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Dear readers, partners and friends,

We are glad to present you the second 2001 Biannual English Digest Newsletter of the Foundation for Local Government Reform. It covers a collection of articles and news of the second half of 2001, selected so as to respond to your interest in knowing what is happening in Bulgarian local government lately. Here we also let you know what FLGR made happen in local government during the last six months.

We believe information sharing is a vital aspect of our work, as FLGR aims to provide needed and tailored information to its various partners ranging from Bulgarian local governments to international organizations all over the world. We hope you would receive and view this newsletter as an adequate expression of our will to keep you informed.

We thank those of you, who responded with comments and gratitude to our previous edition and we would still encourage everyone to share with us information that FLGR can in turn share with Bulgarian local governments and their partners!

*FLGR's Information Team
Sofia, February 2002*

THE CITY OF WEST CARROLLTON CONTINUES TO STRENGTHEN ITS PARTNERSHIP WITH THE MUNICIPALITY OF VIDIN, BULGARIA

A US PERSPECTIVE

The two cities are twinned through the Technical Twinning Program, funded by the US Agency for International Development and implemented by the Washington D.C. based International City/County Management Association (ICMA) and the Sofia based Foundation for Local Government Reform (FLGR). The program started in 1997 and 11 Bulgarian and US counterparts have been twinned within its framework so far.

Two West Carrollton city officials returned from their second visit to Vidin and are preparing to host a second delegation from the Bulgarian municipality in late July. The two cities are working on two projects, related to stimulating Vidin's economic development and renovation of the city's park.

„Our goal is to promote Vidin“, says David Humphreys, Director of Planning and Economic Development. „The municipality has a magnificent road system, resources and potential.“

Vidin is situated on the Danube River bank. A new bridge across the river is to be constructed, which will provide the municipality access to Western and Central European markets. „Our project aims at creating a good image of the municipality and making it more visible for everyone,“ explained Director Humphreys.

Rick Bolton, Director of Parks and Recreation, explained that within the second project a part of Vidin will be transferred to West Carrollton and, in turn, part of the outskirts of Dayton would be transferred to Vidin.

In one of the parks of West Carrollton a „Vidin area“ will be created. „We want these areas to represent our local cultures,“ says Director Bolton.

In one of Vidin's parks a West Carrollton area will be created. Bolton explains that an area like that could „include something typical American, a children's playground, a basketball field and tennis courts or other sport facilities.“ Director Bolton adds, „It may actually turn out that the West Carrollton area in Vidin will occupy a pretty large spot.“

Within the Vidin's economic development project the city of West Carrollton will assist the creation of a business information system on the Internet, as well as the development of a new industrial park.

Humphreys also says that the website of the Municipality

of Vidin will be improved, so as to allow private investors to find quickly demanded information. This information will include statistical data on labor resources, available land and building facilities. Only after several years the assets of the municipality will increase by a 2 km bridge for automobile and rail transport, which will be connected to a major European highway in Romania.

West Carrollton will also help Vidin in establishing and developing an industrial park for small and medium enterprises. The 25-acre site for that purpose will be chosen, so as to benefit from the advantages of the future new bridge. The site will have access to a four-lane road, electricity and water supply. „The municipality is a raw precious stone,“ Humphreys says. „The bridge will transform it into a place preferred by businesses.“

Part of the strategy is about drafting of a marketing methodology for business selection by sectors. Some of the economic sectors that will probably be considered include agriculture, food processing and chemical production enterprises.

City Manager Tracy Williams announced that a delegation of Vidin business representatives will visit West Carrollton in September 2001 aiming to establish contacts with businesses from the Dayton area. „The unemployment rate in Vidin is 25 percent and the municipality is striving to create employment opportunities for its citizens,“ says Mr. Williams.

He adds that the Mayor of Vidin, Dr. Ivan Tsenov, deeply appreciates the assistance provided by the representatives of the City of West Carrollton to overcome the challenges facing his municipality.

During his visit in Vidin Humphreys and Bolton were joined by Bill Murphy from the Dayton Regional Development Union. Mr. Murphy participated in the presentation of US best practices in economic development to the Municipal Council of Vidin.

Rick Bolton, Parks and Recreation Director, explains, „Our second objective is the reconstruction of the Vidin Danube Riverside Park. Mr. Bolton recently made a visit there in order to collect more information about the park, including a complete inventory and analysis of the park system.“

Mr. Bolton informs that for the duration of one week he walked all over the park, videotaped and photographed it, ob-

served the ways in which citizens use the park and met with city employees in charge of its maintenance, as well as with representatives of non-governmental organizations.

„Those were new concepts to them,” shares M. Bolton. He remembers how excited the city officer who had to do the park analysis was, since no one before ever did something like that. Knowing the park features and their condition gives an opportunity to set priorities in the municipal investment program.

Guided by Bolton, municipal officers responsible for the park conducted a citizen survey, in order to define why citizens want the park, how much time they spend there and what are its advantages and disadvantages. „The city staff did great on conducting the survey and processing the results,” commends Bolton his Bulgarian colleagues. 52 families were surveyed, representing 160 citizens.

A team of volunteers from the City of West Carrollton and local businesses will assist Bolton to analyze the data and to draft recommendations within the park reconstruction project of Vidin.

One of the survey results was



that citizens were not accustomed to being asked their opinion. „There were cases, in which citizens found it difficult to respond to the survey questions, because this was an unfamiliar concept to them,” says Bolton.

Meanwhile, the representatives of the City of West Carrollton are preparing to host a one-week visit of their Vidin colleagues from July 22 to 28, 2001. The program of the Bulgarian delegation will include visits to economic development sites, recreation parks and cultural events in West Carrollton and the area of Greater Dayton.  

MUNICIPAL CUSTOMER SERVICE CENTERS - PRESENT AND FUTURE DEVELOPMENTS

Vassilka Sirachevska,
Head of IT Division,
City of Blagoevgrad,

By way of their legal competencies municipalities are obliged to provide a wide range of services to citizens. This includes the delivery of documents and papers on civil status, planning and construction, various types of licenses, etc., stipulated by the present legislative framework for regulating certain activities on municipal territory. In relation to that, municipalities have always faced several issues:

1. How to make service delivery faster while avoiding subjective staff mistakes or intended data errors?
2. How to organize easy access to services for citizens - to create a procedure for them to file requests and receive the ready papers at one and the same spot?
3. How to reduce completely direct contacts between customers of city services and municipal officers, on whom the immediate execution of services depends, as well as how to eliminate for citizens the trouble of going from door to door around city offices, how to cease corruption and bureaucratic practices?
4. What information and management technologies should be used in order to achieve effective delivery of administrative services?

Back in 1998 a Customer Service Team, launched by the Local Government Initiative Program of the USAID, began searching for solutions to these issues. The team included experts from five Bulgarian cities with rich practical experience - Blagoevgrad, Gabrovo, Dobrich, Stara Zagora, Haskovo - and representatives of the Foundation for Local Government Reform. It studied various examples of customer service delivery in several Polish and US cities. Based on these models and taking into consideration Bulgarian legislation and traditions, the team participants developed strategies for establishing customer service centers in their own cities, after careful assessment of the necessary technical and program means for database creation. The objective was to automate the processes and execution of city services for citizens, as well as to synchronize the functioning of different municipal departments. As a result of those efforts, in the period of October 1998 to August 1999 the first Bulgarian municipal customer service

centers were created in the cities of Stara Zagora, Gabrovo and Blagoevgrad, all of them investing for that purpose own financial resources and becoming a guiding model for every city administration.

The experience accumulated by the cities of the Customer Service Team, renamed in 1999 to Innovative Practices in Local Government Team, was further developed and transmitted to five new municipal customer service centers (in Rousse, Vidin, Svishtov, Silistra and Kozlodui), created in 2000 with the support of the USAID through FLGR's Danube River Initiative Program. Parallel to that, many cities, again following the experience of the leading model municipalities, started the creation of similar centers with their own resources. The proven advantages of the municipal customer service centers are:

- Friendly environment for the clients of municipal services;
- Elimination of possible corruptive practices by ceasing the direct contact between customers and the direct executors of services;
- Less time and effort consuming procedure for the citizens;
- Clear rules, precise regulation and coordination among the city departments in charge of administrative services;
- Constant automated control by the city management over the actions of the staff in the execution of services;
- More effective management decision-making based on the built information systems.

The practical effect of this new technology of work of municipal administrations is illustrated by the following facts:

- From their very beginning municipal customer service centers obviously reduce the time for delivery of services;
- They allow greater number of customers to be served: the Stara Zagora center daily delivers services to an average of 390 citizens, the Gabrovo center - to 360 and that of Blagoevgrad - to 370;
- The rate of delayed responses to service requests in the cities has dramatically decreased from 60 to 5 percent;
- Over 95 percent of the surveyed Blagoevgrad, Gabrovo and Stara Zagora citizens evaluate positively their municipal center and consider it extremely useful.

IT PROGRAM ARCHITECTURE

The information technologies, supporting a customer service center, are part of the total information system of the municipality. The center executes service delivery within the

TOGETHER ALSO IN PHASE III

**Pavlina Passeva,
Director of the Bulgarian-US Center,
Municipality of Haskovo**

The Municipality of Haskovo and Abington Township, PA, USA, are among the „veterans“ in the partnership between US and Bulgarian cities within the Technical Twinning Program of the ICMA and the FLGR. The two cities were twinned in 1997/98 during Phase I of the program and continue their cooperation to this day.

Throughout the years the bonds between us strengthened and areas of exchange constantly expanded. While the first steps of the partnership were made in the spheres of economic development and social cooperation, now the interaction acquired new and more serious direction, reflecting the economic situation in Bulgaria and the will of our US friends to be of maximum help in elevating the social and economic status of the citizens in the region of Haskovo.

Currently we work in Phase III of the Technical Twinning Program and we implement a project on a Corporate Office Center □ Industrial Park. The project objective is to increase the economic development level in the municipality and attraction of foreign investment in the region. The idea was first discussed at the Round Table of US and Bulgarian Mayors, held in Auburn, Alabama in 2000, where Abington's City Manager Tom Conway and Haskovo's Mayor, Georgi Ivanov, agreed to further build on the foundations of the cooperation. The project was further developed in detail and proposed in its final version by the Bulgarian-US Center, a division of Haskovo Municipality. It employs city staff and a US Peace Corps volunteer □ Business Consultant Benjamin Wolf, who provides great assistance in the implementation of project activities.

The first part of the project consisted of information collection, necessary for creating a business profile of the city of Haskovo. During the initial visit of the US delegation the directions of cooperation were outlined, the information resources were identified and a team to work on the project was formed. The team consists of fifteen members, including one representative of each municipal department of Haskovo, five city council committees' members, engaged in regional development, as well as US-Bulgarian Center staff. Representatives of local businesses, including foreign investors with operations in the region, also attended some of the meetings. They shared their general views on doing business in Bulgaria and their recommendations to the municipality on facilitating certain cumbersome bureaucratic procedures. They declared their willingness to participate as our sponsors in publishing Haskovo's marketing kit, since all were of the opinion that this was the first step towards an attractive integrated presentation of the vision for business recruitment and a way to search

for business partners. The marketing kit is already printed and is being used as a presentation of the Municipality of Haskovo to all local and international forums.


The replication of this project was done spontaneously in the Municipality of Harmanli as a result of the Abington/Haskovo partnership shared experience. During a joint meeting between the representatives of the three cities in the town of Harmanli, a local team was created there too, which constantly keeps in contact with their Haskovo colleagues and works on developing a marketing profile of the Municipality of Harmanli as well.

Further project activities will encompass preparing of a set of legislative acts, related to business development in the Republic of Bulgaria, as well as local government legislation (e.g. Local Taxes and Fees Act). This kit together with a presentation program of Haskovo as a business-friendly location is titled Orientation Program for Foreign Business Attraction and we are still working on it, while keeping in contact with our US counterparts for advice on various issues.

From August 11 to 23, 2001, a three-member delegation from Haskovo visited Abington, PA. The visit was within the project framework and sponsored by ICMA and FLGR. The main goal was finding US businesses willing to invest in Bulgaria, as well as establishing initial contact with them as a basis for future business partnership. We conducted meetings and conversations with ten companies, working in the region and interested in Bulgaria. The beginning of future contacts was set as our delegation took on the responsibility to further the links to local Bulgarian businesses with similar types of activities. At present we are working on building a database of businesses in the Haskovo region, which would be of interest to potential business clients.

In Pennsylvania we were introduced to an existing business incubator and its principles of operation, the conditions of loans to tenants and everything related to the activities of an institution like that. We plan to apply this shared experience to the business incubator that will be launched in Haskovo in 2002.

In meetings with the management of the two hospitals of Abington and their medical colleges a possibility was discussed to exchange medical staff and better cooperation with the Haskovo Medical College. Sharing experience and transfer of models from the US healthcare system, adapted to the Bulgarian conditions, were also major points of discussion.

During an exciting meeting with the city management and City Council representatives of Abington we defined further guidelines of cooperation between our two cities. Both sides expressed their extreme appreciation of the results achieved so far, as well as their commitment to continue the relations of friendship and cooperation in the future. 

NEW FLGR/USAID GRANT PROGRAMS LAUNCHED IN 2001

In August 2001, FLGR started the implementation of a new three-year program, funded by the US Agency for International Development. A main objective of the program is **to improve the capacity and effectiveness local authorities in Bulgaria through granting technical and financial assistance to local organizations working in their support.** Through its several components the program is aimed at a broad circle of target groups, including regional associations of local authorities, professional organizations of local government specialists, other non-governmental organizations, municipalities and municipal experts, representatives of central government and citizens. Key element of the program is financial assistance, which will be provided to some of these groups through particular FLGR grant programs.

At the beginning of the program implementation in August 2001, FLGR invited all five leading regional associations of municipalities in the Republic of Bulgaria to develop project proposals of their activities for the next two years. The emphasis of project proposals should be on the delivery of more effective and varied services to the associations' members, achievement of financial sustainability of the organizations, successful implementation of transfrontier projects, institutionalization of mechanisms for public participation in the decision-making process at the local level, drafting of proposals for improving local self-government legislation.

In September 2001, project proposals were evaluated and in October decisions on sub-grant amounts for associations were made. FLGR signed the first funding agreement with Trakia Regional Association of Municipalities in Stara Zagora. Other approved funding includes that for the Association of Rhodope Municipalities in Smolyan, Maritza Regional Association of Municipalities in Haskovo, the Union of Bulgarian Black Sea Local Authorities in Varna and the Association of Danube River Municipalities in Belene. Through FLGR/USAID's funding the associations will be able to continue to provide expert and technical assistance to their member municipalities, will conduct particular local initiatives and deliver training to municipal personnel, as well as will organize activities for increasing the transparency of local government and citizens' participation and will encourage the participation of women in local self-government.

In mid-October FLGR finalized the development of a program for support to initiatives of the professional organizations of local government specialist and less experienced (more

recently established) regional associations of municipalities. The program is based on assessment of their needs within the framework of set priorities.

In the last days of October and the beginning of November, FLGR's team faced one of the big challenges in its three-year USAID-supported grant program - the start of the **Improving Services to Citizens Program.** The program is a natural continuation of FLGR's efforts for improving municipal service delivery to citizens via the creation of customer service centers in Bulgarian municipalities. Five municipal customer service centers were established in 2000 - 2001 with assistance through FLGR's Danube River Initiative Program, supported by the USAID, in the cities of Vidin, Rousse, Silistra, Svishtov and Kozlodui. Based on the success and tangible positive outcome of this initiative, worth of replication, in 2001 FLGR provided further funding of \$550 000 from the US Agency for assisting the creation of new customer service centers in Bulgarian cities, as well as for upgrading the technological capacities and expanding the number of services of existing municipal centers. The Foundation is the first organization in Bulgaria ever to launch a statewide program of this kind.

From October 23 to November 7, 2001, a team of FLGR held seven information meetings in all parts of Bulgaria for presenting the Improving Services to Citizens Program and for delivering advice and consultations to representatives of municipalities interested in applying. Such regional meetings were conducted in Blagoevgrad, Vidin, Sliven, Stara Zagora, Rousse, Dobrich and Gabrovo. **The program received enormous attention and interest, as representatives from a total of 133 Bulgarian local authorities attended the information meetings.**

The choice of locations for these meetings was not accidental. Drawing on its previous experience, FLGR decided that the effect of information and consultation meetings would be most beneficial, if participants are not only told, but also shown in practice the principles and functions of existing municipal customer service centers. Thus, in planning the program's promotion, FLGR asked seven of the cities represented in the Innovative Practices in Local Government Team to host the meetings and, with their kind cooperation, participants were able to visit their operating municipal customer service centers. The centers' staff contributed greatly to the information campaign of the program, as they answered specific questions of visitors on the spot.



December 10, 2001, was the deadline for submission of project proposal within the Improving Services to Citizens Program. To that date FLGR received grant applications from 110 municipalities. After an evaluation and decision-making period, on January 30, 2002, results of the bid were widely announced by FLGR. Thirty-three Bulgarian municipalities that have applied to the program were approved to receive funding in an extremely keen competition. Eight of them will be upgrading their already operating centers and another twenty-five cities will be building new municipal customer service centers and with FLGR/USAID assistance totalling \$550 000. The first program category for existing centers' upgrade, allocating a maximum grant amount of 70 000 leva per city project, includes as winners the municipalities of: Stara Zagora, Bourgas, Dobrich, Sliven, Troyan, Gorna Oriahovitsa, Panagyurishte and Dryanovo. The second program category for establishing new centers is divided into big and small municipalities (those with population of above 30 000 and under 30 000 respectively). Grant money for „big“ new centers is limited to 70 000 leva and that for „small“ new centers - to 40 000 leva per project. Grant winners among big municipalities are Montana, Vratsa, Veliko Turnovo, Dimitrovgrad, Popovo and Vuzrajane District of Sofia, and among small ones - Mezdra, Provadiya, Zlatograd, Hissar, Vulchedrum, Cvhernoochene, Dolni Chiflik, Beloslav, Teteven, Venets, Botevgrad, Antonovo, Elhovo, Tvurditsa, Elena, Tutrakan, Bojurishte, Madan and Kula.

For presentation and promotion of its **Danube River Initiative Program II**, FLGR held four regional information meetings between October 25 and November 7, 2001, in the cities of Montana, Vidin, Silistra and Pleven. Out of the 25 municipalities from the Danube region, eligible to apply for program funding, 22 demonstrated considerable interest by attending the meetings, where FLGR's representatives answered comprehensively to all questions raised. Further on, FLGR gave consultations to potential applicants at its offices in Sofia between November 26 and the December 6, 2001, deadline for submission of initial project ideas from cities. In late January, 2002, FLGR announced the approved 11 out of 29 submitted project ideas to be further developed into project activities and to receive up to 100 000 leva of the overall FLGR/USAID funding of 700 000 leva at this stage of the Danube River Initiative Program II. The program will support small municipal infrastructure projects aiming to improve the living environment of local communities in the Danube region. The Program is a continuation of the successfully implemented in 2000 - 2001 Danube River Initiative Program of FLGR/USAID. ◆



Rossitsa Raycheva,
FLGR

The First International Forum „Invest in Panagyurishte“ was held on September 29 - 30, 2001, as a joint initiative of the Municipality of Panagyurishte, the National Darik Radio and the Association of Entrepreneurs in Panagyurishte, with the noble intention to respond to a local as much as a national necessity. The idea of the organizers was to make the municipal capacity for entrepreneurship and development known to anyone seeking investment opportunities and encouragement of the investment process in Bulgaria and Panagyurishte municipality in particular.

The end of September served us warm and sunny days and still on our way to Panagyurishte we saw a Plovdiv television station team also on its way to cover the first investment forum. Panagyurishte's theatre building, the site of the forum, welcomed participants and guests festively adorned with flags and in its lobby area everyone could view (and later even try) products of local businesses, merchandise and enterprises.

The marketing kit - invitation, brochure and CD with a promotional film on Panagyurishte municipality - were done professionally and excelled in visual consistency and style. The promotional film and brochure are bi-lingual as information is presented there both in Bulgarian and English. The data compiled in them is itself even more precious. The brochure presents the Municipality of Panagyurishte in terms of history, natural resources, population, infrastructure, agriculture, business, recreation and tourism, environment, science and education, healthcare, culture and arts, sports.

The Strategy for Development of Panagyurishte Municipality for the next 10 to 15 years was included in the print materials. It accounts for the objective reasons for distinguishing the municipality from regions in industrial decline. The analysis and assessment of the municipal capacity and available resources show that:

1. The economy of the municipality is not of mono-structural type. Regardless of the fact that ore-mining industry is predominant, a range of other industrial branches like machine and equipment building, sewing and textile, chemical and food processing industries complements it.
2. The major industrial enterprises such as ore-mining, machine and equipment building utilize modern technologies and equipment.

FIRST INTERNATIONAL FORUM „INVEST IN PANAGYURIShte“

Within the marketing kit of the municipality and also within the round-table discussions of the First Investment Forum thirty-six investment and partnership projects were presented in the spheres of infrastructures, industry, agriculture and forestry, tourism and recreation. The Association of Entrepreneurs of Panagyurishte presented seventeen of them. For each and every project there was an indication of the approximate investment amount, the possible sources of funding, the leading implementing organization, as well as its stage of development.

The forum was greeted with an official written address by Prime Minister Simeon Saxe-Coburg Gotha saying:

„Initiatives as this one can bring to life small towns like Panagyurishte, provide employment and confidence to its citizens, so that its present be glorious like its past. I wish fast results and investments to your town, asking you to forward my best wishes for success to all citizens of Panagyurishte.“

Marko Mechev, Mayor of Panagyurishte, told Forum participants:

„One year ago we initiated a meeting with local persons no longer living in Panagyurishte. We wanted to make them aware of the problems of our municipality and what we wish to do for its future. It was then that the idea of organizing a Forum „Invest in Panagyurishte“ was born. Mr. Radosvet Radev (owner of the National Darik Radio), the Municipality of Panagyurishte and the Association of Entrepreneurs in Panagyurishte welcomed the idea with enthusiasm. The organizers launched the preparation of this forum, united by the concern for the future of our municipality and guided by a strong will for it to become more wealthy and prosperous and its citizens - more confident in the future and more attached to the community. I expect that the forum will raise considerable interest towards the municipality on behalf of local and international businesses. For this purpose we have ensured sufficient conditions for all participants to become acquainted with the economic potential and investment opportunities in the municipality. We hope that the forum will receive, however modest, resonance among state institutions, concerned about successful business development in Bulgaria, because there could not exist a prosperous nation with poor municipalities and vice versa.“



ON SEPTEMBER 25, THE DAY OF DOBRICH, THE MUNICIPALITY OPENED ITS CUSTOMER SERVICE CENTER

Boryana Andreeva,
*Head of Administrative and Information Service,
Dobrich Municipality*



The Customer Service Center of the Municipality of Dobrich had a long background of development before it came into existence. Dobrich was one of the five pilot cities (along with Stara Zagora, Gabrovo, Blagoevgrad and Haskovo), where the idea evolved as a priority and matured within the Innovative Practices in Local Government Team working with FLGR, LGI and the USAID. A large and costly restructuring was necessary for part of Dobrich old municipal building, as well as joint efforts and support from the leadership and the entire municipal administration. We experienced several unsuccessful attempts for winning financial assistance from international donors, and financial stagnation throughout the years „allowed“ for general survival, but not for an investment in a new initiative like the center.

Now we can say that reality confirmed for Dobrich two traditional Bulgarian proverbs: „Help yourself and God also will!“ and „A united team can lift mountains“.

In the 2000 Construction Program of Dobrich Municipality resources were included for designing and planning of the future center. A team, lead by the architect who years ago had designed the old municipal building, drafted a project taking into account both the functions of a customer service center and the characteristics of the present building of the municipal administration.

Numerous meetings and discussions were held with local non-governmental organizations, citizens and media representatives, who were introduced to the idea about constructing a customer service center for more effective municipal service delivery to Dobrich citizens. Parallel to that city council members were also being drawn to and involved with the concept.

In discussing the 2001 Annual Plan of Dobrich Municipality, Mayor Rossenov and his team reinforced the creation of a municipal customer service center (CSC) as a major task to be accomplished. The action plan for that, drafted by City Secretary Nikolova and Deputy-Mayor Chalakov was further on followed strictly.

In the beginning of 2001 the proposed Annual Municipal Construction Program came to include financial resources for a restructuring of the municipal building to accommodate a customer service center. Dobrich City Council Chairman Tashhev, together with council members representing different political groups, visited the model municipalities of Stara Zagora and Sliven. What council members saw there, convinced them of the advantages of the center and later they provided decisive support to council voting in favour of funds allocation for the construction of Dobrich Customer Service Center.

A scale-model of the future center was exhibited in the lobby of Dobrich city hall with the date of planned opening - September 25, the Day of Dobrich - attached to it. This openly declared commitment of the city management before the citizens stimulated our efforts to keep with implementation deadlines.

During hot summer months Deputy-Mayor Chalakov and municipal experts from the construction department were onsite,

A EUROPEAN FLAG OF HONOR AWARDED TO DOBRICH

On September 25, 2001, the City of Dobrich was officially awarded a European Flag of Honor by the Parliamentary Assembly of the Council of Europe within the framework of the 2001 Europe Award. Dobrich was one of the 30 European cities to receive this award for exceptional achievement in promoting unity and understanding among the people of Europe. Dobrich received this high European recognition for its efforts and accomplishments in organizing the „EU Months in Dobrich“. The Flag of Honor was personally awarded to Mayor Rossenov by Mr. Robert Antreter, German MP and honorary member of PACE, at a special Dobrich Council meeting ceremony, attended by international delegations of Dobrich twin cities, members of parliament, the Regional Governor of Dobrich Ivan Ivanov, UK Ambassador to Bulgaria Richard Stag, who was awarded the status of an Honorary Citizen of Dobrich for 2001, other diplomats and citizens. Dobrich is the first Bulgarian municipality ever to compete for the Europe Award of the Council of Europe.



closely participating in the actual creation of the customer service center space. Meanwhile, citizens of the municipality were again publicly informed about the CSC philosophy in special broadcasts of local radio and television stations.

Thanks to the efforts of so many people, the city management kept its promise and on September 25, 2001, the municipal Customer Service Center of Dobrich was opened to the citizens. It was inaugurated by the City Mayor Rossenov and His Excellency UK Ambassador Richard Stag, who donated assistance for a special facility to the center, providing access for disabled people. The opening was attended by many Bulgarian and international guests, members of parliament, NAMRB Director Chavdarova and FLGR Director Kapitanova.




However effort demanding, the physical creation of the customer service center was an easier task compared to what is still to be done. Municipal IT specialists Perchemliev and Atanassov are currently developing a common information system. The complete information software, based on modules, will encompass the entire range of municipal administrative services, will improve the operation of the computer Intranet network and, finally, will considerably facilitate service delivery to citizens.

The municipal service divisions represented in the CSC are seven, covered by a center staff of eight city specialists. Divisions include General Information, Documents Filing Service, Business Licensing, Municipal Property, Complaints and Proposals, Building and Construction (2), Cash Registry. Overall forty-eight services are located in the CSC from the very opening. The daily open hours for customers are 8:30 to 11:30 and 13:00

to 16:30. Information concerning various services and divisions is listed on special billboards at the center entrance as well as in descriptive brochures and service catalogue. In addition to the most popular and demanded administrative services, the center delivers opportunities to citizens to sign-up for reception days of the city management and to file requests connected to the Access to Public Information Act.

The CSC staff members are regular municipal employees from the relevant service departments, who kept their subordination to the respective administrative divisions. Administrative and Information Service Division Head Andreeva was appointed as responsible for all coordination and organizational issues of the center. It is planned for the customer service center to become in the future a relatively separate city division with an appointed director, managing and assisting the center to completely fulfill its function.

The cosy and customer-friendly environment of our center, as well as our good will for its further development, make us believe that it really makes life easier both for citizens and for municipal employees and is a firm bridge of confidence between the two. 



MUNICIPAL BUSINESS ACTIVITY - APPROACH AND PERSPECTIVES

Alexandar Mihailov,
Analyses and Forecasts Chief Expert,
Sofia Municipality

Practically the debate „for or against business activity“ appears always in discussing the price of municipal services. It turns out that all municipal services are of social character including public transportation, water supply, heating, waste collection and management etc. This requires maintaining „an attainable“ level of prices, related to the purchasing power of „the majority“ of the population. Several outcomes of that can be observed:

- lack of development of the private sector in municipal service divisions;
- de-capitalizing of municipal enterprises;
- structure misbalance on the market of these services.

THE TWO OPPOSITE APPROACHES

Approach One: „Municipalities should engage in business activity.“

According to this view, in reality there exists a close link between municipalities and national economy. Unlike central government, which holds more legislative functions concerning the creation and maintenance of the general framework, in the case of municipalities direct business expression¹ predominates. While central government revenue is based on consumer taxes (VAT, customs' fees), the revenues necessary to cover the expenses of municipal functions have a clearly expressed **business** character (income and profit taxes).

Features of business activity:

1. Paid goods are produced and distributed.
2. Profit is raised.
3. Revenues can cover expenses.

General Civil Law, Georgi Stefanov, Sofia, 1995.

The following arguments support the approach in favor of municipal business activity:

A/ Municipal-owned businesses work for social good, and not for raising profit - social policy is a priority.

B/ To citizens it is not as important who holds the service delivery monopoly - the private or the public sector.

C/ Municipal firms with monopoly on service provision expand consumption and facilitate the distribution of business products - low prices and mass consumption lead to

stable and sufficient revenues to the municipality.

Business activity is not:

- donations;
- acquisition of heritage;
- acquisition of term related rights;
- membership fees collection;
- sales of long-term material assets, owned for more than one year;
- deals where one party purchases or uses products or services for personal needs and not for reselling or production;
- in-kind deals where the value of the acquired is considerably higher than that of the provided within the same deal;
- in-kind deals where the value of the provided is considerably higher than that of the acquired.

Approach Two: „Municipalities should not engage in business activity.“

The arguments in support of the **opposite approach** are based above all on the „liberal“ concept and understanding of the world. The participation of the municipality in business is viewed as a negative factor, affecting free business initiative by means of public resources, exercising social policy via prices, creating unfair competition, etc.

A summary of the arguments of this approach includes:

- authority and business are mixed in municipal firms (enterprises);
- municipal enterprises are bureaucratic units;
- municipal firms are unfair competitors to private initiative;
- seeking the achievement of social objectives leads to a long-term loss of municipal resources.

LEGISLATIVE FRAMEWORK OF MUNICIPAL BUSINESS ACTIVITY

The Municipal Property Act (MPA) provides for two possible forms for exercising municipal business activity²:

- **Through individual commercial firms with municipal property** (where the municipality is owner of the entire capital) **or through joint stock companies with municipal participation** (where the municipality is a shareholder together with other parties). The commercial companies are a different type of juridical persons than the municipality. The municipality allocates part of its property to the relevant commercial holding. In this case the municipal input ceases to be municipi-

pal property, regulated under the MPA and is transformed into municipal „capital“ property (municipal participation through share-holding), regulated under the Commerce Act.

- **Independently through municipal enterprises.** The municipal enterprise is a specialized unit of the municipality for managing municipal property in addressing the needs of the population and ensuring the execution of municipal functions, as well as the related supply of products or delivery of services. The enterprise itself is not an independent juridical person and functions under the responsibility of the municipality as a juridical person.

TWO APPROACHES OF THE MUNICIPALITY

In contemporary manuals on improving the effectiveness of municipal government, two possible approaches of municipalities to business activity are presented:

- **Indirect approach** - when more emphasis is placed on services that municipalities deliver to private businesses;
- **Direct approach** - when municipalities directly execute business activities.

The first approach is adopted in most countries of the developed world, whereas the second - in South European countries and (clearly?!) in the post-communist world. Bulgarian legislation on this issue is more favorable than the corresponding legislation of the European Union member states. It is considered here that the impossibility for „full financial supply“ to cover the operation of municipalities is a sufficient reason to allow direct municipal business activity. The fact that Bulgarian municipalities are in a situation of financial crisis is a basis for giving them the opportunity to utilize their property, even in untraditional ways, in order to compensate for the gaps in their budget. Therefore, municipalities in Bulgaria can exercise „commercial activities“ as stipulated by the Commerce Act with the idea that such activity will generate own revenue sources to fulfill municipal budgets and will lessen the obligations of the state to provide subsidies to local communities.

MUNICIPAL COMMERCIAL HOLDINGS

As we already emphasized, „liberal“ (?!) national legislation³ gives an opportunity to municipalities to exercise business activity and as a result of that a great part of municipal activities are executed by municipal units transformed into commercial holdings and working according to the principles of private enterprising. The process of institutional transformation of public budget enterprises into individual commercial firms with limited responsibility or into commercial holdings can encompass not only the sphere of communal activities. There exist already practical cases in creating security firms, banks, insurance companies, municipal property management activities and other initiatives. It was already explained that business activity of municipalities in Bulgaria is a necessary response to their grave financial situation and is directed at utilizing untraditional ways for budget fund raising. **Exactly**

this argument, however, is totally wrong. If there is one single word summarizing the goal of business activity of municipalities by creating municipal commercial firms, it is „**circumvention**“.

1. In practice, the main goal of municipalities is to find a way to **circumvent** budget limitations. This approach is a strategic reaction against state centralism, as well as against central government policy of direct regulation of local finances. The main principle of municipal budgets - „all revenues serve to cover all expenses“ - does not allow exercising autonomous municipal fiscal policy and improving the efficiency of municipal finance.

2. On the other hand, the existence of municipal business structures also gives way to **circumvention** of the legal procedures for subcontracting municipal activities (and therefore for financing those activities). Eliminating the competitive approach in spending municipal funds via municipal business units is also a mechanism for increasing the influence of political circles close to authorities.

3. Thirdly, the limitations related to the insufficient wages of municipal employees are also being **circumvented**, i.e. their motivation is increased. A range of municipal activities require entrepreneurship and innovation, which can not be realized on the basis of an income policy regulated at national level. The status of a commercial firm allows avoiding regulations with regard to policy on wages.

4. The limitations related to reimbursement of local politicians - party functionaries and/or council members are being **circumvented**. Given that the Local Self-Government and Local Administration Act forbids payment to municipal council members for their public service, it is in their interest to support the creation of municipal commercial holdings and be able to participate as members of their boards of directors.

5. The next **circumvention** refers to the level of public control and transparency. Commercial companies have lawful rights to withhold „commercial“ secrets.

6. By executing business activities municipalities **circumvent** the limitations to crediting they usually face. Opportunities for innovation and modernization of municipal activities can thus be ensured.

7. In addition, this approach assists and accelerates privatization of municipal activities. The mix of economic, social and authority characteristics of municipal activities is surely transformed into purely business activity.

Thus listed, the opportunities given to municipalities by the status of commercial entities must not be viewed with criticism. An objective view shows that these are „leverages“ that can be used for different purposes and in various directions, i.e. they can have both positive and negative input in the comprehensive municipal policy. On the one hand, this means very careful selection in using them, and on the other hand, it means looking for ways to reduce their innate negative tendencies. The latter could be accomplished by increasing transparency in appointing municipal companies' management and



transparency of their activities.

Participation of municipalities in joint-stock companies is connected with the opportunity for using the mechanisms of public-private partnership. In this case the municipality must give particular attention to securing its interests. Recently Sofia Municipality adopted a Strategy for Participation of the Municipality in Joint-Stock Companies. A joint-stock company is a commercial unit of closed character, founded with the participation of the municipality and other partners, where the number of shareholders could not be bigger than three and the shares are not up to free transfer neither between the partners (shareholders) nor to third parties. The objectives, which the municipality can accomplish by means of joint-stock companies, are as follows:

- realization of certain investment projects for the purposes of local economic development;
- construction of sites, which can not otherwise be financed by municipal budget;
- employment of local labor and local production facilities;
- attraction of financial resources to local economy;
- creation of conditions for further attraction of strategic investments;
- favorable secondary tax effects;
- utilization of particular municipal sites or property.

PRINCIPLES OF THE RELATIONSHIP BETWEEN LOCAL GOVERNMENT AND BUSINESS

The main approach that should be adopted in terms of municipal policy is to **limit direct involvement of the municipality in business activities and to focus efforts on local economic development policy**. Economic development is extremely important to every municipality, as far as it is at the basis of good standards in exercising municipal functions. Whereas the goal of economic development programs is gen-

erating wealth, local self-government authorities should not be viewed as a major investor. According to Michael Porter, author of *Competitive Advantages of Nations*, the role of authorities is to increase that which exists, rather than creating something that does not exist⁴. Therefore, authorities have a vital role in the creation of a favorable investment climate, where private investors can expect reasonable return of their investments and citizens can achieve better quality of life through improved employment opportunities. In order to create such an environment, municipalities should focus on developing their physical, labor and financial resources. In many cases local economic development is a hybrid sphere, based on economic and financial principles, principles of planning, public administration, local self-government and spatial planning for accomplishing the final goal of increasing the wealth of communities.

Regardless of what types of economic development approaches a municipality would choose, it is essential to maintain the following principles:

- joint action of all stakeholders;
- broad public participation;
- complete transparency;
- market orientation.

It is only by total adherence to these principles that success in sustainable development of municipalities can be ensured for the well-being of their citizens. ◆

1. *The Science of Municipal Self-Government*, Stancho Cholakov, Sofia, 1936.

2. *Municipal Business Activity*, Savin Kovachev, FLGR, Sofia.

3. *Again we reach the issue of decentralization. Evidently it is better for central government to give freedom to municipalities in irrelevant for them spheres, rather than allow breaking of the regulatory monopoly by giving up in their favor certain legislative, executive and fiscal rights.*

4. Porter, Michael (1990). *Competitive advantages of nations*, Free Press: New York.

NETWORKING FOR EUROPEAN INTEGRATION

**Bogdana Shopova,
Innovative Practices/LOGIN Coordinator,
FLGR**

Over fifty Bulgarian representatives of local and regional authorities participated in a seminar on Networking for European Integration, organized by the Foundation for Local Government Reform on November 1 and 2, 2001, in Plovdiv with the kind assistance of the Municipality of Plovdiv and the Regional Governor of Plovdiv. The seminar was held within the Local Government Information Network (LOGIN) Program of the FLGR, supported by the Open Society Institute and the US Agency for International Development.

The goal of this working meeting was to define the role of municipalities in the process of European integration and to discuss the opportunities for information and knowledge management in this sphere through networking. The main presenters at the seminar were: Milena Minkova, consultant in European Law, Romyana Velinova from the Institute for European Studies and Information, and Dimitar Kirov from Internet Society - Bulgaria. Ginka Kapitanova, Executive Director of FLGR, presented the key topic of networking as an effective way for reaching better and fast solutions, for generating innovations and building municipal capacity to work on international projects. Vesselina Komitska, FLGR, reviewed electronic governance in the context of the e-Europe Initiative and the European practices in interactive public services. Bogdana Shopova, FLGR, presented LOGIN as an acting opportunity for networking at national and international levels and guided the participants through the FLGR's Internet databases. The available web connection at the seminar venue allowed for a live demonstration of useful sites of European institutions and funding programs by IT expert Liubomir Dimov.

Seminar participants, municipal and regional specialists in international cooperation, shared best practices and discussed municipal initiatives for European integration and successful international cooperation. As strong advantages were pointed out existing competent municipal teams for projects preparation, interaction with NGOs, opportunities for constant improvement of the capacity of municipal administrations, as well as the ability of the municipal international projects coordinators to communicate effectively and engage in projects municipal specialists from other departments. Antoaneta Mateeva, FLGR, presented an effective international partnership model, based on the Technical Twinning Program experience of the FLGR. Participants emphasized that cooperation with international partners provides a good opportunity for transfer of know-how and skills and facilitates cross-cultural understanding. The role of regional government administrations in delivering information about European programs, in connecting and assisting municipalities in lobbying to institutions was recognized.

The innovative practice of Sliven Municipal Center for European Integration, authored by Senior Municipal Expert in International Programs and EU Integration Nina Marinova, became the first FLGR Award Winner.



During the seminar the Foundation for the first time granted its FLGR Award for Innovative Practices of Municipalities and Their Partners in European Integration and International Cooperation. Fourteen innovative practices, submitted by Varna, Veliko Turnovo, Dobrich, Danube RAM, Elena, Svishtov, Sliven, Stara Zagora, Sofia, Trakia RAM and Haskovo, competed for the award and Kurdjali and Dryanovo presented their practices outside the competition. The presented precious experience and excellent applications of all participants made the choice of a winner extremely difficult. Finally, the innovative practice of Sliven Municipal Center for European Integration, authored by Senior Municipal Expert in International Programs and European Integration of Sliven Municipality Nina Marinova, became the FLGR Award winner.

A major achievement of the seminar was establishing links and practical guidelines for joint activities among Bulgarian representatives of local and regional governments, working for EU integration and international programs. A **Memorandum of Cooperation Within the Local Government Information Network** was created and signed by all participants.

PARTICIPANTS ABOUT THE SEMINAR

NINA MARINOVA, SENIOR EXPERT IN INTERNATIONAL PROGRAMS AND EU INTEGRATION OF SLIVEN MUNICIPALITY, FIRST FLGR AWARD WINNER FOR INNOVATIVE PRACTICES OF MUNICIPALITIES AND THEIR PARTNERS:

I had the pleasure to participate in the seminar on Networking for European Integration, organized by the Foundation for Local Government Reform



on November 1 - 2, 2001, in Plovdiv.

I would like to express my gratitude to the FLGR's team for the wonderful opportunity to meet colleagues, exchange views on common issues, share interesting practices, and hear the competent opinion of interesting presenters on the hot topic of EU integration.

New ideas, contacts and creative inspiration are surely the outcome of this seminar. Networking shows us an exceptional perspective for reducing distances between us as people working in one and the same sphere, for discovering the short ways to most valuable information, for drawing on each other's experience in order to find better answers to common problems together.

It was with great excitement that I received the FLGR Award for innovative contribution on the topic of EU integration. It is very precious to me, because it convinced me that the direction we have chosen to follow in Sliven municipality is good and we can continue further on even more confidently. Simultaneously, this award is also quite obliging, since reaching a certain level is a challenge, especially when there are other levels to look up to. I thank the FLGR for the appreciation and enthusiasm that I received together with the award. I hope that in the future, too, the Municipality of Sliven will provide innovative ideas to colleagues from other municipalities in the same way as we draw on their best practices.

BORYANA SAVOVA, DIRECTOR OF INTERNATIONAL RELATIONS AND EUROPEAN INTEGRATION, CITY OF SOFIA

I would like to express my utmost contentment and gratitude for this interesting and timely seminar in Plovdiv. Sofia municipality highly appreciates the input and commitment of FLGR to the extremely significant topic of international cooperation of Bulgarian municipalities in the process of European integration. The experience we exchanged, the lively discussions, as well as the personal contacts we established, are of great value to all of us. I would like to especially thank you for the interesting presentation topics and the perfect organization of the event. Thank you also for the incredible speed with which we all received an electronic version of all seminar materials.

PRAVDA DIMOVA, DIRECTOR OF INTERNATIONAL RELATIONS, DOBRICH MUNICIPALITY

In conclusion, I would like to thank the FLGR team for this outstanding seminar and I do hope that the engagements of the signed Memorandum will be successfully implemented in practice.

**TOWARDS
E-COOPERATION AND E-GOVERNANCE**

**MEMORANDUM OF COOPERATION
WITHIN THE LOCAL GOVERNMENT INFORMATION NETWORK,
SIGNED BY THE PARTICIPANTS IN THE SEMINAR ON
NETWORKING FOR EUROPEAN INTEGRATION ON NOVEMBER
1 - 2, 2001, IN PLOVDIV, BULGARIA**

In the beginning of the 21st century Europe more and more focuses on the main issues affecting its future identity and role in the contemporary world. In the context of growing global competition and dynamic demographic changes, the issues related to the expansion of the European Union pose a considerable challenge



EVALUATION OF THE IMPLEMENTATION PRACTICES OF THE SPATIAL PLANNING ACT

92 specific recommendations for changes in the Spatial Planning Act, directly addressed to legislators, is the result of the FLGR organized discussion forum in Sofia on November 20-21, 2001, which included wide participation by representatives of all interested institutions and stakeholders in the process.

The forum, titled „Evaluation of the Implementation Practices of the Spatial Planning Act“, was held in partnership with the Ministry of Regional Development and Public Works and the support of the US Agency for International Development. Its objective was to stimulate open professional debate among the experts in that area for achieving more clarity in the process of practical implementation of the Spatial Planning Act (SPA). Overall 120 participants - representatives of local, regional and central authorities, as well as professional associations - exchanged information and points of view, concerning the application of the SPA. Architects, legal advisors and construction engineers from over 20 Bulgarian municipalities attended the discussion.

At the forum opening participants were greeted by Mr. Remzi Osman, Chairman of the Parliamentary Committee on Local Self-Government, Regional Policy and Public Works, Mr. Belin Mollov, Deputy Minister of Regional Development and Public Works and Mr. Kiril Kiryakov, representative of the USAID in Sofia. In their address to forum participants the official representatives of central legislative and executive authorities expressed a strong will to remain open and take into consideration proposals made at the forum. Encouraging investments is a national policy and all participants in the dialogue declared that the facilitation of licensing procedures for entrepreneurs, stipulated by the Spatial Planning Act, is of key importance.

During the first working day experts presented practical examples and introduced the audience to the specificities related to the implementation of the SPA. Following a comprehensive assessment of the strengths and weaknesses of the law, during the second day of the forum participants worked in three topical concurrent sessions in order to draw specific recommendations, ideas and suggestions for changes in the SPA. As a host of the forum, FLGR summarized the conclusions reached during the discussions and delivered them to the Ministry of Regional Development's task force for SPA amendments and changes, as well as to the legislators at the National Assembly. The initial monitoring period of the law implementation ends in March 2002 and after that term actual changes will be introduced in the Spatial Planning Act that has been adopted by the National Assembly in April 2001. ◆

FLGR ADDRESSES THE NAMRB ON ITS FIFTH ANNIVERSARY

At the celebration of the Fifth Anniversary of the National Association of Municipalities in the Republic of Bulgaria on December 11, 2001, in the National Palace of Culture in Sofia, FLGR's Executive Director, Ginka Kapitanova, was awarded a Plaque of Recognition as one of founders and creators of the NAMRB and the Foundation for Local Government Reform received a Certificate of Honor for comprehensive assistance to municipalities and the local non-governmental sector and for effective partnership. Mrs. Kapitanova addressed the members and the team of the NAMRB on the occasion of the anniversary:

DEAR FRIENDS,

Your recognition expressed today is a great honor, as well as a greater responsibility, for me, my colleagues at the FLGR Board and the FLGR team. It is a responsibility to work even more professionally and more effectively for local self-government and local democracy in Bulgaria. Together we went through difficult years of organizational strengthening, of a search for the right forms of dialogue in defending local governments' interest, of legislation improvement and finding the balance between obligations, responsibilities and financial opportunities, of improving the capacities of local administrations and municipal councils for effective management, of international cooperation and proper participation in European and world organizations.

Today, in celebrating your Fifth Anniversary, all of us should feel proud of achieved success, an outcome of the efforts of already three generations of democratically elected local authorities, although errors we may have committed on the way.

We now have what many countries in transition have not built yet in spite of their efforts:

We have one national association - the NAMRB - official representative of all municipalities that has proven its vitality and constantly increases its capacity.

We have one professional organization - the FLGR - delivering innovations, information, training, technical and financial assistance to local governments and non-governmental organizations.

We also have a number of regional and professional associations, providing services to their local government members.

We now have what is most difficult to build - **a network of institutions and institutional capacity and a good will for change and improvement!**

Let in the following years our guiding principle be PARTNERSHIP:

Partnership between municipalities, between different levels of government, partnership between the organizations working in the area of local self-government, between local authorities and citizens, between local authorities and business, partnership with all international institutions and donor organizations for improving local self-government in Bulgaria, for active public participation and sustainable development of local communities.

We present our cordial greetings to you on your Fifth Anniversary and wish you much professionalism, innovation and consistency! And in personal aspect we wish you much health, happiness, contentment, success and pleasant experiences in the big and united „family“ of the representatives and friends of local authorities in Bulgaria! And remember that we, the team of FLGR, are always with you!



FLGR MAIL BOX

THE END OF THE YEAR IS A TIME FOR ASSESSMENT. HOW DID FLGR SEE OFF THE YEAR 2001? WHAT DID OTHERS SAY TO US AND ABOUT US?

✉ „FLGR is the organization that during the last years has been a major supporter of in the work of municipal mayors, council members and particular specialists working in the local government. Through training, practical consultations and assistance, you succeeded in introducing us to the principles and trends of local self-government and regional policy development.“ - *Gyoka Petrov, Regional Governor of Plovdiv.*

✉ „We would like to thank you for your collaboration. We greatly appreciate your willingness to provide us with information and advice, as well as with helpful insights into the issues surrounding the provision of administrative services and the perception of the concept of one-stop-shops and their benefits.“ - *Aileen Lyon, Consultant, KPMG Bulgaria.*

✉ „We are pleased to note the launching of a new vehicle for electronic dissemination of information by FLGR' E-weekly. It proves to be very useful with regard to: up-to-date information, quick access to information, timely and adequate distribution of the bulletin to our member municipalities, as well as their positive response.“ - *The team of the Union of Bulgarian Black Sea Local Authorities, Varna.*

✉ „Your monthly newsletter is very useful and demanded. The information it provides is valuable and expanding the knowledge non-governmental organizations in the Silistra region, that have set themselves the ambition to work for the development of civil society.“ - *Hristina Dineva, Chair of Silistra NGO Center.*

✉ „I would again like to express my gratitude for the opportunity to receive your publications and information on local self-government. Your brochure on How to Implement the Access to Public Information Act raised interesting comments and practical issues.“ - *B. Yanachkov, Mayor of Ilinden District, Sofia.*

✉ „We thank you for your Electronic Weekly! I consider it a wonderful new initiative of FLGR, delivering useful information not only to municipalities, but to non-governmental organizations working in the area of economic development too.“ - *T. Dimitrova, Executive Director of Varna Economic Development Agency.*

✉ „Thank you for the provided database on successfully implemented projects from the last two years, as well as for the professional project evaluation.“ - *Lora Sarkisyan, Chief Secretary of Rousse Open Society Club.*

✉ „Your LOGIN information bulletin is a comprehensive and synthesized guide in the variety of topics and projects that reach us. I also find your website helpful with specific information that otherwise takes me a lot of time to find.“ - *S. Parashkevov, Svishtov Municipality.*

✉ „We are pleased to express our appreciation of your new approach for timely distribution of materials and information through the local government information network.“ - *Milko Balkanski, Rousse Municipality.*

✉ „Your e-weekly format is very effective. It contains a summary of up-to-date information and contacts, thus saving me the time and trouble of long web browsing. It is interactive, too, allowing quick response by readers.“ - *Diana Bebenova, International Programs Expert of Silistra Municipality.*

✉ „In you we see a great friend of Stara Zagora and a supporter of the good ideas and initiatives of the municipal management.“ - *Evgenii Jelev, Mayor of Stara Zagora Municipality.*

✉ „Your publications, by which you make the world accomplishments in local self-government available to us, are excellent and I believe that this shared experience will help our municipalities find the right solutions.“ - *Behchet Kerim, Regional Governor of Targovishte.*

✉ „Thank you for your great work and perseverance in organizing the Regional Initiatives Fund seminars on behalf of the World Bank. I would like to express my and my colleagues' appreciation for your efforts and professionalism.“ - *Peter Pojarski, Operations Officer, World Bank Office in Sofia, Bulgaria.*

✉ „In my capacity as a Chairman of the Board of the Danube Dobrujda Association for Transfrontier Cooperation, I would like to express my gratitude for the participation of FLGR representatives in the official foundation of the Lower Danube Euroregion.“ - *Ivo Andonov, Mayor of Silistra Municipality.*

✉ „The Municipality of Veliko Turnovo again has the opportunity to commend the excellent cooperation with FLGR and the successful implementation of the project within the Technical Twinning Program. Bulgarian and US experts work extremely well together and the assistance from our American friends is invaluable.“ - *Roumen Rashev, Mayor of Veliko Turnovo Municipality.*

✉ „After the numerous meetings with representatives of your foundation, we are further convinced of the positive effect of our relations and the need to work in partnership with you.“ - *Stefan Danailov, Mayor of Tryavna Municipality.*

✉ „Thank You very much for sending the 2000 annual digest of FLGR's newsletter and the best practices in Bulgaria. Congratulations to You on a fantastic first five years to promote democracy into the local institutions of your country. With best wishes also for 2002.“ - *Peter Eckardt, Member of the German parliament, Berlin.*

FLGR EVENTS - A RETROSPECTIVE CALENDAR

JULY

On July 3 and 4 in Velingrad the FLGR coordinators of the Technical Twinning Program Between US and Bulgarian Cities held a **Workshop on Local Economic Development** for representatives of all Bulgarian municipalities participating in Phase III of the program. *** Three groups of Bulgarian municipal experts participated in **technical visits to the US** within the Technical Twinning Program: Pazadjik experts visited their counterpart, the City of West Bend from July 7 through 14; Vidin experts worked directly with their US partners from West Carrollton in the period of July 21 - 28; representatives of the Municipality of Veliko Turnovo visited the City of Golden, OH, from July 14 - 21. *** On July 26 FLGR, in partnership with the LGI Program of the USAID, hosted in Sofia a one-day **Round Table on Successful Municipal IT Practices**. The meeting was guided by US expert Chris Kelly and gave the 20 participants, Bulgarian municipal IT and web specialists, an opportunity to discuss effective approaches and share experience in the contemporary trends for web-design and electronic government at the local level.

SEPTEMBER

In mid-September FLGR published its new **Manual on Creating Municipal Customer Service Centers**. The publication was drafted by members of the Innovative Practices in Local Government Team to provide know-how to all municipalities and presents the best Bulgarian models, practices and case studies on this issue. *** On September 20 in the City of Montana FLGR organized a **Seminar on Developing Municipal Plans for Solid Waste Management**, within the framework of the „Support for strengthening the regional and local government reform in Bulgaria“ project. The general methodology for drafting the plans and the particular Solid Waste Management Plan of Montana were presented at the seminar, as well as best practice examples from other Bulgarian, Czech and Dutch cities. *** In September FLGR's Executive Director, Ginka Kapitanova, became an honoree and was awarded a Plaque of the **International Who's Who of Professional and Business Women** „for Significant Career Achievements and Contributions to Society“. The 8th Edition of the publication of the American Biographic Institute for the year 2001 includes a biographical entry of Mrs. Kapitanova.



OCTOBER

On October 1 - 13 FLGR and World Learning, organized and facilitated a two-week **study visit on Local Economic Development** of ten Bulgarian local government officials to cities and municipalities in Poland and Hungary with USAID's financial assistance. *** On October 18 and 19 FLGR held in Nessebar its first training **workshop on Municipal Property Management Responsibilities of Municipal Councils**, designed for municipal council members to assist them on critical issues related to municipal property management and the implementation of the relatively new Spatial Planning Act. *** On October 18 and 19 FLGR conducted in Rousse the regular **bi-monthly retreat of the Innovated Practices in**



Local Government Team. Best practices in customer service and novelties from the participating 10 municipalities were shared by team members. The team planned to update the highly popular training module on Customer-Friendly Service, in order to better respond to future demands of Bulgarian cities. The team adopted a model for self-assessment, developed and presented by USAID's Local Government Initiative Program, to be used in evaluating the effectiveness of their municipal customer service centers. *** On October 23 and 24 FLGR organized in Bankya a training **workshop on Municipal Property Management, Business Activity and Privatization**, designed for the respective specialists from city administrations. *** On October 25 to 27 FLGR held in Bankya the fourth **workshop - on Local Finance** - within the Improving Public Administration through Training project.



NOVEMBER

On November 1 and 2 FLGR organized in Plovdiv a **seminar on Networking for European Integration** with over 50 participants from various Bulgarian cities, who at the closing agreed on and adopted a Memorandum of Cooperation Within the Local Government Information Network. *** On November 2 an FLGR Board of Directors' meeting was held in Sofia. Board members adopted new By-Laws of the Foundation in compliance with the new Juridical Persons and Non-Profit Organizations Act. The Board elected Mr. Belin Mollov, Mr. Savin Kovachev and Mrs. Ginka Kapitanova as its new members.

DECEMBER

From December 2 to 7 **two technical visits of US experts to Vidin and Veliko Turnovo municipalities** took place within the Technical Twinning Program. A West Carrollton delegation worked with their Vidin counterparts on organizing a public hearing of a jointly prepared first draft of their Danube Riverside Park renovation plan, as well as on further developing the business website of Vidin. The emphasis of the visit of a delegation of the City of Golden, Colorado, to their Veliko Turnovo partners was an expert and public discussion of the concept for redevelopment of the old military school site, as well as a presentation of the jointly prepared financial plan for Veliko Turnovo's infrastructure management in front of the municipal council. *** From December 2 to 10 FLGR's Executive Director, Ginka Kapitanova, was **one of the two Bulgarian participants in the First Citizens' Assembly** in Lille, France, together with 400 other representatives of various organizations from countries of all over the world. The Assembly, organized by the Alliance for Responsible, Pluralistic and United World, was a forum for joint discussion, democratic debate and an impetus to building world democracy. Participants had been chosen as individuals, who with their words and actions have proven their commitment to serving humanity and common good. *** In mid-December FLGR announced the start of its **Partnership Initiatives Program** for grant support on a competitive basis to NGO projects aiming to improve local self-government and public participation. ◆



FLGR'S 2001 PUBLICATIONS

FLGR's Monthly Newsletter „The Local Self-Government Reform“

Innovate Practices Bulletin

European Urban Charter

How to Apply the Access to Public Information Act

Commentary on the Spatial Planning Act

European Landscape Convention

Organizing and Hosting Official Visits

Community Visioning and Strategic Planning (NLC, USA)

Creating Municipal Customer Service Centers

Regional Policy in Bulgaria Review and Assessment

Municipal Solid Waste Management Plans Development and Implementation

Introduction to Training for Adults

Partners for Local Development

Improving Customer Service in Small Municipalities



FLGR's Annual Report 2000

Annual English Newsletter 2000 Digest

Bi-Annual English Newsletter 2001 Digest

Innovative Practices English Collection

FLGR's Weekly Electronic Magazine „For Local Government“
At the end of 2001 the Foundation for Local Government Reform launched its first electronic publication. The e-weekly or e-zine, as it is shortly called, adds new value and dynamism to FLGR's information resources and services. It is distributed in Bulgarian language to nearly 1000 users via e-mail, including local authorities, NGOs, central government agencies, the media, etc. The e-zine presents weekly news from FLGR and the Local Government Information Network.