in villages with a population between 250 and 1,000). The projects will be financed with BGN 67,000, with another BGN 37,000 provided as local support. The implementation of the projects will continue in 2006, covering the following areas: overcoming the isolation of the small communities; equal access to information and education; work with and for young people; integration of Roma children in the educational system; support to the integration of children with special needs, etc.

Thanks to FLGR for your real contribution to the Power of Partnership Round Table held in December 2005. We do hope that our long-lasting collaboration will be fruitful during the next year as well.

Vassil Pancharov, Executive director, National Association of Secretaries of Municipalities of Republic of Bulgaria

Thanks to your assistance we managed to build facilities of great importance to our citizens. Through the Forum program citizens were enabled to be actively involved in the decision-making process within the Municipality.

Krastana Karteva, Secretary, Antonovo Municipality



In 2005 FLGR expanded its support to local governments with regard to the amplification of the effects from international technical partnerships and the replication of best managerial practices and models. The Foundation initiated the maintenance of a wider dialogue with the national agencies and institutions and continued to participate in national and international network and to share experience with its partners.

STRATEGIC GOAL 5

International Partnerships

Most of the efforts of FLGR's International Partnerships Team in 2005 were focused on the implementation of Phase V of the Bulgarian

Technical Twinning Program/City Links Program, which FLGR is implementing in partnership with the International City/County Management As-

sociation (ICMA). The program is funded by USAID. The exchange of experience to increase the capacity of the Bulgarian municipalities was focused in the following areas: local economic development; infrastructure management; and environment. To support project implementation and replication, FLGR and ICMA provided to the municipalities financing in the amount of BGN 22,000 which was used to develop and publish municipal marketing and information materials, purchase equipment, waste containers, laser thermometers, mileage stones, etc.

The implementation of the **Local Economic Development and Marketing of Bulgarian Municipalities Project** reaffirmed the status of the Foundation for Local Government Reform as a main partner of the municipalities in the implementation of modern concepts and approaches to local economic development. The exchange of foreign experience and knowledge and the support to municipalities' efforts to improve the business climate were focused mainly on the municipalities involved in the Local Economic Development Partnership, initiated by FLGR. In 2005, the Local Economic Development Partnership expanded to cover 29 municipalities.

The Foundation actively encouraged the municipalities to implement a professional approach to local economic development. As a result, 13 municipalities established independent departments and the remaining 16 identified economic development specialists. 54 municipal specialists participated in a

practical training on local economic development, facilitated mainly by the US partner municipalities under the City Links Program.

The training seminars were complemented by internships at American municipalities and study tours in Europe dedicated to important economic development aspects.

Discussions, conferences and seminars on economic development issues were held at national level. The most significant of these

events was the **Investment Forum**, which FLGR organized in partnership with the Plovdiv International Fair in May, 2005.

Parallel to the training of the local economic development specialists, FLGR expanded its support to municipalities trying to meet the **Municipality Ready for Business** criteria. By the end of November 2005 twenty municipalities were certified as „Ready for Business“. Of these, 10 were new municipalities, 10 had their certificate extended and 4 met the „Ready for Business with Excellence“ criteria. Grant agreements were signed with the latter (Silistra, Dobrich, Gabrovo and Haskovo) to finance infrastructure improvements in industrial zones.

At the same time the municipalities were provided technical assistance in the preparation of their municipal development plans, business retention and expansion programs, industrial park development and marketing, re-use of lots and buildings, establishment of local economic advisory boards (8 established so far) and development of marketing materials. The implementation of these new approaches and practices resulted in the creation of more than 1,500 jobs.

FLGR helped transform marketing in a targeted and systematic activity of the municipalities within the partnership. They updated, improved and diversified their marketing materials. FLGR improved the design of the common marketing website, www.invest.bg, and assisted 27 municipalities in maintaining



their own pages on the website. The experience accumulated by the FLGR team and the municipal specialists allowed them to more successfully implement different marketing



tools to recruit business. In 2005 the partnership participated in the Warsaw International Fair, the two Plovdiv International Fairs, a presentation to the Italian commercial mission to Bulgaria, international conferences in Bulgaria and abroad. The direct advertising in specialized media, the dissemination of printed materials on the partnership, the participation in radio discussions all increased. The concentrated marketing efforts resulted in the expansion of the database of investor leads and contacts; at present, it contains information on 150 companies. 20 leads were processed and 5 foreign companies were recruited to invest in Bulgaria.

The replication of effective management models and practices

continued in 2005. The focus was on the provision of wider access and support to the municipalities in the replication of successful infrastructure and environment projects developed in previous phases of the program.

FLGR encouraged and financially supported the Bulgarian municipalities whose specialists were involved in the development of the initial projects to share their experience and provide



technical assistance to their counterparts in other municipalities in the replication of these practices. As a result, three more Bulgarian municipalities (Petrich, Toundzha and Svish-tov) developed infrastructure management and financing plans on the basis of the experience of the City of Golden, Colorado, USA. The model had previously been adapted and successfully implemented in Veliko Turnovo and Plovdiv. The replication of this project will continue in 2006 by the inclusion of six new municipalities.

The replication of the rural area composting project is being implemented jointly by FLGR and the Association of the Municipal Environmental Experts in Bulgaria. Five municipalities (Maritsa, Straldzha, Sliven, Topolovgrad and Panagyurishte) began the implementation of an expanded composting program in the rural areas. Following the replication of the pilot project, the municipalities developed 8 new composting sites as they had been convinced



in the positive effect of such a program on waste management activities. The replication of the project will continue in 2006 with the inclusion of 5 new Bulgarian municipalities.

In 2005 FLGR continued to disseminate information about the international partnerships through its website, electronic newsletter and monthly newsletter.

The involvement in international networks was an important aspect of the team's efforts. FLGR became a member of the newly formed Association for Economic Development along European Corridor No. 8 and was elected to serve on the Association's board together with the Municipality of Sofia and the FLAG – Apex consortium.

In the framework of the LED training program I liked the most the opportunity to learn from highly experienced practitioners who were eager to share their knowledge. The training helped me further develop my presentation skills. I learned how to present the potential of my Municipality at International fairs and tradeshows. I value very much the chance to exchange best practices and make good friendships among the LED specialists of the Bulgarian municipalities taking part in this programme.

Tsvetina Zaharlieva, Chief LED specialist, Municipality of Karlovo

The certificate „Ready for business“ is an acknowledgement for the Municipality of Kazanluk and my personal efforts for development and maintenance of the municipal page under the corporate marketing web site www.invest.bg, and for the efforts towards business retention and attraction, developing a closer contact with the business community.

Nina Yordanova, LED specialist, Municipality of Kazanluk



FLGR ensures its sustainability by constantly improving the professional skills of its team, diversifying its financial support sources, seeking new international partnerships and increasing the share of paid services.

STRATEGIC COAL 6 Sustainability

In 2005 FLGR's programs and activities were implemented mainly with the support of the United States Agency for International Development (USAID), the Swiss Development and Cooperation Agency (SDC), the Charles Stewart Mott Foundation and the Open Society Institute (Budapest).

76.4% of the funds spent by FLGR over the past year were used for program purposes. The funds provided as direct grants for projects of Bulgarian municipalities and non-governmental organizations account for most of FLGR's program expenditures (74%). 25% of these were used to finance activities and initiatives of regional associations of municipalities, 3% - for projects of professional associations of municipal officers, 40% - for NGO projects, and 32% - for projects and activities of municipalities.

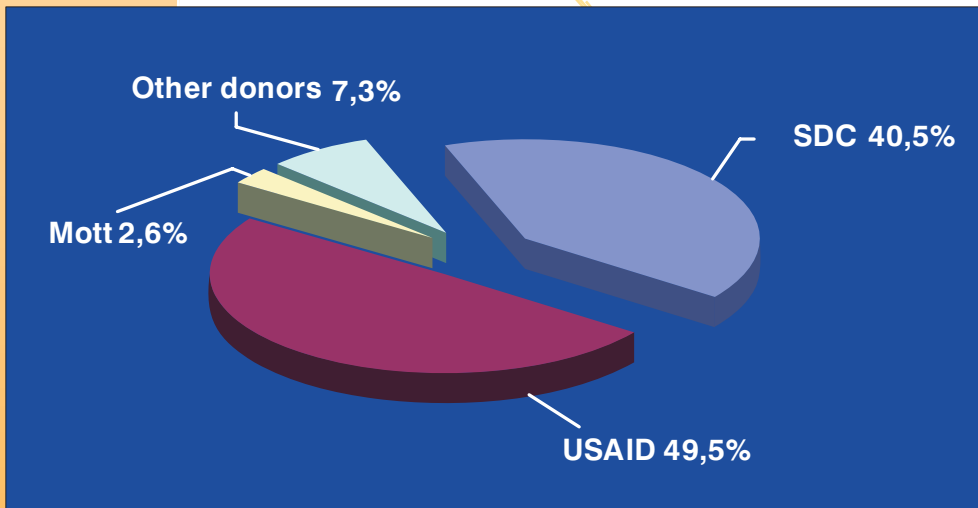
In 2005 FLGR also worked on programs

financed by the EU Socrates Program, Grundtvig 1; the MATRA program of the Dutch Ministry of Foreign Affairs; Dr. Karl Schonefeld Bruner Foundation; the Trust for Civil Society in Central and Eastern Europe.

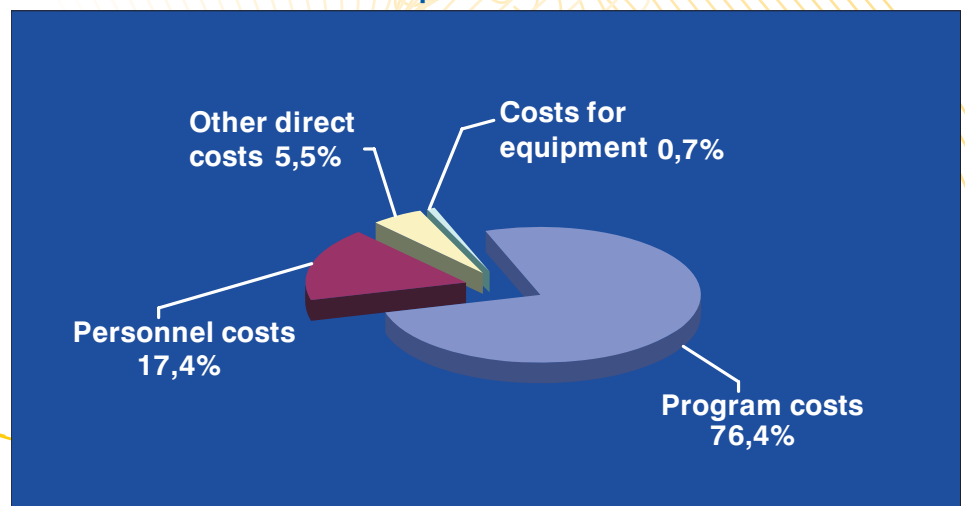
On May 1, 2005, with financial support from USAID, FLGR started its new initiative in support of municipal projects – a low-interest revolving loan fund. The purpose of the fund is to solve priority issues of the local communities in the areas of infrastructure design and development and service delivery improvement. Financing agreements with three municipalities were signed in 2005.

FLGR's Board played an active role in the formulation of the Foundation's policies; its members, all of them proven professionals, contributed with their expertise and experience to the effective implementation of FLGR's programs.

Revenues



Expenditures



The Foundation's team is well informed, competent and responsive. It is comprised of 21 employees who work together with the municipal specialists on specific programs and projects, conduct site visits and meetings at the FLGR office, participate in seminars and forums to accumulate valuable expertise

and present successful practices. In 2005 their skills were upgraded by trainings on teamworking and organizational development in the context of Bulgaria's accession to the European Union and the new challenges related to the implementation of EU Structural Funds.

FLGR BOARD OF DIRECTORS



LACHEZAR ROSENOV
*Chair of the Board
 Municipal Councilor, Dobrich Municipal Council, Mayor, Municipality of Dobrich (1995 - 2003)*



GINKA KAPITANOVA
Board Member and Executive Director of FLGR, Mayor, Municipality of Zlatograd (1991 - 1995)



DENI KAMENOV
Vice-Chair of the Board, Mayor, Municipality of Vidin (1991 - 1995)

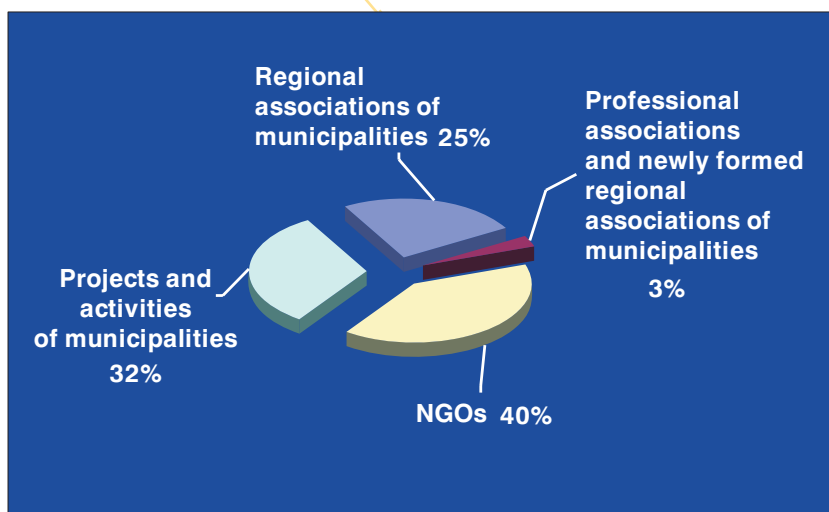


EMILIA PANAYOTOVA
*Board Member
 Senior Assistant, Legal Department, St. Kliment Ohridski University of Sofia*

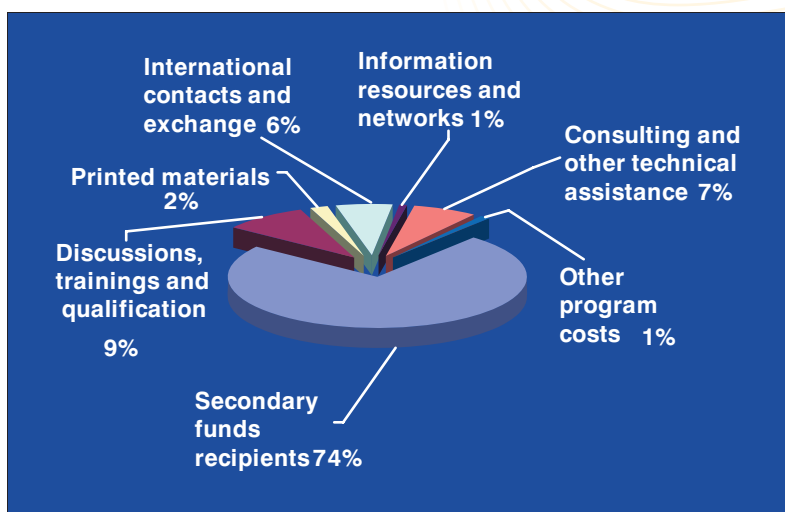


ROUMEN DRAGANOV
*Board Member
 Tourism Manager*

Expenditures – secondary funds recipients



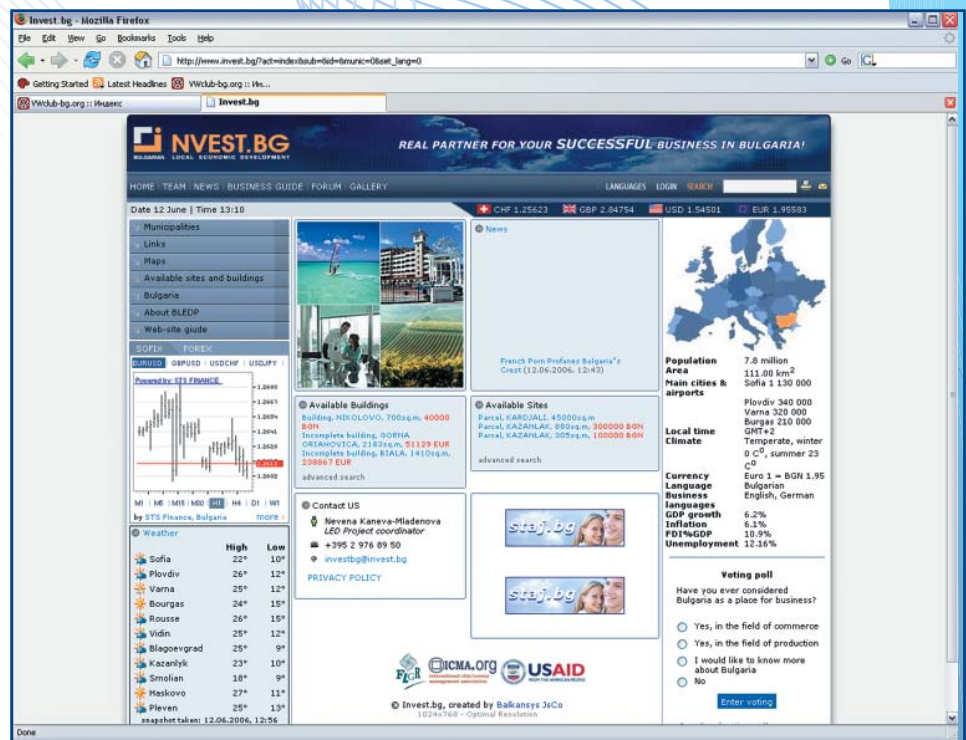
Program costs





We are open to become a partner in the implementation of programs, consistent with our strategic objectives!

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FLGR can successfully share its accumulated expertise and capacity with organizations and agencies working in the field of local self-government!

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