



Foundation for Local
Government Reform

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

ANUAL REPORT 2006

FLGR IS AN INDEPENDENT PROFESSIONAL CENTER,
SUPPORTING LOCAL DEMOCRACY

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Dear partners and readers,

Herewith the Foundation for Local Government Reform (FLGR) reports on the activities implemented within the period of January – December 2006. Established in 1995 by a group of mayors, the Foundation strengthens successfully its position and works as an independent professional resource centre, supporting local democracy.

FLGR is an organization with clearly defined goals and priorities. Its specific activities comply with the local government needs and the contemporary trends in the field of local government development. Our main strategic objectives are five: stimulating dialog and achieving consensus for effective policy and joint initiatives between various stakeholders and governmental levels; professional development and consultations for local governments, their civic and business partners; provision of needed and topical information to different customers through the use of appropriate technology; consultations for project design and management and assistance to local governments in establishing international partnerships. FLGR invests in its professional and organizational development.

Along with the traditional activities we entered 2007 with thorough knowledge of the Operational Programmes. After participation in the Working groups for developing most of the Operational Programmes, we helped the municipalities to build capacity for the effective implementation of the EU funds. We are also satisfied with the opportunity to apply our experience in the neighbouring Balkan countries.

Our actual work with 39 Bulgarian municipalities in the local economic development area results in providing new employment opportunities, as well as in implementing target policy of municipalities and business for reconstructing existing business zones and constructing new ones, for active marketing of investment opportunities, improving the living and the labour environment and developing the capacity of the labour force.

FLGR is one of the leading actors in the field of administrative service provision at local level through combining information and communication technologies with organizational change and introducing new skills in local administrations. Innovative initiatives were successfully implemented in the area of integrated administrative services and e-Government.

The major goal of our organization in 2007 is to address the needs of local governments and to offer them expertise in the following fields: administrative services and complex services to citizens and business; local economic development – creating business profiles of municipalities, initiatives for retaining business and attracting new investments; organizational development and improving the qualification of municipal experts; enhancing capacity for project design and management.

The most recent services that we offer to municipalities are: preparation for applying the LEADER approach within the National Rural Development Plan and for establishing Local Initiative Groups; facilitating the process between groups of small municipalities for preparation of integrated development plans in the context of the Regional Operational Programme; developing regional programmes for preserving the cultural heritage as a factor for regional development. FLGR assisted in establishing the National Rural Areas Network and is now acting as a temporary secretariat of the Network.



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

Ginka Kapitanova,
FLGR Executive Director

STRATEGIC GOAL I

• DIALOGUE

Throughout 2006 FLGR continued to undertake concentrated actions to improve the integrated local development.

The focus was on:

- Elaborating and discussing **Operational Programmes 2007 – 2013** among all stakeholders: representatives of ministries, regional administrations, municipalities and experts in the field of local self-government;
- Research of important aspects of

Bulgarian local self-government: FLGR held a national survey in the field of **inter-municipal cooperation in Bulgaria**. The results were broadly disseminated among all stakeholders.

- Improving the information environment of the Bulgarian municipalities in regard to the operational programmes and the strategic documents for 2007 – 2013 by implementing the **first national information campaign “Operational Programmes 2007 – 2013: Opportunities for Bulgarian Local Governments”**. Over 480 people attended the information meetings organized in 6 regions; participants were representatives of over 80% of the municipalities in Bulgaria.

- Rural Areas Development: FLGR as a temporary secretariat laid the basis of the **National Rural Network** which aims to encourage dialogue and to involve all stakeholders in implementing the rural development policy; over 680 participants joined the Network – organizations, institutions, citizens and business representatives. FLGR has created and maintains a common register and database of participants, contact information and field of activity.

- Applying the **LEADER approach**: in 2006 FLGR created two inter-municipal





local initiative groups with the support of all local partners and according to the requirements of the National Plan for Rural Development 2007 – 2013 in Kresna and Strumyani, Teteven and Yablanitsa.

If you need assistance FLGR will help you to:

- Create a Local Initiative Group according to the LEADER approach;
- Design strategy for regional/local development;
- Implement information campaign using various information channels and oriented to diverse target groups;
- Conduct surveys and analysis in the field of local and regional sustainable development, rural development, and local communities.

I was amazed by the way you held the seminars on the LEADER approach and the National Rural Network. I believed 100 %. Thanks to FLGR I have seen “the light at the end the tunnel” for Bulgaria.

Vanya Kutseva

Please accept my sincere congratulations for the active position of FLGR on partnering with official authorities and initiating the National Rural Network in Bulgaria.

**Eng. Antoaneta Staneva,
Mayor of Novo selo Municipality**



STRATEGIC GOAL 2

• Training

More than 950 people – representatives of local and central government, NGOs, business organizations – attended various trainings organized by FLGR in 2006. Trainings are considered as timely, tailor-made, complied with the life long learning (LLL) requirements and at a competitive price.

FLGR has established itself as an experienced training provider specialized in practical training modules performed according to LLL methods: mentorship, interaction, work in small groups, group discussion, role play, structured exercises. Training topics are subject to the needs and perspectives of society development.

For a third consecutive year the FLGR Training Center together with Sofia University “St. Kliment Ohridski” held professional qualification courses. 150 people acquired a Certificate from Sofia University in the field of:

- Project Design and Management of EU Programmes;
- Protocol and etiquette;
- Human Resources Management;
- Local Economic Development;
- Structural Funds. Operational Programmes in Bulgaria 2007 – 2013.

In 2006 FLGR offered three new topics

addressed to municipal administrations and municipal councils that were delivered on request:

- Management and Development of Human Resources;
- EU Structural Funds in Bulgaria;
- Project Design and Management of EU Programmes.

In 2006 six practical courses on Facilitation Skills and Techniques were conducted. This training module is becoming increasingly important and demanded when facilitating of groups and meetings of different stakeholders is on the agenda.

In 2006 several trainings were conducted on request of organizations outside the field of local government: Roma minority network, Ministry of Health, Business Center – Nova Zagora.

In 2006 the work on ALAVA Project (Adult Learning as an Added Value to the Activities of Community-based NGOs) continued with trainings organized together with





the local partners from 5 municipalities on the following topics: basic computer skills, project development, and local community development. The trainings targeted unemployed people, young

people, NGO representatives and municipalities. The project is funded by the EU Grundtvig I Programme and partially by the Swiss Federal Office for Professional Education.



Our recently established NGO “Civil Society” won its first financing by the Tulip Foundation within the Small Grants Programme. It is a successful start for us as it is the first project that we have developed in general. I would like to express my sincere gratitude for the training “Project Design and Management”. I have participated in variety of trainings in this field but it is the first that provided basic knowledge and skills. Thanks to the acquired training experience we started our activities. You have a great team. Keep supporting civil society development!

Kremena Slavcheva, City of Elena,

At the beginning of 2006 we have set an ambitious task – to modernize administration, to improve services, to enhance the qualification of employees, to make processes in the administration transparent, to enhance confidence in the state and the 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 dialogue with the NGO sector, I count on our fruitful partnership in the future.

**Nikolai Vassilev,
Minister of State Administration
and Administrative Reform**

STRATEGIC GOAL 3

• Exchange of Information

Following the principles of transparency and accountability, FLGR continued to develop communication channels and to expand its audience. In 2006 all FLGR initiatives were widely covered by the media. The Foundation has become an irreplaceable source of information and innovative ideas for its clients and partners.

FLGR publications in 2006

- 12 editions of the **monthly information bulletin** provided topics as: municipal infrastructure; e-Municipality and improved customer services through ICT; Operational Programmes in Bulgaria and challenges in front of Bulgarian municipalities related to EU Structural Funds 2007 – 2013; improving social environment; inter-municipal cooperation; improving business environment at local level.
 - 3 **thematic inserts** on the following topics: Tourism Development, Innovative Municipality National Competition, European Charter for Democratic Schools without Violence;
 - 47 editions of the **e-weekly** provided information about activities, trainings and initiatives of FLGR; 414 calls of proposals and funding opportunities and 136 training opportunities were published;
 - 2 **English digests**;
 - 12 editions of the English electronic monthly newsletter **e-Brief**;
 - FLGR **on-line library** was expanded with 112 new professional publications;
- All FLGR publications are published in electronic format on-line at the website of the Foundation.



Transfer of know-how and innovative methods

FLGR collected and disseminated 131 new innovative practices submitted by 49 municipalities. The practices were published on-line in Bulgarian and English at www.flgr.bg. Thematic innovative practices competitions were conducted on the following topics:

- February 2006: Municipal initiatives for local economic development, winner Municipality of Rakovski
- December 2006: Best practice in the social field, winner Community Center “Sergei Rumiantsev”, Village of Kapitan Dimitriev, Municipality of Peshtera.

On October 13, 2006, within the fourth



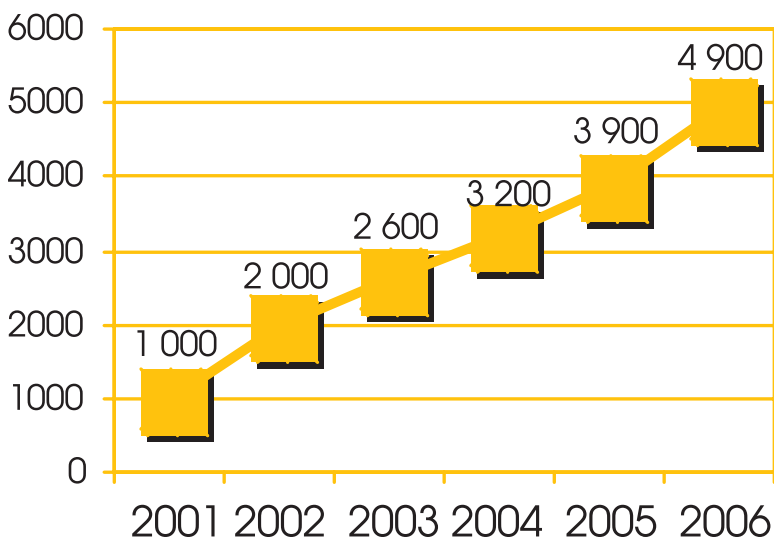
Annual Meeting of the Bulgarian Municipalities, the Foundation for Local Government Reform held an official ceremony on the occasion of the 2006 **Annual Innovative Municipality Award**. The Municipality of Strandzha won the first place in the National Competition with a total contribution of 25 innovative practices.

In 2006 for the fifth consecutive year FLGR in cooperation with the Bulgarian National Radio carried out a series of monthly radio broadcasts "Municipal Radio Forum". The overall ten radio editions discussed

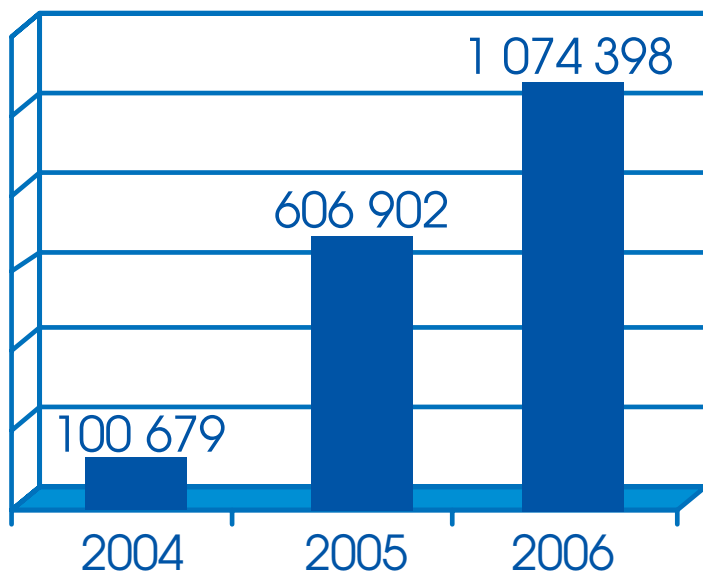
a variety of topics: municipal budget, residential condominium, improving the business environment at local level, rural development, local government innovations, improving administrative customer services etc.

In 2006 the FLGR initiatives were widely covered: more than 50 comments were published by the national and regional media, as well as by regional local government associations' newsletters in Bulgaria.

Number of e-weekly subscribers



Number of visitors at www.flgr.bg



Thank you for sending regularly the e-weekly and the monthly information bulletin. We always find interesting and tailor-made information on various topics, best practices in the field of local economic development, funding opportunities, EU membership information etc. We often use this information in our daily work as NGO. It keeps us informed about the situation in the remote regions of the country, gives valuable ideas, and helps us applying for funding in open donor programmes.

Dora Dimitrova,
Executive Director,
Economic Development Agency

Thank you for what you are doing. The e-weekly is a unique publication providing relevant information in Bulgaria.

Teodor Vassilev,
Community Center
"Future in present"

Municipality of Strandzha won the first place in the FLGR National Competition. We all are very happy and proud. This recognition makes us equal to the best and is a proof that we have found the right way to the modern organization and management in the benefit of citizens.

Mitko Andonov,
Mayor of Strandzha Municipality

STRATEGIC GOAL 4

• Support to Project of Municipalities and NGOs

In 2006 FLGR worked in several target fields of financial, expert, technical and consultant support to municipalities and civic organizations:



SUPPORT TO PROJECTS OF MUNICIPALITIES

- FLGR, with the financial assistance from USAID, continued to support projects of 9 Bulgarian regional associations of municipalities. The total value of the projects exceeded EURO 185 000. The projects targeted improved capacity of local governments and joint actions with the municipal councils in their role of effective local legislative authority;
- FLGR continued to support projects of 3 Bulgarian professional associations of municipal officers
- municipal secretaries, lawyers, PR specialists; the total value of the projects exceeded EURO 18 000. The projects targeted improved capacity of local governments and transparency of municipal administrations, reduced obstacles to businesses at local level, local legislation improvements and improved capacity of the municipal experts;
- Through the initiative of USAID FLGR created Support to Municipal Projects Fund. Low-interest financial resource was granted to three municipalities to imple-

ment infrastructure projects.

- Within the Community Forum Program of the Swiss Development and Cooperation Agency (SDC), in consortium with Balkan Assist Association, in 2006 FLGR supported the development, monitoring and evaluation of more than 40 projects in 15 municipalities. The total value of the projects exceeded EURO 150 000. The projects covered the following areas: public works, training, tourism, cultural monuments, youth and social activities, rural development, improving administrative services, environment and sports.

E-GOVERNMENT

- The consultant and methodological support of FLGR to Bulgarian municipalities and regional administrations for provision of quality administrative services reached its culmination by the successful implementation of the most significant project in the field of e-government “**Integrated administrative services in e-Region of Blagoevgrad**”. A real-time official mechanism for exchanging documents was introduced to link 14 municipalities of Blagoevgrad region, the regional administration and the six regionally presented state institutions. The provision of 17 integrated administrative services and 26 external administrative services is in process. The fact that Mrs. Vassilka Sirachevska, project coordinator, was granted the IT Personality of 2006 Award was a valuable recognition for FLGR achievements.

- The joint work of **FLGR and Sofia Municipality** in 2006 contributed to introducing one-stop office services in eight (out of 24) Sofia administrative districts and VPN connection of all Sofia administrative districts and the central Sofia administration. The work for improving quality services continues in 2007.

- Through the initiative of the Central Balkan RAM – Gabrovo and with the financial support of SDC FLGR implemented a project **Integrated Administrative Services in e-Region Lovetch**. Main partners within the project were the 10 municipalities in the Region of Lovetch, Regional Administration – Lovetch and the four regionally presented state institutions.



INTEGRATED LOCAL DEVELOPMENT

- For the second consecutive year FLGR, SDC and the National Fund Culture continued to support local communities for managing culture-historical heritage and transforming it into a factor for sustainable development. Within inter-municipal forums significant regional topics were identified. Agreement for common regional policy was signed. The implementation of projects started in 5 regions which comprise 11 municipalities.
- In 2006 FLGR joined the municipalities of Bolyarovo and Straldzha in a forum process. The aim of the initiative was to encourage the integrated local development through joint activities in the context of the Operational Programme Regional Development 2007 – 2013. The two municipalities elaborated development plan which comprises project ideas of common interest in the field of technical, social and business infrastructure.

SOCIAL ACTIVITIES AND STRENGTHENING THE CIVIC SECTOR IN BULGARIA

- FLGR supported the institutional strengthening of the Health for Everybody Association by initiating an 18-month national project, Network for Social Involvement of Disabled People.
- In 2006 the FLGR team finished the implementation of Phase III of the **Improving the Social Environment Program** financed by the Charles

Stewart Mott Foundation. In 10 small and medium-sized municipalities partnership models between citizens and local government were introduced and strengthened; the capacity of local civic groups to actively defend their positions and to solve problems by the use of local resources was built. 26 projects (10 of which in villages with population between 250 and 1,000) were implemented at the total value of BGN 71 736, another BGN 46 164 were provided as local support. 1 000 people took part in project implementation process.

- 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 Central and Eastern Europe and helped establishing consortium of NGOs for local and regional development.



It is obvious that the Improving the Social Environment Programme is successful. For me though, the small achievements on the spot are even more successful. Congratulations!

Yuri Valkovski,
Financial Support Manager,
Workshop for Civic Initiatives
Foundation

The Improving Social Environment Programme administered by FLGR/Mott gave us the unique opportunity to go through the whole way beginning with project idea selection, project development, training, project implementation with the active support of local communities – local government, school directors, local NGOs.

Spaska Boyadzhieva,
project coordinator,
SOS Teams – Friends Project,
Sapareva Banya

STRATEGIC GOAL 5

INTERNATIONAL PARTNERSHIPS

It is the tenth year of partnership between Bulgarian and US local governments within the Technical Twinning Program/City Links Program, which FLGR is implementing in cooperation with the International City/County Management Association (ICMA). The program is funded by USAID. The program aims at providing technical assistance and know-how to Bulgarian municipalities by sharing knowledge and management models with relevant partner from USA. Within the ten years of cooperation almost 40 Bulgarian and more than 15 US local governments took part in the program implementation process. In 2006 the main component of the Program was

LOCAL ECONOMIC DEVELOPMENT AND MARKETING OF BULGARIAN MUNICIPALITIES PROJECT

Ten new municipalities joined the **Bulgarian Partnership for Local Economic Development (BPLED)**. FLGR united the efforts of 39 Bulgarian municipalities for improving business environment, active marketing and investments. The number of municipalities, where economic development specialists have been identified, has grown to 33; of these, 17 established independent departments. FLGR created conditions for professional preparation and development of local specialists. 55 people took part in specialized training courses. 15 certified specialists in local economic development enhanced their qualification and participated in practical 20-day internship facilitated by the US partner municipalities. The study trip of mayors and deputy mayors in the USA and the training in Estonia for municipal experts enriched the participants with successful examples and best practices for implementing local development policy.

The International Partnerships Team of

FLGR supported municipal initiatives in the amount that exceeded BGN 50 000. FLGR provided competent technical assistance to municipalities, participants in the Bulgarian Partnership for Local Economic Development. The FLGR team helped achieve successfully negotiations between Yambol Municipality and the Japanese Yazaki Company that planned to build a plant for cable equipment. It is envisaged that 2500 people will be employed till the spring of 2009.

In November 2006 FLGR held the first **Annual Conference Municipalities and Business – Partners for Economic Development**. 180 people took part in the event – representatives of central and local governments, business, NGOs, experts from USA, UK and Hungary. FLGR has the ambition to promote the conference as effective format of dialog and cooperation between business and local governments.

If your municipality is interested in becoming a member of the Partnership for Local Economic Development, FLGR will help:

- Establish professional unit in business development and prepare its experts
- Provide training opportunities in Bulgaria and abroad, so that you are informed about the contemporary concepts and the successful methodology of implementation
- Design/ update your strategic plan for economic development and elaborate an action plan
- Design and publish the investment profile of your municipality at www.invest.bg
- Design and publish marketing materials
- Participate in international forums, round tables, conferences, fairs or delegate the right to present and promote your potential
- Receive information about investors' enquires and consultations on investments





• Participate in the Annual Conference Municipalities and Business – Partners for Economic Development

MANAGEMENT OF LOCAL ROAD NETWORK

Six new municipalities took part in developing financial plans for management of the local road network. FLGR invited experts to share technical knowledge and experience. As a result, a system for assessment of paved roads was introduced which will help experts to estimate and plan more accurately the reconstruction process. Applying this new approach, every municipality elaborated its plan for management and maintenance of the local road network and started its implementation.

If your municipality is interested in applying financially effective management of the local road network in a long term period, reasonable resources and clear priorities, please contact FLGR!

RURAL AREA COMPOSTING PROGRAM

In 2006 five more municipalities replicated successfully the pilot project for composting and developed 8 new composting sites. Separated waste composting is now in process. The organic waste that in rural areas reaches 80-90% is collected separately from the solid waste to turn it into compost.

If your municipality is interested in applying a composting program in rural areas, please contact FLGR!

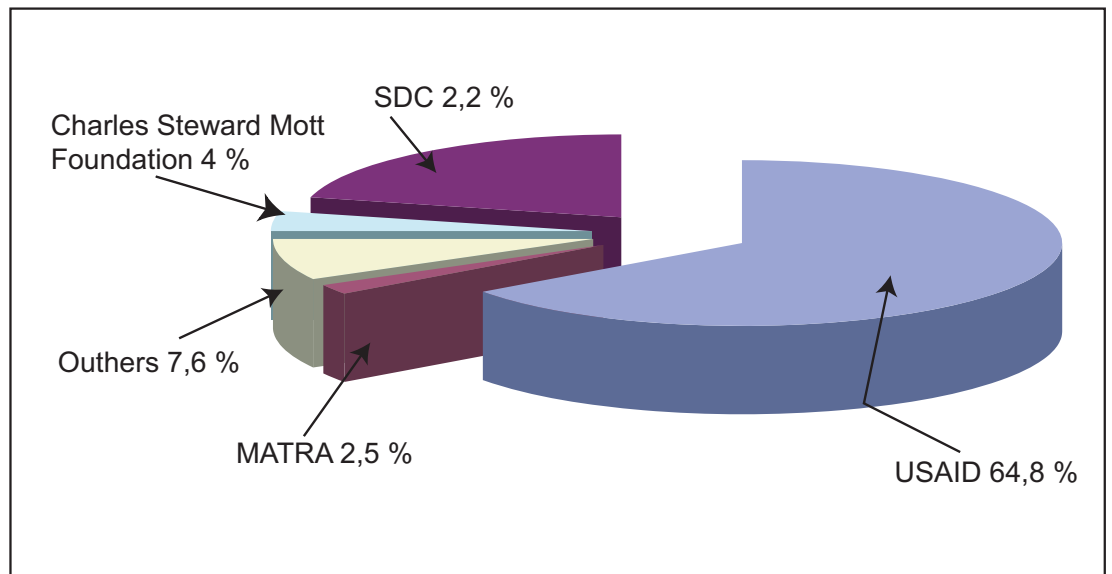
... The municipality is obliged to create a favorable investment environment. On February 8, 2007 we will be certified as Municipality Ready for Business. This certificate is granted to municipalities that provide favorable conditions and clear rules for investments. The certifying process is conducted within the program implemented by the Foundation for Local Government Reform. Every company can receive information on-line and invest with no doubts in our municipality.

Yordan Stoykov,
Mayor of Sevlievo Municipality

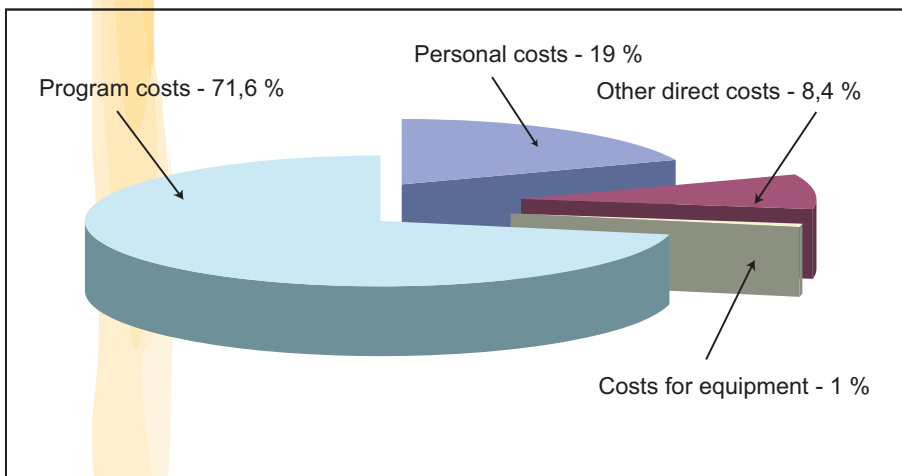


STRATEGIC GOAL 6 Sustainability

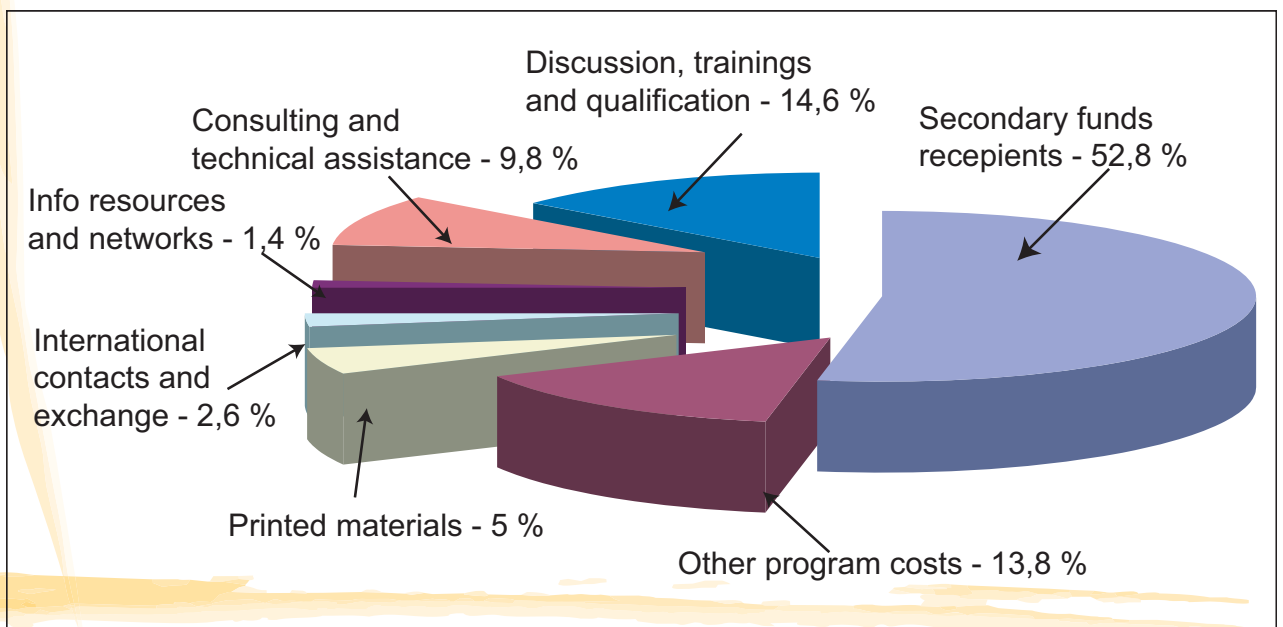
FLGR Revenues '2006



FLGR Expenditures '2006



Program Costs '2006



FLGR BOARD OF DIRECTORS

In April 2003 the Foundation for Local Government Reform established a limited company FLGR Consult owned by the Foundation. For the fourth consecutive year the company provides paid services to its clients:

- Surveys and analyses;
- Expertise in the field of local and regional development;
- Project management;
- Consultations and technical assistance to business and local governments;
- Intermediation in recruiting investors at municipal level;
- Trainings and event management.

In 2006 FLGR Consult continued to implement to following projects and activities:

- Trainings on various topics addressed to public administration officers, business and NGOs, conducted in cooperation with the Philosophy Department of Sofia University "St. Kliment Ohridski";
- Trainings conducted on request of organizations for acquiring knowledge and skills in project design and management;
- A survey Study on EU Member States with Two-Levels of Self-Government, commissioned by the Ministry of Regional Development and Public Works;
- Consultation to municipalities on developing and introducing Quality Management Systems ISO 9001:2001;
- Implemented a project Sustainable Management of Lands, funded by the UNDP and the Ministry of Environment and Waters;
- Implemented a project Planning Local Economic Development in the Municipality of Letnitsa, Active Labor Market Services Program;
- Consultant within a project for establishing e-Region Lovetch;
- Sub-contracted for implementing a project Pilot Integrated System of e-Region, contracted by the Ministry of State Administration and Administrative Reform.



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)



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Board Member
Senior Assistant, Legal Department,
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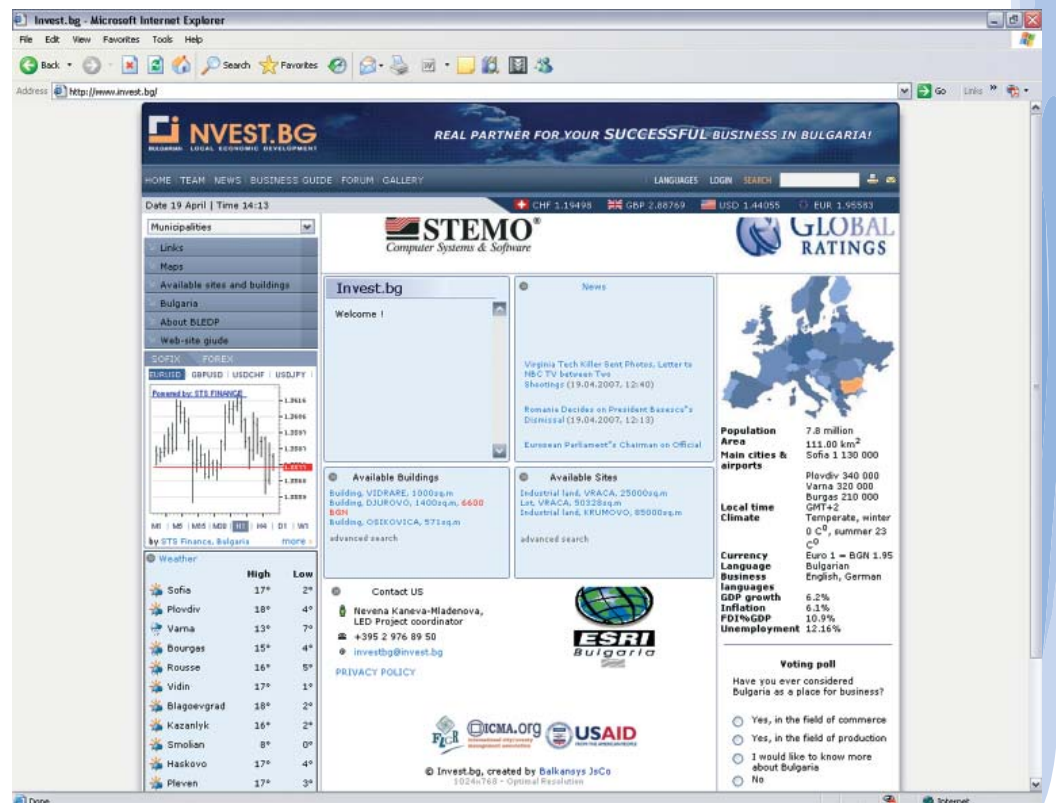


ROUMEN DRAGANOV
Board Member
Tourism Manager



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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