



IN THE ISSUE:

2 page

***e-REGION OF
BLAGOEVGRAD HAS STARTED***

4 page

***SUCCESSFUL PRACTICES
FOR IMPROVING SOCIAL
ENVIRONMENT***

8 page

***BULGARIAN
MUNICIPALITY RECEIVED
A WORLD AWARD!***

10 page

***STRALDZHA IS THE 2006
ANNUAL INNOVATIVE
MUNICIPALITY!***

12 page

***PROFESSIONAL
APPROACH IN WORKING WITH
BUSINESS SECTOR***

14 page

***THE NATIONAL RURAL
NETWORK MADE
THE FIRST STEP***

16 page

***SUCCESSFUL WORK OF
THE FIRST ANNUAL
CONFERENCE
MUNICIPALITIES AND
BUSINESS - PARTNERS FOR
ECONOMIC DEVELOPMENT***

22 page

AWARDED INNOVATORS

Dear readers and partners,



We are happy to introduce to you the **second for the 2006 year** edition of the biannual English Digest of the Foundation for Local Government Reform. The materials you will read in the Digest were selected among many articles published regularly in the monthly information newsletter of the Foundation „The Local Self-Government Reform“ during the second half of 2006.

The FLGR's newsletter reaches all 264 Bulgarian municipalities, the 28 regional authorities, all regional and professional associations of municipalities, various ministries, the National Assembly, state institutions, universities and NGOs, working with local governments in Bulgaria.

The articles in this issue cover the results of the work of FLGR in different areas, assisting the Bulgarian municipalities to smoothly begin their work as true European municipalities at the beginning of 2007 and benefit from forthcoming European Union membership in favour of their communities.

We hope that the ideas, efforts and achievements we share on the pages of the Digest will show you the intensity of the municipal life in Bulgaria and the intensity of the work of FLGR in the second half of 2007.

FLGR is open for future international partnerships with organisations, institutions and local governments and willing to contribute to the local government capacity building in all various aspects!

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

Ginka Kapitanova,
Executive Director, FLGR

e-REGION OF BLAGOEVGRAD HAS STARTED

The largest project in the field of e-government in Bulgaria has started: 17 integrated administrative services are provided by the 14 municipalities located in the region, 6 regional state administrative structures provide 26 outsourced administrative services. The new infrastructure saves time, money and stress of people and business.

On July 3, 2006, Monday, an official opening and demonstration took place at the Municipal Customer Service Centre in Sandanski. It presented the largest project at the moment in the field of electronic government in Bulgaria - „Complex administrative services in the e-Region Blagoevgrad“. This project was initiated and implemented by the Foundation for Local Government Reform with the financial support from United States Agency for International Development in the total amount of 50,000 BGN. The Regional Administration - Blagoevgrad played a coordinating role.

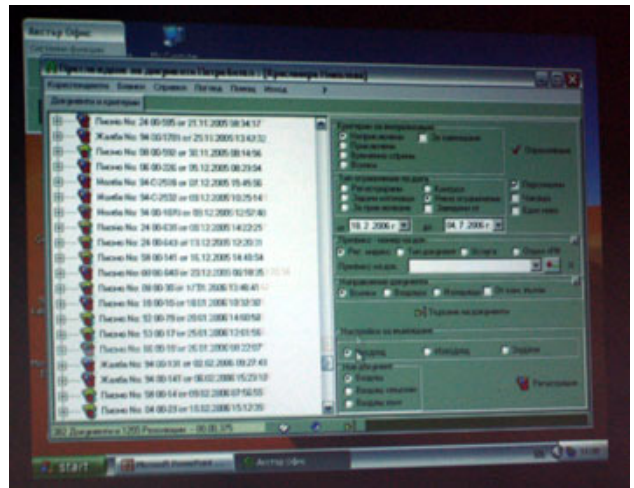
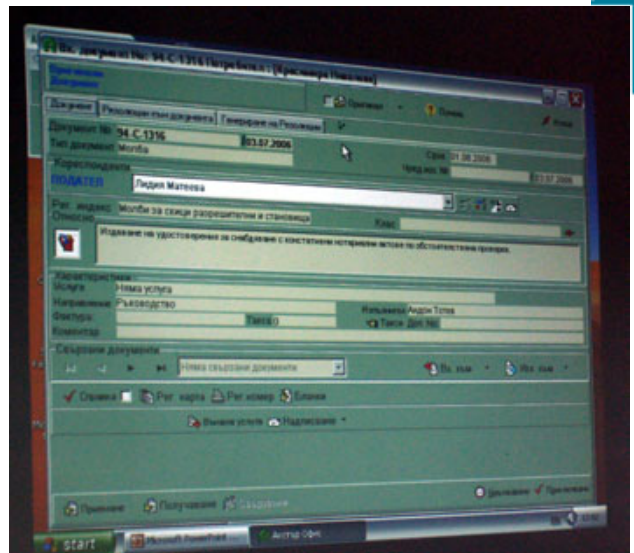
The opening was attended by Members of Parliament, Mr. Gene Gibson a.i. Director of the USAID mission in Bulgaria, Mrs. Maria Divizieva - Deputy Minister of the State Administration and the Administrative Reform, Mrs. Ginka Kapitanova - Executive Director of the Foundation for Local Government Reform (FLGR), Mr. Vladimir Dimitrov - Regional Governor of Blagoevgrad and partners in the project. Mrs. Vassilka Sirachevska, FLGR Project Coordinator, demonstrated the capacity of the new infrastructure installed.

The project introduces a **mechanism for document exchange between administrations and institutions on the basis of the modern information technologies in favour of citizens and business**. It builds on the whole experience in the field of electronic government in Bulgaria and impresses with its dimensions:

1. Partners in the project implementation are all 14 municipalities in Blagoevgrad region, Regional Administration - Blagoevgrad and six regionally represented state institutions and agencies (Regional court jointly with the Information Service Ltd.; Regional Office of the National Directorate for Control in Construction; Regional Inspectorate for Prevention and Control of the Health; Territorial Directorate of the National Income Agency; Regional Inspectorate of Environment and Water; Blagoevgrad Police Department);

2. 17 complex administrative services;

3. Six regional state administrative structures provide 26 outsourced administrative services;





4. Document exchange will be performed on **new technological principle**, which grants document security and authenticity.

Additional project outcomes: Unification of administrative service procedures in the municipalities of the region; Speeding up the document exchange and the process of services accomplishment; Reduction of mail expenses for the document exchange between the institutions (district, municipality, regional departments); Reducing the number of the contacts between citizens and administrations, and therefore reducing the possibilities for corruption practices; Providing various access channels to administrative services; Saving time and money of citizens.

**Vladimir Dimitrov,
Regional Governor of Blagoevgrad:**

By implementing the project we will speed up document exchange, will facilitate the access of citizens and business to administrative services and will achieve transparency and control of the information flow.

**Ventsislav Kozhuharov,
Chief Secretary of Regional Administration -
Blagoevgrad:**

We have succeeded to overcome difficulties caused by the different IT experience of the project partners so that all fit in the integrated scheme.

**Valentin Chilikov,
Chair of the Southwestern Local Governments
Association and Mayor of Strumyani Municipality:**

Partnership between the municipalities and the regional state administration structures will give us the capacity to provide administrative services in minimum time and with maximum quality.

In November 2006 Mrs. Vassilka Sirachevska, the FLGR programme coordinator, became the winner of IT Personality of the Year Award in the 2006 IT Innovation Competition!

2006 IT Innovation Competition was

organized by IT FORUM for the third consecutive year. This year the competition is under the auspices of The State Agency for Information Technology and Communications.



SUCCESSFUL PRACTICES FOR IMPROVING SOCIAL ENVIRONMENT

On July 13, 2006, the Foundation for Local Government Reform held a **National conference „Successful Practices for Improving Social Environment“**. The conference summarized the results on the Improving Social Environment Program, administered by FLGR in the municipalities of **Bobovdol, Bratsigovo, Godech, Ihtiman, Kostenets, Kresna, Peshtera, Sapareva banya, Sopot and Strumyani**. The program was funded by the Charles Stewart Mott Foundation within the last 18 months. Participants in the conference were over 70 representatives of Bulgarian local governments, national and local NGOs, community centers (chitalishte), donor programs, state agencies, ministries and representatives of the Council of Ministers.

Within the conference **Mr. Krassimir Popov**, Department Director „Pre-accession funds, international programs and projects“ in the Ministry of Labour and Social Policy, presented opportunities in implementing successful social policy in the context of the future Bulgaria's joining the EU.

Mrs. Maria Petkova, Director of Tulip Foundation, shared her impressions by Bulgarian NGO sector acting in the social sphere and by the first competition held „2005 Project in the Social Field“.

Mrs. Rositsa Raycheva, FLGR, presented the methodology and the activities implemented within the Improving Social Environment Program, as well as some major outcomes and recommendations extracted in the process of implementation.



The **program goals** were by acting in small and medium-sized municipalities to: improve communication models and to encourage building partnerships in the social sphere between citizens and local governments in Bulgaria; to build capacity for active position and role of the local civic groups that has to decide on local issues using their own resources; to enhance capacity of the local government to solve social issues in partnership with other social groups; and to improve the social environment by implementing projects in the benefit of the local communities, designed on the principal „from bottom to top“.

Improving Social Environment Program of FLGR/Mott enables active members of local community **go through the whole process** of training (preparation of successful projects, local community development, citizen participation in decision-making process at local level), management of small projects and financial and technical reporting.

The FLGR practice shows that the forum approach is extremely result-oriented and necessary in regard to future development of rural areas and applying LEADER approach in Bulgaria. Building local capacity in communities where little has been done, gives self-confidence to local people and drives them to look in the future with belief in their own knowledge and skills.

The program activities were presented chronologically. Representatives of 10 participant municipalities took part in:



■ **Meetings and focus groups** with local government representatives and formal/informal civic groups at local level; establishing local initiative groups;

■ **13 trainings** complied with local needs and **3 study tours and training courses from-to colleagues**. The training events were organized in cooperation with the Local Government Information Network LOGIN Program, administered by FLGR, and nationally presented NGOs, working in the social sphere. Representatives of civic initiative groups and local governments took part in the trainings, over 200 people;

■ **Call of proposals** held in two stages. Project ideas came from local NGOs. Project were developed according to the Program criteria and were evaluated by external experts:

■ **23 projects** out of 30 proposed were approved for funding. 13 of them were implemented in villages, 10 - in small and medium-sized municipalities of Bobov dol, Brat-sigovo, Godech, Ihtiman, Kostenets, Kresna, Peshtera, Sapareva banya, Sopot, Strumyani. Over 1000 people took part in the project implementation process.

Projects were funded within the Program in the total amount of 67,000 BGN. The local co-financing contribution was in total amount of 42,000 BGN and 62% of the project fund, whereas the minimum required sum was 10%.

The projects solve issues in the **following fields**: overcoming isolation of little populated places; preserving local customs and culture; social integration of disadvantaged people and integration of minorities; provision of social services; youth initiatives.

The projects were implemented with technical support of FLGR that monitored and evaluated project activities in every stage of the implementation process.

■ **Dissemination of knowledge, experience and successful models** within the Program was done through the information channels of FLGR.

■ Within the program process FLGR provided support and consultation to organizations that participated in call of proposals announced by other donors. In result of these efforts 3 organizations won funds in the total amount of 12,370 BGN and 6,920 EURO.

Similar problems solved by the local communities were formulated by FLGR as follows:

■ Concerning smallest communities - danger of depopulation and equal access to information and extracurricular activities for children;

■ Concerning children of minority groups - youth violence and danger of drug dependency;

■ Need of information through ICT;

■ Need of extracurricular activities for youth and children and socially involved adults;

■ Concerning disabled people and children - lack of



understanding and action on behalf of the local government authority caused by the common understanding that the problem has to be solved by the state;

■ Lack of financial resources for enriching and developing culture heritage/traditions;

■ Poor ecological and health education.

FLGR outlined the advantages of the Program:

■ Bottom to top approach that is used as motivating, empowering and building local democracy tool;

■ Learning by doing - horizontal approach used within the Program, built valuable personal and communal experience by developing and managing small projects;



- Tutorship - helped in overcoming distrust and disbelief, better results in trainings and project work;

- Network - sharing and united solving of similar problems;

- The community center workers are opened for solving community problems. They are active in building civic potential;

- Young people participate actively in many projects by giving expression of their imagination. They are counted as equal civic partners;

- Understanding of the role of the small project - building local capacity, solving concrete problem, motivating future activities;

- Project thinking in local communities, turning the problem into a goal, activating volunteer efforts;

- Where local government supports civic initiatives, results are more efficient and sustainable.

The FLGR team is convinced that till the end of the Program period sustainable results will be available. The communities from the pilot municipalities with the technical and financial support of the Program achieved:

- Consensus on the priorities of their own social policy;

- Acquired practical skills for implementing joint activities;

- Acquired experience in project cycle management;

- Built mechanisms for providing social services and joining people and groups in community life process;

- Established network of local NGOs.

The sustainability of results can be guaranteed

through:

- Development of human resources in local communities of the 10 municipalities, participants in the Program;

- Improvement of technical skills and equipment - good basis for future activities;

- Implementation of best practices that could be multiplied in other places;

- Establishment of local partnership models that will continue working after Program period;

- Building capacity of three NGOs that will continue developing future projects;

- Strengthening the role of organizations in the community as becoming voices of community needs;

- Development of social capital of municipalities, participants in the Program.

On the basis of applying Program methodology and its strengthening as working model for developing the social capital at local level, the FLGR team **outlined two recommendations:**

1. Local governments are to realize the role of local civic groups and to give them the opportunity to implement their own project ideas by creating **Municipal Project Fund that will fund local initiatives.**

It will result in:

- sustaining local capacity - municipal and civil;

- solving concrete local problems and improving living environment;

- strengthening partnership as working principle;

- motivating volunteer work;

- involving local business as a corporate citizen;

- involving citizens in local government;

- creating basic conditions for work in the context of implementing EU Structural Funds and National Program for Rural Development 2007 - 2013.

2. Applying the learning by doing approach and the principle „from downwards to upwards“ in elaborating policies and programs at national, regional and local level, will contribute to sustainable local development by empowering local people, developing social capital and solving local problems of local people.



The second forum session was dedicated to presenting the implemented projects by their coordinators.

Category OVERCOMING ISOLATION IN VILLAGES:

Stoianka Ivanova, Secretary of Sergey Rumiantzev Community center Kapitan Dimitriev village, Peshtera municipality, presented the project COMMUNITY CENTER OPEN GATE FOR EUROPE AND COMMUNICATION. Nasko Milev, Mayor of Slivnitsa village, Kresna municipality, shared results from project EDUCATION - NECESSITY FOR YOUNG PEOPLE, implemented by Gotze Delchev Community center.

Category CULTURE, CUSTOMS AND TRADITIONS:

Irina Koliandova, project assistant, inspired the forum auditory with the project TRADITIONS BAZAAR implemented by Woman's club in Sapareva bania municipality.

Category LOCAL POLICIES FOR IMPROVING SOCIAL ENVIRONMENT:

Nadia Tarpova form Business Center - Peshtera presented the methodology and the efforts in strengthening citizens participation in local government by developing a Municipal Social Strategy, accepted by the Municipal Council - Peshtera in May 2006.

Category INTEGRATION OF MINORITIES:

Maria Zlatkova, Secretary of Community Center - Peshtera, presented the project ETHNIC CULTURE CLUB that is a working model for dialog and joint action of ethnic groups.

Category SOCIAL SERVICES AND IMPROVING LIVING ENVIRONMENT OF DISABLED PEOPLE:

Margarita Parmakova presented the project DO NOT FORGET US - HOME FOR CHILDREN WITH MENTAL DERANGEMENTS, Aleksander Dimitrov Community center, Gorna Koznitsa village, Bobovdol municipality. The association of parents and children with physical and mental derangements FUTURE 2000 - Sopot

was presented by Maria Nesheva who related of the new opportunities provided for Sopot and Karlovo children by implementing the project ENGAGING CHILDREN IN UNEQUAL SATUS IN THEIR FREE TIME BY MASTERING APPLIED ARTS.

Category HEALTH EDUCATION:

Petya Georgieva, chief expert in European Integration in Bratsigovo Municipality, shared experience of the Center for Sustainable Development - Bratsigovo in implementing the project RAISING HEALTH CULTURE OF THE POPULATION IN RELATION TO WAGING AN EFFECTIVE STRUGGLE AGAINST DOMESTIC ANIMALS PESTS.

Category YOUTH INITIATIVES:

Two projects were presented. Svetla Petseva, Bratya Miladinovi Community Center, Village of Mikrevo, Strumyani Municipality, related of creation and building capacity of the newly established youth organization YOUTH INITIATIVE FOR STRUMYANI. The project TEAMS SOS FRIENDS of School board in Sapareva bania was presented by the students from the village of Ressilovo, Sapareva banya municipality. They related of creation of 4 teams SOS FRIENDS and numerous meetings with students of their age on topical and problem fields such as solving conflicts, aggression and drug danger.

Maria Petkova, Director of Tulip Foundation:

Local communities made a big step because they have stopped waiting for someone else to decide and solve their problems. They began to work on their own. It impresses how much they have done possessing so little resources. I think it is enough to make us proud. I am glad that today we have mentioned not once about cooperation, partnership and their significance for the success of our efforts. I think that it is very important to distribute with great responsibility duties among our partners at the beginning of every initiative in order to achieve desired results.

Yuri Valkovsky, Financial Manager, Workshop for Civic Initiatives Foundation:

The conference that FLGR has organized is not only interesting but inspiring. There is big sense to organize such events at which local organizations present their success, joy, difficulties that have been met. It is obvious that Improving Social Environment Program is successful. For me though, more important are all the many small successes achieved in local communities. Congratulations!



BULGARIAN MUNICIPALITY RECEIVED A WORLD AWARD!

Congratulations to Municipality of Svishtov!

In the end of June 2006 at the third World Urban Forum, organized by the HABITAT UNDP Program in Vancouver, Canada, was handed the **Toolkit Award for 2006**. The award competition is organized by the Toolkit Citizen Participation Foundation in the Netherlands, and the Netherlands Local Governments Association.

At each two years this global prize is awarded to organization or municipality that has added the most inspiring case on citizen participation at local level to <http://www.toolkitparticipation.com/>.

The award was presented by Mrs. Anna Tibaijuka, Executive Director of UN Habitat. She announced that the **award for 2006 is handed to the Bulgarian Municipality of Svishtov**. On behalf of the mayor of Svishtov Mr. Vim Deetmann received the award. He is the first Vice President of the Council of European Municipalities and Regions and mayor of the Hague.

In his welcoming speech, sent to forum participants, the **Mayor of Svishtov Stanislav Blagov** declared: „It is a great honor for Municipality of Svishtov to receive this prestigious award in competition with many other organizations and municipalities from all over the world. We express our gratitude to the organizers of the competition - the Netherlands Municipalities Association and its Executive Agency VNG International. We are very glad that our efforts toward supporting initiatives of citizens and their organizations in our municipality received such high evaluation and became popular not only in Bulgaria but internationally.“

After the announcement in the FLGR e-weekly edition on www.toolkitparticipation.com and consultative meeting with the Mayor of Svishtov citizens of Svishtov decided to present their Local Initiative Program. It clearly shows that a wide citizen participation in the field of local government could contribute to improving living environment.

Within Local Initiative Program, which has been running for four years now, citizens are encouraged to prepare project proposals aiming at municipality development. Grants are provided to carry out the projects, on the condition that citizens take an active part in the implementation.

The program is implemented within Municipality of Svishtov with 16 populated locations - the City of Svishtov and 15 villages.

So far, community centers have been reconstructed, part of the sewerage system, pavements and playgrounds have been improved. In addition, equipment has been purchased for sports halls, and tourist sites have been promoted with a documentary film.

Decisions for project funding are based on priorities described in the Strategy for Development of Municipality of Svishtov 2000 - 2006 and the Municipal Development Plan 2007 - 2013. The Local Initiative Program has registered a significant contribution of citizens' participation in local community development. Projects are evaluated by 7-member Steering Committee that consists of representatives of the Municipal Council. The co-financing contribution is required to be 30% by which 10% is financial.

The applicants fill in the following project data: application form describing the project and budget fiche; they enclose pictures, schemes, CVs of project coordinator, letters of interest. The project documentation is simplified in order to be easy assimilated by the applicants. In case of project approval, the municipality signs a contract with the applicant.

The Local Initiative Program provided opportunities to citizens and NGOs to identify and to solve their local issues and needs. Funding citizens' projects proved to be economical issue for the Municipality of Svishtov that implemented a lot of initiatives. Municipal employees found it useful to consult and administer citizens' projects. The projects implemented as public-private partnerships within the Program contributed to the better interaction between citizens, NGOs and local government.

The Local Initiative Program of Svishtov Municipality proved to be very useful and important for the local community, the cultural, the educational and the non-governmental organizations. Many citizens and organizations implemented various projects for improving living environment, preserving culture monuments, developing culture and education. The Program supported local NGOs, schools and community centers for strengthening their technical capacity



in project development and management field.

Every project has its positive impact on citizens in municipality. In the same time it contributes to achieving sustainable social-economic and cultural development. Thanks to the cooperation between Svishtov Municipality and project beneficiaries, citizens' participation in local government and policy development becomes stronger and visible.

The example of Svishtov Municipality and many others related to the topic can be found at

www.toolkitparticipation.com

of Toolkit Citizen Participation Foundation.

The award is grant of 1500 euros that will be used to fund Local Initiatives Programme for this year. The additional funds will allow about 3 more projects to be approved and implemented. This will happen on the regular July meeting of the Steering Committee of the programme. The committee is comprised by two deputy mayors, employees of the municipal administration and municipal councilors.

The members of the committee decided on extraordinary meeting on June, Svishtov Municipality to bestow award to the project with the greatest contribution to development of the local community. After consultations with the citizens, it will be chosen among all implemented projects in 2006.

The award will be given in late autumn of 2006 and it will not be financial one. ◆

For more information:

Municipality of Svishtov
2 Tsanko Tserkovski str.
Svishtov, P.O 5250

Stoyan Parashkevov

Department Director Administrative-legal and Information Services

Tel.: 00 350 631/ 60582, 60688;

Fax: 00 359 631/ 60504

e-mail: obshtina@svishtov.bg

<http://www.svishtov.bg>



STRALDZHA IS THE 2006 ANNUAL INNOVATIVE MUNICIPALITY!

On October 13, 2006, within the Fourth Annual Meeting of Local Governments in Bulgaria the Foundation for Local Government Reform awarded its 2006 Annual Innovative Municipality Award.

The official ceremony was attended by mayors, municipal councillors, municipal experts, USAID/Bulgaria Democracy Officer Mr. Gene Gibson.

Mrs. Ginka Kapitanova, Executive Director of FLGR, and Mr. Lachezar Rossenov, Chairman of FLGR Board of Directors, awarded the winners in the competition.

160 practices were received of which 131 submitted by 49 municipalities were approved for participation in the national competition.

The Innovative Municipality Award for 2006 was won by Straldzha Municipality that shared 25 practices.

Straldzha Municipality received the unique statuette that symbolizes climbing the spiral way to a better future. As an additional prize Straldzha Municipality got two return tickets for a European destination. It is an opportunity for 2 municipal employees to participate at an international innovative event. Tickets are provided by IMPERIAL TRAVEL.

Municipality of Svishtov won the second place within Innovative Municipality 2006 Competition. For sharing 11 practices Municipality of Svishtov got a Certificate and software products provided by the Central Laboratory of Computer Graphics and Information Systems Axter, Technical University Sofia.

The third place winner with 8 practices was Municipality of Gourkovo.

FLGR provided to each of the three winning municipalities a training opportunity for the administrative staff on a selected by the municipality topic.

Municipality of Shumen was honored for presenting a practice that best complies with the FLGR criteria for an innovative practice: innovation at national level, sustainability, replicability and partnership.

Congratulations to the winners!

FLGR would like to thank all innovators who shared their practices within the 2006 competition!

The Innovative Practices Project started in September 1998 with the financial support of the Open Society Institute - Budapest and the United State Agency for International Development. This unique project provides a forum for the exchange of experience and has proved to be a sustainable model for collecting and disseminating innovative practices within Bulgarian local government system.

Since 2001 the Foundation conducts thematic competitions and awards thematic prizes for innovation practices in different categories.

Since 2002 FLGR conducts the Innovative Practices Competition on different topics and awards its Annual Innovative Municipality Award to municipalities that shared the most innovative practices within the current year.

Criteria for innovative practices are:

- 1. Innovative approach**
- 2. Impact and sustainability of achieved results**
- 3. Applicability**
- 4. Partnership**

The innovation data base has been maintained for the ninth consecutive year and contains over 890 practices submitted by Bulgarian municipalities and their civic and business partners.



The winners of the previous contests are: Municipality of Silistra 2002; Municipality of Sliven 2003; Municipality of City of Dobrich 2004; Municipality of Svishtov 2005.

Mitko Andonov, Mayor of Straldzha Municipality:

Municipality of Straldzha won the first place in the Annual Innovative Municipality Award. We are very happy and proud because this evaluation put us among the best and it proves that we are on the right direction to a modern organizational and managerial activity in the benefit of citizens.

One more thing, by sharing innovation practices we would like to show that we are people in possession of initiative, boldness, courage and insight. According to one saying, labor and science are like brother and sister. So I, as a mayor, am happy that I run a municipality in which people work with heart and mind, imagination and creativity. It is their initiative style of work. The 25 practices that made us No 1 in the competition are only part of what we are doing. It is my pleasure to share that at the beginning of my mandate my wish was to motivate people to work and do their job.

That is why I gave them freedom and opportunity to work and prove themselves as experts. Here, it is the key of success and I thank you everyone!

I consider as our great success also that we can work in a team, that partnership is one of our principles of work not only at municipal but at national level. I could not number all of our projects that we have prepared and implemented. Part of the projects are product of the municipal administration work, part are product of partnership with NGOs, neighbor municipalities and citizens. I am proud that I am a mayor of a small municipality that competes with the larger ones and search its place within the European reality. Because it is a competition for development, creative work, and it has to



be promoted.

I would like to relate more of what we are planning, but I will keep my manner not to speak in future tense. I will only express my consent that one who is constant in his intentions can create miracles. Today we are the best. We'll try to stay at the top! Because we can!

Stanislav Blagov, Mayor of Svishtov Municipality:

It is already the eleventh consecutive year that the Foundation for Local Government Reform as an independent organization supports local democracy. The exchange and the dissemination of innovation practices provoke the innovation processes in local self-government and respond to the specific needs of municipalities. For the fifth consecutive year Municipality of Svishtov participates in the Annual Innovative Municipality Award that gives the opportunity to everyone share his experience and learn about colleagues' achievements.

The FLGR support and the positive experience of our partners gave the opportunity to Svishtov Municipality become 2005 Innovative Municipality and to be ranked at the second place in 2006 Innovative Municipality Competition this year.

I think that the Foundation for Local Government Reform designed this award for two reasons - one, to make us think in an innovative way and create innovative practices, and two, to spread the principle of solidarity. Solidarity between local governments is a sign of existing democracy.

We are thankful for the evaluation and the prestigious award.

I wish to FLGR team success and I hope that our fruitful relationship will continue in the future.

Stoyan Bonev, Mayor of Gurkovo Municipality:

The fact that Municipality of Gurkovo won the third place in the 2006 Annual Innovative Municipality Award is a great recognition to the residents of the municipality, the municipal administration, who gave maximum efforts so that the municipality finds its place at national level. It is good that now the municipality is well known at national level - it shows that it is alive and active; there are many ambitious people who dedicate their work to development and welfare of our municipality.

Vesselin Zlatev, Mayor of Shoumen Municipality

It is the first time that we are awarded by FLGR and we would like to thank for the understanding of the innovative approach implemented by the European Integration Department. The idea was to open our minds, to cut bureaucracy and to involve citizens and business in this process. I am glad that this award was given just before our joining the EU when bilateral relationships between municipalities and cities will be one of the main prerequisites for economic and social development, European development of our cities. ◆



PROFESSIONAL APPROACH IN WORKING WITH BUSINESS SECTOR



On September 25 - 30, 2006, with the support of the Foundation for Local Government Reform the Bulgarian Local Economic Development Partnership (BLEDP) took part in the 62nd International Technical Fair - Plovdiv. Partner country for 2006 was Turkey presented at two fair pavilions and open spaces. Total of 3,548 companies and organizations from 49 countries participated in this year exhibition accommodated in 115,172 sq.m. According to statistics this was the best edition of the fair for 20 years. The number of visitors is enhancing every year as this year over 130,000 visitors at the 10 specialized exhibitions were registered.

BLEDP took part for the **third consecutive year** as 9 municipalities, members of the Partnership, represented by the municipal LED experts, presented the economic opportunities of their municipalities. These were Dilyana Erendzhikova and Gocho Gochev (Municipality of Plovdiv), Krum Georgiev and Valya Nikolova (Municipality of Pazardzhik), Iliya VeleV and Ivanka Nikolova (Municipality of Blagoevgrad), Viktor Genkov and Momchil Muhailov (Municipality of Gorna Malina), Daniela Nakova (Municipality of Montana), Daniela Dimitrova (Municipality of Pravets), Naiden Naidenov (Municipality of Teteven), Zhenya Panayotova (Municipality of Dobrich) and Dobromir Nikolov (Municipality of Dobrichka).

The pavilion of the Partnership covered 33 sq.m. Information about the municipalities was provided through the joint marketing webpage www.invest.bg, printed and marketing materials, electronic presentations, designed by the LED experts. It was focused on economic potential of each municipality - investment opportunities, available buildings and sites for investing in business improvement at local level.

On September 26, FLGR organized a cocktail party on behalf of BLEDP that aimed at gaining new informal contacts with companies and organizations participating at the Fair. This year a big poster was installed in front of Pavilion No.13 that publicized the BLEDP webpage.

„The most important thing is that we are participating in the Fair united in the Partnership“, said Daniela Nakova from Montana, „We’ve all worked as a team and it has contributed to our successful performing. The outcome of the contacts made is forthcoming“.





„Important for Municipality of Dobrich contacts were with the representatives of Slovak company IPEC Management. They were interested in our former military base that is to be transformed in business or industrial park. By VIP-3 Ltd. was suggested that Dobrich companies be promoted in Italy for gaining partners in the field of food industry. Meetings brought to contact opportunities with German municipalities for exchange of experience between German and Dobrich schools“, said Zheni Panayotova for Municipality of Dobrich.

As result of the participation BLEDP made over 300 contacts with Bulgarian and international companies and organizations. The pavilion of the Partnership was visited by representatives of companies and organizations from Bulgaria, Romania, Germany, Austria, Italy, Turkey, Russia, Slovak Republic, Korea and others. Interested in the BLEDP

were companies as Steyr Daimler, leading industrial corporation in Austria and Number 1 in production of wheeled and tracked armored vehicles as well as turret systems; Arcelor Mittal, the world's number one steel company with headquarter in Luxemburg and production activities in over 60 countries; Incotex Holding - Russia, designer, producer and trader of electronics.

In an inquiry published on www.invest.bg to the question: „Do you consider Bulgaria as appropriate business destination?“ from total 107 voters 25% of them replied with „Yes, in the commercial field“; 30,8% - with „Yes, in the production field“; 15% - with „No“; 29% replied that they would like to know more about Bulgaria. Recently showed data reveals that marketing and promotion are needed in order to present Bulgaria as appropriate business destination. Namely this activity is the main task of the Partnership: first, to present Bulgaria as appropriate business destination, and second, to present the potential and the characteristics of all 39 members of the Partnership.

The pavilion of the Partnership was visited by the Mayor of Blagoevgrad Mr. Lazar Prichkapov and the Mayor of Pazardzhik Mr. Ivan Evstatiev. They encouraged the teams of LED experts working hard to present their municipalities and wished them success. After the exhibition ended, letters of thanks on behalf of Mrs. Ginka Kapitanova, FLGR Executive Director, were sent to all mayors and LED experts who presented and promoted professionally their municipalities in the 62nd International Technical Fair - Plovdiv.

On behalf of the Bulgarian Local Economic Development Partnership we wish a lot of success to the future development of contacts made! ◆



THE NATIONAL RURAL NETWORK MADE THE FIRST STEP

The National Conference **First Steps of the National Rural Network** was held on November 22, 2006, in Sofia. It gathered over 250 participants from all over the country - agricultural producers, farmers, business representatives, NGOs, national and regional associations, community centers, business centers, municipalities, mayoralities, syndicates, international donor programs, local initiative groups; representatives of ministries, national agencies and regional structures of state administration. The conference is part of the Rural Network and LEADER Project, implemented by the Ministry of Agriculture and Forestry and UNDP, in partnership with the Foundation for Local Government Reform.

It was the first national forum that gave the opportunity to express different points of view and to discuss on the future of an open national movement - the partnership network for rural area development.

Within the Conference **Mrs. Helen Williams**, European Commission Administrator for Bulgaria in Chief Department Agriculture and Rural Area Development, introduced participants to the legal and the political framework at EU level in regard to establishing and strengthening the national rural networks 2007 - 2013.

The leading message in the presentation was that according to Regulation 1968/2005 of the EU every member country has to establish its own national rural network which to unite and support organizations and administrative structures that work in the field of rural development. The main functions of the rural network are:

- Identifying and exchanging best practices;
- Exchanging experience and knowledge between participants and members of the Network;
- Training and supporting the process of creating local initiative groups;
- Encouraging cooperation of regions and international cooperation.

Mrs. Williams underlined that the Rural Network unites all social-economic partners at local, regional and national level and it participates actively in the process of consulting the national policy for rural development. Subsequently, when the National Strategic Plan for Rural Development 2007 - 2013 starts to implement its goals, the role of the Network will be that of a corrective tool in the process of monitoring and evaluation when applying the policy of rural development.



It is important that our Rural Network use this capacity and join the ongoing debate on discussing the National Strategic Plan for Rural Development, the Program and the measures that are to be applied in Bulgaria.

The second part of the Conference was focused on outlining the National Policy for Rural Development and the support for establishing Rural Network in Bulgaria. These were presented by **Mrs. Miroslava Georgieva**, Department Director Rural Development in the Ministry of Agriculture and Forestry.

The overall idea, goals, participants, challenges and opportunities in front of the National Rural Network were presented by **Mrs. Marina Dimova**, FLGR Program Coordinator. The final part of the conference was dedicated to sharing achievements and results within the Rural Network and LEADER Project, presented by **Mrs. Tanya Shumkova**, project leader.

Discussions within the Conference brought out the **main challenges related to the fact that the financial support within the Rural Development Program for implementing the activity of the Rural Network would be used only after selecting the Secretariat of the Network, most probably in 2008**. The process of establishing the Rural Network and gaining members is gathering speed. In the same time it is connected to many expectations and enthusiasm expressed by all stakeholders. Participants are afraid that the initial enthusiasm of the first members could be broken easy if lack of coordinated activity, access to services, coordination mechanisms and integrated information flow occurs.

So far over 550 participants in the Network have expressed their interest. These are organizations, institutions, citizens and representatives of business and administration, local governments and villages.

Continuing its support for establishing the Rural Network and in its role of Temporary Secretariat, FLGR created an integrated register of participants that consists of contact information and field of activity. The register will be constantly up-dated with new participant information. It will be published on the FLGR webpage, button Rural Network (www.flgr.bg).

FLGR will create an integrated data base with e-mail addresses of participants and will publish up-dated information on opportunities for project consulting within the Rural Development Program 2007 - 2013, topical news and funding opportunities. This way a mechanism for operating and activating the Network will be created. It will also facilitate



the consulting process of the project within the Rural Development Program 2007 - 2013 among all stakeholders.

encouraging partnership models, joint initiatives and exchange of information. ◆

Pictures from the exhibition

MAGIC OF RURAL AREAS IN BULGARIA

The event was held parallel to the Conference and it was also organized by FLGR.

We thank all the authors who sent their pictures!

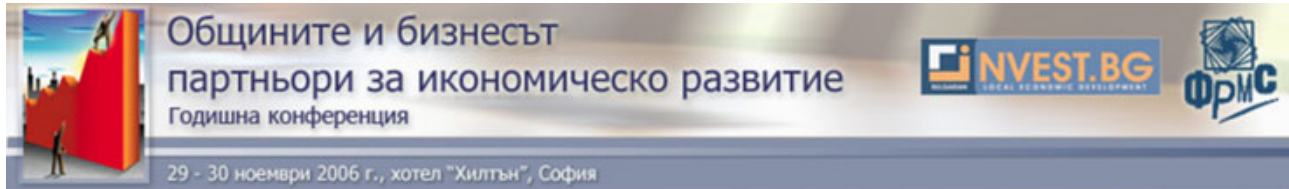
*The love of Grandfather Ivan,
Dilyana Stoycheva, Targovishte*



*Old women,
Theodor Vassilev, Koprivshitsa*



*The beauty of Ivailovgrad,
Dancho Yordanov*



SUCCESSFUL WORK OF THE FIRST ANNUAL CONFERENCE MUNICIPALITIES AND BUSINESS - PARTNERS FOR ECONOMIC DEVELOPMENT

FLGR held the First Annual Conference Municipalities and Business - Partners for Economic Development on November 29-30, 2006. The FLGR team managed to gather some 200 representatives of the state and the local governments, banks, companies, NGOs, educational institutions, experts and consultants on economic development from Bulgaria, Great Britain, USA and Hungary.

The focus of the conference was on the key participants in the process of economic development - municipalities and business - and particularly on their specific role and interaction for creating common vision and policy for development.

The Conference was opened by Mr. Assen Gagauzov, Minister of Regional Development and Public Works, Mr. Michael Fritz, USAID Director and HE Willem Van Ee, Royal Netherlands Embassy in Bulgaria. In sessions took part deputy ministers from the Ministry of State Administration and Administrative Reform, the Ministry of Regional Development and Public Works, the Ministry of Economy and the Ministry of Labor and Social Policy.

In a special session, dedicated to **mobilizing business for creating municipal policy of economic development**, Mr. Rodger Horam, Chamber of Commerce in Edinburgh, Mr. Naiden Zelenogorski, Mayor of Pleven Municipality, Mr. Hristo Yonkov, member of Board of Directors of Association Sevlievo 21st Century and Executive Director of ABB Avangard, Sevlievo, shared their experience on the topic.

In the session, dedicated to **improving administrative services**, the Deputy Minister Maria Divizieva presented activities of the Ministry of State Administration and Administrative Reform in the field of capacity development in the public sector, information services and future perspectives. Mrs. Vassilka Sirachevska, FLGR Program Coordinator, shared experience and assistance, provided by FLGR in the field. Mrs. Konova, owner of Argo Hotel in Ribaritsa, presented the business perspective, the benefit and the recommendations for improving administrative services in Municipality of Teteven.

Special attention was dedicated to **labor force development** in accordance to company requirements and needs. Mr. Dimitar Dimitrov, Deputy Minister of Labor and Social Policy,



presented state policy for labor force development. Mr. Philip Dunlop, Economic Development Department in Auburn, Alabama, USA, Mrs. Vizeva, Executive Director of Professional Orientation Center in Sofia University St. Kliment Ohridski, and Mrs. Mihneva, representative of Labor Force Consultative Council within Gabrovo Regional Administration, presented flexible models for qualification and pre-qualification.

Another point of the conference agenda was **public-private partnership** as a mechanism for providing quality public services and creating modern infrastructure. The Deputy Minister of Economy Nina Radeva outlined EU directives and state policy in this field. Experience in this field was shared by Mr. Steve Taylor from Ideas, Scotland, Mr. Todor Popov, Chair of Municipal Council - Pazardzhik and Mr. Nikolai Minkov, member of Board of Directors within the industrial cluster „Srednogie med“.

In parallel sessions were discussed issues of the **technical infrastructure** and the **inter-municipal cooperation** for attracting investments and implementing major projects. Mr. Mihalevski, Deputy Minister in the Ministry of Regional Development and Public Works, pointed out some measures that have to be taken by the Ministry for improving the infrastructure and facilitating employment opportunities. The Deputy Mayors of Rousse and Dobrich, Mr. Valeri Andreev and Mrs. Miteva, related of the achievements within their municipalities in field of creating and improving the infrastructure.

Mr. Jorge Schultz, the Cabinet Chief in City of Szekesfehervar, Hungary, Mr. Asparuhov, Mayor of Mezdra, and Marina Dimova, FLGR, provided information on opportunities for inter-municipal cooperation.

The first Annual Conference Municipalities and Business - Partners for Economic Development confirmed the role of FLGR as a mediator between the public and the private sector, as an information distributor for both sectors and as an organization with developed capacity in the field of economic development. Within the conference trainings were facilitated that enhanced the professional experience of participants. The conference provided opportunities for identifying leading tendencies on important for business and municipalities topics; for discussing innovative decisions and approaches; for building contacts between colleagues and potential partners.

Ginka Kapitanova, FLGR Executive Director:

Best practices from Bulgarian municipalities were discussed in order to create common policies for economic development, for making labor force a key success factor, for creating feasible infrastructure environment for business and public-private partnerships in the context of EU membership. It is extremely important that both sectors - the public and the private - realize their role for the economic development process and show their mutual respect, trust and will to work together.

What participants share is that the main role of municipality is to protect the public interest and to start the process of building public-private partnerships; the role of business is to guarantee effectiveness and rational use of invested resources. At last but not least, are the quality administrative services and transparency in decision-making process.

The FLGR team would like to thank all participants in the First Annual Conference for their expressed interest and contribution to useful and intense discussions.

Especially FLGR thanks Euromarket Group, ESRI-Bulgaria, Elana Trading, Global Ratings, Axter, Imperial Travel, Stemo OOD and US-Bulgarian Credit Bank for their financial support of the event.

Last but not least, **FLGR thanks** the media partners - Economedia, Utilities Magazine, Your Business Magazine, Banks, Investments, Pari Magazine and Stroitelstvo/Gradat Newspaper, as well as to the Chambers of Commerce in the country, Bulgarian Association of Internet, econ.bg, Bulgarian Certifying Portal, Cash Newspaper, Bulgarian Association of Producers and Exporters of Clothing and Textile, Focus Agency, Bulgarian National Radio and many other organizations that broadcasted the event.

Dear representatives of business and public sector, look forward to the second edition of the Annual Conference Municipalities and Business - Partners for Economic Development in November 2007!

Major areas, in which FLGR contributed to facilitating relationship between local government and business:

- FLGR has 11-year experience acting as a **mediator** between different levels of management and relevant stakeholders for achieving dialog and **consensus** on significant public issues.

- For three years now FLGR implements a project Local Economic Development and Marketing of Bulgarian Municipalities with the financial support of USAID. The project is initiated as a technical cooperation between Bulgarian and US local governments. Over the years it becomes a project on introducing innovative approach for attracting and retaining business. The project provides a **new model of economic policy** which results are not measured by accidental investment achievements, but are desired and planned according to resources, capacity and ideas of local governments. This model works in 39 Bulgarian municipalities.

- The project of FLGR encourages **introducing an open and objective policy for working with business sector** for the benefit of local government development. An Ethical Code on Working with Business was developed and 16 Business Advisory Councils were established.

- **The Foundation supports professional**



skills development of local government experts responsible for on-time and quality services' provision. Special certification programs were introduced according to which 5 municipalities - Gabrovo, Haskovo, Silistra, Dobrich, Pleven - covered the maximum criteria, and other 20 covered the standard criteria.

■ A **direct financial support** was provided to the above municipalities for improving business environmental conditions - already existing industrial zones in Dobrich and Gabrovo, preparation for establishing new industrial zones in Haskovo and Silistra, attracting investments (credit rating) by improving existing infrastructure in Pleven.

■ **FLGR provides financial and consultative support** to local governments in presenting them at the international market - participation at 6 international fairs, investment forums, and missions from USA, Germany, and Italy. FLGR organized work visits for mayors. The active service of municipal employees who participate at the international events contributed to the opening of over 2500 job positions.

■ The Foundation encourages **public-private partnerships**, collects and disseminates information on best practices in the field.

■ FLGR works in the field of improving administrative services not only at municipal but at regional level too. With the technical support of FLGR two e-regions of Gabrovo and Blagoevgrad were established where integrated systems of on-line inter-relationships between local governments, regional institutions etc. were installed. It saves time of citizens and companies using municipal services. A great progress was registered in the field of improving administrative services in many Sofia districts.

■ FLGR created and runs a revolving fund with the purpose to support economic activities in municipalities.

■ With the assistance of US colleagues the FLGR team supports the improvement of public infrastructure (Veliko Tarnovo, Plovdiv).

■ FLGR created and manages an investment webpage of Bulgarian municipalities **www.invest.bg**

■ FLGR processes and re-directs investors' inquiries.

After the successful implementation of the First Annual Conference Municipalities and Business - Partners for Economic Development on November 29-30, 2006, FLGR would like to thank to:

■ Assen Gagauzov, Minister of Regional Development and Public Works

■ Michael Fritz, Director of USAID - Bulgaria

■ HE Willem Van Ee, Ambassador of Royal Netherlands Embassy in Bulgaria

■ Jim Krissindger, Team Leader in Iowa Administration, USA

■ Roger Horam, Director of Partnerships and Projects,

Chamber of Commerce in Edinburgh, UK

■ Hristo Yonkov, member of Board of Directors, Business Association Sevlievo 21st Century

■ Nayden Zelenogorski, Mayor Pleven Municipality

■ Lachezar Rossenov, Chair of Board of Directors, Foundation for Local Government Reform

■ Maria Divizieva, Deputy Minister of State Administration and Administrative Reform

■ Vassilka Sirachevska, Program Coordinator, Foundation for Local Government Reform

■ Mrs. Konova, owner of ARGO Hotel, Village of Ribaritsa, Teteven Municipality

■ Nedyalka Yolovska, Managing Director, ICT Media

■ Dimitar Dimitrov, Deputy Minister of Labor and Social Policy

■ Philip Dunlop, Director Economic Development, Auburn, Alabama, USA

■ Galina Mihneva, Advisory Council on Labor Force within Gabrovo Regional Administration

■ Vassilena Vizeva, Executive Director, Center for Professional Orientation, Sofia University St. Kliment Ohridski

■ Svetlozar Petrov, Executive Director of Job Tiger and Chair of Foundation of Business for Education

■ Nina Radeva, Deputy Minister of Economic and Energy

■ Steve Taylor, Managing Director, Ideas OOD, Scotland

■ Nikolai Minkov, member of Board of Directors, industrial cluster „Srednogie Med“

■ Todor Popov, Chair of Municipal Council - Pazardzhik

■ Olga Borissova, Director, Center of European Programs, American University in Bulgaria

■ Dimcho Mihalevski, Deputy Minister of Regional Development and Public Works

■ Valeri Andreev, Deputy Mayor of Rousse Municipality

■ Galina Miteva, Deputy Mayor of Dobrich Municipality

■ Jorge Schultz, Szekesfehervar, Hungary

■ Ivan Asparuhov, Mayor of Mezdra Municipality

■ Marina Dimova, Program Coordinator, FLGR

■ Maria Zlatareva, Assistant Permanent Representative, UNDP - Bulgaria

for their active position and readiness to perform and moderate in front of over 200 participants within the Annual Conference which contributed to maintaining great interest in the event, intense discussions and to realizing the need of constructive inter-relationship between public and private sector in Bulgaria.

We wish you future professional achievements and we look forward to your participation in the Second Annual Conference in November 2007!



Addresses to participants in the Conference

Ginka Kapitanova, Executive Director of the Foundation for Local Government Reform:



Within the last three years the Foundation for Local Government Reform works with 39 municipalities for their successful economic development by stimulating partnership between municipalities and business. Encouraged by the achieved results and convinced that the positive experience should be replicated, we have decided to initiate the current conference with international participation. We intend to make it an annual meeting of the three sectors - public, private and non-governmental - in order to encourage coordination and cooperation.

Realizing the role of the central and the local government, as well as those of the business in the process of economic development, we are aware that mutual respect, trust and partnership are necessary prerequisites for the economic growth. Based on our practical experience and researches in the field of economic development, we can point out the **public expectations and those of the business towards municipalities:**

- Long-term and active policy for creating feasible business environment;
- Transparency in decision-making process;
- Professional approach in attracting new investments and supporting business; and
- Quality services.

Expectations towards business are:

- Creating new job positions and generating economic

growth;

- Active policy for HR development;
- Responsible corporative citizen and participation in social-economic development of local governments.

Of course, there are expectations **towards central government**, and these are:

- Political stability and security of investments;
- Favorable legal framework;
- Financial decentralization and investments in infrastructure, education and innovations.

These expectations will be in the focus of our five thematic discussions. We expect that policies, practices and experience will be shared by the ministries, local governments, organizations, educational institutions, as well as by our guests from USA, United Kingdom and Hungary.

We count on your participation and useful contribution to discussions.

Assen Gagauzov, Minister of Regional Development and Public Works:

I am very glad that I have been invited to the first meeting, dedicated to relationships between local governments and business in our regions. I consider that this topic will be discussed from now on a lot in the future, because we are chosen as organs of local government and business to work together. If we add the efforts of central government power and the power of legal system to create favorable business environment, I think that we could achieve something that could help in developing Bulgarian regions.

When we speak of regional development and of what is topical for the EU in the moment, we have to say that it is fact that bigger cities are becoming the main engines for employment by developing their territory. I know that it is difficult to apply immediately what is already developed in Europe. It requires an interim phase during which municipalities will develop step by step so that they can concentrate on specific areas. Till then we will follow the model for overall development of infrastructure, creating environment for attracting investments, international and Bulgarian, as well as for acquiring resources of the Structural and Cohesion Funds, after Bulgaria's joining the EU in January 2007.

The latest modern tendencies in the European Union will take place step by step in Bulgaria. But first, we have to develop the infrastructure which is an important competitiveness factor. In the EU members the infrastructure has been built and it is well functioning. Bulgaria has to catch up quickly in this field.

Naturally, the role of municipalities and business is of great importance because beneficiaries of the Structural funds are namely municipalities.

I would like to say a few words on Regional Development Operational Program which action is in the field of urban development and improving living environment of cities. We held a set of meetings, trainings, and project proposals. I hope that as of beginning of next year we will initiate the necessary procedures for



acquiring EU funds on regional development.

I have been asked many times if administrative capacity has been built and whether municipalities are ready to acquire EU funds. Of course, administrative capacity has been built, but part of it has been built on theory, the other part by participating in project implementation within PHARE and ISPA Programs. The third most important part will be built when each municipality will manage to implement successfully its first project. It will prove to municipalities that project implementation is something that they can do according to all EU procedures. That is why I am answering: yes, we have capacity that will let us begin with acquiring the EU funds. And the process starts, the capacity will grow and develop.

The next objective of EU funds and Operative Programs is the small and medium enterprise - development of its competitiveness, improvement of HR quality. In this respect inter-action between local governments and business is extremely important for the future.

There is a model under which local and central governments and business could operate, and that is public-private partnership. It is a modern model that aims at joining efforts of central and local governments, opportunities of business in order to develop market economy, health services, water and sewage system and all services that local governments and business provide to citizens.

Once again, I welcome you to today conference. I wish a lot of success and I would like to assure you that government will do all that is necessary to improve legal framework, to support local governments so that they will be ready for bigger financial decentralization and responsibility. This way we will get not one but 264 centers that develop infrastructure, services and participate in improving common welfare. I wish successful work at the conference!

HE Willem Van Ee, Royal Netherlands Embassy in Bulgaria:

First of all I would like to thank the Foundation for Local Government Reform for the invitation for me today to speak to you.

And I also would like to thank to USAID that assists the Foundation and its work because I think that here we see the United States and the European Union working hand in hand in order to allow Bulgaria to more develop at the local level. Today we discuss an important subject and I must compliment the Foundation on the excellent timing of the Conference.

32 days from now Bulgaria will be a member of the European Union. This is a historic moment. It is the reunification of Europe. Seventeen years after the end of the Cold War, the fall of the Berlin Wall. My children - they are seven and four years old now - will learn about this moment when they follow history classes in high school. Let us be fully aware of the importance of the moment. Seventeen years of enormous changes in Bulgaria, the fundamental reorientation and rebuilding of society, political, economic and social, based on the principles of a pluriform democracy, free market economy and respect for human rights. I personally have deep admiration and respect for the politicians and citizens that brought this about. It has not been easy and the costs were high.

But now it's time to celebrate, because Bulgaria has reached a point where it can take on the rights and obligations of EU membership as of 1 January 2007. Congratulations!

Yes, Bulgaria is an European nation. Look at its history, culture and values. Bulgaria deserves to become a member of the European Union. But it is more than that - we all - my country, the other European Union member states need a strong and enlarged European Union to cope with the future, to guarantee our citizens, Bulgarian citizens too peace, security, stability and prosperity. And Bulgaria will make the European Union stronger. But we should not be blinded by the euphoria of the moment and lose sight of the reforms still underway. Important reforms. These reforms are needed because Bulgarians deserve them.

But above all: the challenge for Bulgaria and for Bulgarian leadership is to make the European Union work for all Bulgarians and not just for a few. This is an opportunity to strengthen citizens' confidence in the Bulgarian leadership and to build trust in the European project. Disappointment, dissatisfaction may or will have political meaning. The European Union is about opportunities, a toolbox if you like to improve people's lives. Important tools are the EU structural and cohesion funds. And the whole society must be mobilized to make use of these opportunities, these European tools, to be successful, to make it work - and not only to the central government, but also to local government and more particularly municipalities, civil society, the business community. A sincere dialogue between them is essential to be successful. We should go as much to the grass root level to the citizens as we possibly can. And municipalities and companies, local companies come in there. They are important. And this is about Europe. Because Europe is not about me as a diplomat, it is not about politicians like the minister, it is about citizens and municipalities, and businesses have very close look at things.

Local self-government, decentralisation also fiscal decentralisation are important developments in this respect. Municipalities should be better equipped to deliver on their citizens' needs.

Which will certainly also bring more responsibilities too: quality, professionalism, accountability and transparency!

Parallel to this, public private partnerships are useful tools. And this is what we are discussing today. These partnerships combine the advantages of both the public and private sector. This is positive, in terms of added value and efficiency in delivering services to the citizens and companies. In terms of competitiveness Local economic development will benefit when local businesses are involved in policy making too. Economic development and social responsibility can and should go hand in hand. And I am not referring to the type of public-private partnerships that benefited only a few.

This conference comes at the appropriate time: to raise awareness; to explain the key players, including the central government that public private partnerships can help and should be stimulated. We learned from the minister that we don't need to explain him anything - he knows how important it is.

It is not surprising that we see in many EU-member states an upswing in public private partnerships. And in Bulgaria we see a similar trend. Recently the European PHARE programme financed some 47 of those partnerships.

For successful public private partnerships the mindset of both



the administration and companies is important. There must be trust, social responsibility and an open dialogue from the very beginning of an initiative. More and more public officials and business men and women understand that they have something to gain by working together. For the communities but also for themselves and this mean that also Bulgarians will benefit. But one main condition is relevant - those public private partnerships should live by the rule of the public interest! It should be good for all. Accountability in this context is crucial.

Bulgaria's membership of the European Union is not a challenge, it is an opportunity to improve the lives of Bulgarians. And what I've already said Europe is about people!

The EU membership is the toolbox you can use. Make use of it. You as municipalities and private business have a role to play. My country the Netherlands wishes for a strong Bulgaria in the European Union, because it's also in our interest and we will therefore continue our support also to the municipalities, local government. And also beyond accession, but after 1 January obviously as equal European partners.

This strong Europe is needed for our children, because there are too many threats, problems and opportunities, which need to be addressed by us all. We cannot do it on our own. We need European cooperation.

I wish the partners for economic development present here, the municipalities, the businesses a fruitful partnership for Bulgaria's economic, social-economic development. You have an important role to play. Good luck!

Michael Fritz, USAID Mission Director

I am very pleased to be here today and I want to thank the Foundation for Local Government Reform for taking the initiative to put on this conference. One of the things I believe that the FLGR has among its best qualities is the ability to identify key issues facing local government and to do something about it. I am very pleased that the Foundation has taken the effort to bring all of you together - mayors, local government officials and businesses - to look at issues, related to local economic development. And I am also pleased to see as many as there are here today because I think that these issues that you are facing are important ones that will need time and effort to be prepared for.

As you know, strengthening local government has been one

of the USAID's top three objectives over the past five years. Since 1990, USAID has invested over \$600 million in Bulgaria's transition to a market economy and democratic reform. Much of this money has gone toward local government as well.

A strong local government is a key to a viable democracy - it is the foundation upon which the strength of the nation is built, in my country and in yours. Local governments also play an important role in the economic development of their municipalities. In the United States, city administrations are very proactive in promoting economic development.

Increasingly, USAID local government assistance efforts are focusing on training Bulgarian local government practitioners to best apply principles of promoting local economic development and creating jobs.

Through the USAID-funded City Links Program, approximately 40 Bulgarian cities have been able to take advantage of American municipal know-how and have applied innovative approaches in economic development.

This program has demonstrated how international municipal cooperation can contribute to the development of cities. I am proud that American cities have volunteered to help their Bulgarian partners in this way.

I am also glad that an increasing number of municipalities have welcomed and implemented our technical assistance and have developed comprehensive economic development strategies and programs.

I would like to share some recent statistics. 33 Bulgarian municipalities recently created local economic development staff positions and 17 of these have a dedicated economic development department. 22 municipalities created business advisory boards, which provide strategic guidance to local policy makers.

The Bulgarian Local Economic Development Partnership assisted by USAID helped its member-municipalities to attract 120 million Euros of new investment and more than 20 million Euros of investment for expansion of local companies, thus creating 1,640 new jobs.

These numbers are very positive, I believe, and I hope they signal a trend that will continue into the future. For it is key to your accession to the EU to improve the abilities of your municipalities to develop economically.

More municipalities should follow the example of those who have adopted these strategies.

The Foundation for Local Government Reform deserves much of the credit for its enthusiasm in promoting, disseminating, replicating and implementing best municipal economic development practices.

Improving the business climate at a local level is a continuous process requiring strong political will, consistent and targeted actions and effective coordination at all government levels.

The best efforts of local government officials, however, will fail unless there is an open and continuous dialogue with business representatives. That is what makes your active participation in today's conference so important.

In this regard, I wish you productive deliberations today, and mutually enriching partnerships for years to come. ◆



AWARDED INNOVATORS



At a **thematic seminar Best Practice in the Social Sphere**, held on December 8, 2006, organized by FLGR within the LOGIN Program, Mrs. Ginka Kapitanova, FLGR Executive Director, awarded the winners in Best Practice in the Social Sphere Competition.

This year over 170 innovation practices were submitted to the FLGR on-line data base. The most of them - 52 - are in the category Social Activities. Practices are submitted by Bulgarian local governments and their civic and business partners.

As result of the big interest in the social category FLGR decided to announce a **competition on Best Practice in the Social Sphere**. It aimed at recognizing those who had put so much effort in 2006, as well as at motivating colleagues from the rest of Bulgarian municipalities to work successfully in the future.

At the thematic seminar Best Practice in the Social Sphere innovators from all over the country participated and shared their experience.

National priorities and tendencies in the social sphere for 2007 were presented by Theodora Lyubenova, Chief Expert Methodology of Social Services in the Social Assistance Agency.

Within the work meeting were presented **success stories** from Village of Kapitan Dimitriev (Mrs. Stoyanka Ivanova), Municipality of Sopot (Mrs. Ivanka Yancheva) and Municipality of Bratsigovo (Mrs. Petya Georgieva - her presentation was performed by a colleague because of the impossibility of Mrs. Georgieva to attend the event).

What makes an implemented project a success story and a tool for sustainable development? - The topic was discussed in the form of brainstorming. Other discussed topics were:

- personal capacity and skills of people involved in project development and implementation;
- good knowledge of local issues, needs and environment opportunities;
- good organizational and financial capacity;
- role of the organization at local level;
- partnership with other organizations, local government, networking;
- access to information sources.

At the end of the work meeting, Mrs. Ginka Kapitanova, FLGR Executive Director, awarded winners in the competition.

It was the first time that FLGR awarded **The Most Active Innovator Award** in the thematic competition - The award was handed to **Mrs. Atanaska Hristova** from Municipality of Straldzha, who had submitted 9 practices within the year.

It was the first time that FLGR held on-line voting for a



practice within the thematic competition Best Practice in the Social Sphere. Over 400 visitors of the FLGR webpage voted for a practice. With 78 votes the practice **Youth Initiative for Strumyani**, presented by **Mrs. Svetla Petseva**, Village of Mikrevo, Municipality of Strumyani, Community Center Bratya Miladinovi, won the title Practice Choice of the Public within the on-line thematic competition.


The choice of the jury for best practice in the competition was extremely difficult. All the presented practices were valuable since they had a positive impact on life in the community.

In order to be objective, the FLGR jury identified the following **criteria**:

- **timing,**
- **originality and**
- **best correlation costs - results.**

Winner in the thematic competition for Best Practice in the Social Sphere in 2006 became Mrs. Stoyanka Ivanova, Village of Kapitan Dimitriev, Municipality of Peshtera, Community Center Sergei Rumyantsev and her practice COMMUNITY CENTER - OPEN GATE FOR EUROPE AND COMMUNICATION. The project resulted in provision of Internet, which helped to overcome information isolation of inhabitants of the Village of Kapitan Dimitriev and of the neighboring Village of Radilovo. The Internet changed life in the community and now it is an opportunity for the local school, the kindergarten, the families and the 250 children in the both villages. The Community Center will provide free Internet access for the inhabitants of Village Kapitan Dimitriev for the following 5 years. This first for the Community Center initiative had been built on by three more projects within 2006.

Congratulations to the winners!

FLGR would like to thank to all innovators for their dedicated work and to wish them many creative and professional achievements in the future! 

USEFUL MEETINGS WITH US COLLEAGUES

In the period of September 3 - 11, 2006, 10 local government officials from Municipalities of **Teteven, Panagyurishte, Byala, Gotse Delchev, Knezha, Razlog, Sevlievo and Vratsa visited the State of Texas, USA**. The study visit was organized within the Local Economic Development and Marketing of Bulgarian Local Governments Project administered by FLGR and ICMA, funded by the US Agency for International Development. The focus of from-to colleagues training was put on economic development at local level and US experience. Participants were mayors, deputy mayors and economic department directors from Bulgarian municipalities.

4 US municipalities were visited - San Antonio, Universal City, New Brownfield and San Marcos. Thanks to the excellent organization and full of interesting work meetings programme, Bulgarian participants were acquainted with the US local government models, role of mayors and municipal councils, municipal budget assembling, strategy designing on local and regional economic developing.

Special attention was devoted to debates in the field of local economic development and initiatives for attracting investments, business retaining, promotion and marketing of municipalities.

Violeta Bozhinova,
Chief of Marketing and Investment Department,
Municipality of Vratsa:

„It was very valuable and interesting opportunity to share experience on leading negotiations with potential investors and incentives provided by municipalities. We visited several industrial parks, one municipal airport and one professional training center. We met people with strong motivation to work for benefit of the local community, who plan long-term activities and join citizens for public discussion on significant for the community issues. We came back with even stronger desire to work for the economic development of our municipalities.

We thank the organizers, ICMA and FLGR, for providing this valuable opportunity.“

At the beginning of this year has started the Improving Administrative Services Project in Sofia Municipality.

The expert and technical support was provided by FLGR. The successful implementation of the pilot project was based on the expert experience and the efforts of Mrs. Vassilka Sirachevska - installation of integrated administrative service system in Sofia districts „Mladost“, „Student town“, „Vazrazhdane“ and Municipality of Sofia.

We are ambitious to continue project implementation by joining other districts of Sofia. Our goal is till the end of 2006 to establish an overall integrated administrative service system by applying the already created model.

We are very much counting on your cooperation for the successful finish of the project concerning not only financial support but also human and professional attitude toward the administrative issues of Sofia Municipality.

Boyko Borissov,
Mayor of Sofia Municipality
July 21, 2006

At the beginning of 2006 we have put an ambitious task to achieve - to modernize administration, to improve services, to enhance qualification of employees, to make processes in the administration transparent, to enhance confidence in state and institutions.

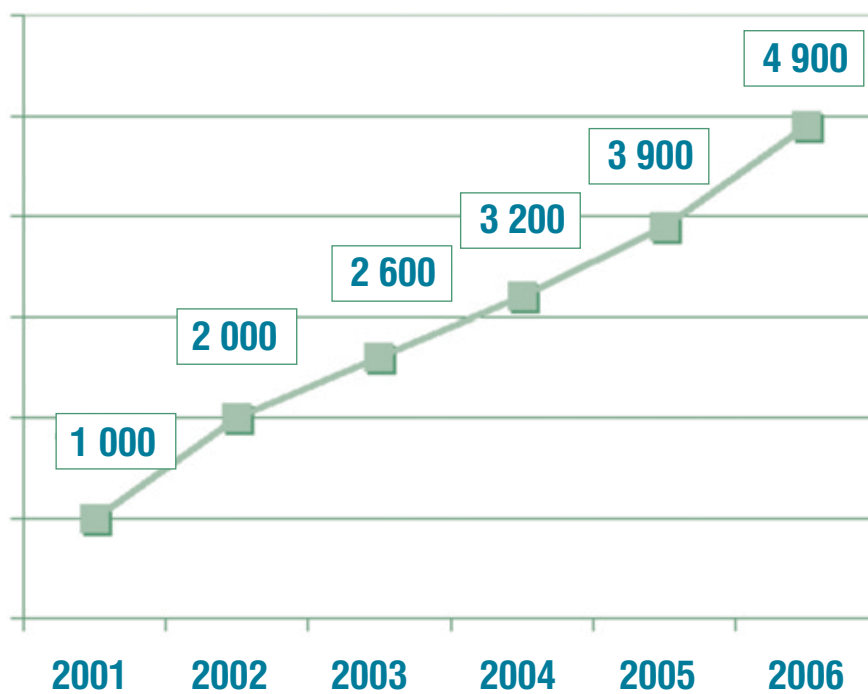
I would like to express my gratitude to FLGR for our successful partnership and for your active support in achieving our priorities.

Considering the importance and the necessity of constructive interaction and constant dialog with NGO sector, I count on our fruitful partnership in the future.

Nikolai Vassilev,
Minister of State Administration
and Administrative Reform
August 24, 2006

E-WEEKLY SUBSCRIBERS

Since 2004 every Wednesday FLGR issues e-weekly



Powerful communication channel of FLGR is its web-site www.flgr.bg
of unique visitors

