

ANNUAL REPORT 2002

- ▶ DIALOGUE
- ▶ TRAINING
- ▶ INFORMATION
- ▶ ASSISTANCE
- ▶ TWINNING
- ▶ SUSTAINABILITY

**FOUNDATION FOR LOCAL
GOVERNMENT REFORM**

FLGR is an independent professional resource center, supporting local democracy

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Dear partners and readers,

Eight years already with its activities the Foundation for Local Government Reform assists the development of democratic and effective local self-government in Bulgaria and contributes for increasing public awareness and citizens' participation in local government.

Founded by a group of municipal mayors in May 1995 in Sofia as a non-profit organization, FLGR successfully establishes itself as an independent professional resource center, supporting local democracy.

THE MISSION OF FLGR is to offer customized and need-based information, expertise and assistance, provoke innovations in local self-government, act as a mediator and build a broad network of domestic and international partners.

The impact from FLGR's programs and work is evident and sustainable. The results from our targeted efforts throughout the years, based on the needs of local authorities, testify about the scope and the variety of the assistance that Bulgarian municipalities receive from the Foundation. Since its establishment until the end of 2002 FLGR has delivered professional training to 4550 local government representatives and partners in over 180 seminars. FLGR has conducted 25 conferences and policy forums on hot issues and changing legislation and policies with overall 2265 participants. During that period we have published and disseminated over 150 print и 50 electronic editions and information of help to municipalities, civic organizations and government institutions. Over \$2,8 million is the amount of the direct financial assistance, delivered by FLGR on a competitive basis to local projects and initiatives of 65 municipalities and 157 non-governmental organizations in Bulgaria. The Foundation has assisted the establishment and successful operation of 11 international partnerships between Bulgarian and US cities and has given the opportunity to overall 17 Bulgarian municipalities to work with international partners on projects of key importance.

The guiding principles in our work are teamwork and networking. FLGR constantly strives to achieve synergy between its various programs and projects, as well as to multiply and build on the best practices and results, accumulated through them.

During the January - December 2002 period that we report on with the current edition FLGR's team completed all activities of the annual work plan and was at the same time flexible enough to respond to the occurring needs for training, information, expert consultations and assistance of various municipalities and civic organizations. We have also been active in our efforts to attract more donors in support of local self-government by drafting and participating in new projects. Parallel to that FLGR managed to further expand its circle of partners and external experts.

FLGR has experience that we could successfully share with organizations and agencies, active in the field of local self-government, as well as become a partner in the implementation of programs, consistent with our strategic goals.

Ginka Kapitanova,
Executive Director



STRATEGIC OBJECTIVES

**In achieving its Mission
the FLGR strives to:**

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 its own 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 its sustainability as a non-profit organization ... page 12

DIALOGUE

STRATEGIC OBJECTIVE 1

How in 2002 FLGR stimulated public consensus for effective policy and cooperation



FLGR continued to work for reaching effective dialogue and cooperation between local authorities, central government, business and non-governmental organizations in the past year by organizing **seven policy forums with total of 810 participants**, as well as by holding working meetings and initiatives together with government institutions and exchanging information with ministries for providing up-to-date information to municipalities.

The tradition of ongoing partnership within the 2001 Memorandum of Cooperation between FLGR and the Parliamentary Committee on Local Self-Government, Regional Policy and Public Works continued also in 2002 by the adoption of a new **Working Program** of FLGR and the Committee. The main areas of the cooperation within the program have been: support to the ongoing reform of local self-government in Bulgaria, facing the pre-accession process; establishment of an elected second level of self-governance; joint initiatives and efforts in the field of regional policy and development with regard to the legislative priorities of the Bulgarian Government.

In the framework of its annual Working Program with the Parliamentary Committee on Local-Self-Government in 2002 FLGR conducted three major policy forums on recent legislative changes, giving an opportunity of presenting

the viewpoints of all stakeholders. The first forum was on **The New Regional Development Policy**. It attracted 90 participants, who together worked out and addressed to the legislators 30 concrete proposals for changes in the Draft Law for Changing the Regional Development Act. The second forum, focused on the topic of **The Spatial Planning Act - Legislative Changes and the Opinion of the Stakeholders**, gathered 110 participants, who formulated 45 specific recommendations that FLGR summarized and disseminated to the responsible institutions. The third discussion meeting, entitled **The New Municipal Property Act** was attended by 30 local government specialists, who received information about the principles and guidelines, laid out in the draft law, and provided a forum for discussion among experts and stakeholders. FLGR's partners in organizing the forums were the Ministry of Regional Development and Public Works and the National Association of Municipalities.

FLGR established good cooperation with the Agency for Small and Medium Enterprises. Within the signed Memorandum of Cooperation FLGR and the Agency worked during the past one year for decreasing the administrative barriers in front of local small and medium businesses by implementing the **Kiosk for Entrepreneurs**. As a result of the joint efforts and initiatives the kiosk was introduced in 14 municipi-



was a forum for presenting successful models of support to the business by local governments and outlined the main priorities of local economic development in Bulgaria. Jointly with the „Construction/City“ newspaper FLGR brought together 90 participants in a conference on **Municipalities in Bulgaria - Real Partners and Participants in the Investment Process**, where best practices were shared in attracting investments. FLGR was assigned the overall organization of a forum with 210 participants on the topic of **Sofia Development Strategy: Strategic Priorities and Opportunities for Implementation**.

In July 2002 FLGR organized a working visit of a group of Bulgarian members of parliament, experts from ministries, regional governors and municipal mayors to the Czech Republic and Portugal with the assistance of the Local Government Initiative Program, that gave participants an opportunity to study directly conceptual approaches in regional policy, practical experience and effective governance models in the respective countries.

pal administrations, thus building on and enriching the functions of their centers for services and information to citizens, created with the assistance of FLGR and the US Agency for International Development.

In partnership with the Bulgarian International Business Association FLGR conducted in Sofia a round table on **Discussing the Draft Law for the Establishment of Economic Zones in the Republic of Bulgaria** that was attended by 40 municipal mayors, representatives of ministries and of the business. FLGR was in charge of the overall organization of a national conference with 260 participants on the topic of **Municipalities in Support of Businesses**, part of the JOBS Project of the United Nations' Development Program in Bulgaria, which

In order to stimulate better dialogue between central government and local authorities and to increase the information awareness of municipalities, in 2002 FLGR established ongoing partnerships with the Ministry of Regional Development and Public Works, the Ministry of Agriculture, the Ministry of Labor and Social Policy, the Ministry of Foreign Affairs, the Ministry of Culture, the Ministry of Education and Science, the Ministry of Energy and Energy Resources and the Ministry of Transport. One of the instruments for achieving that goal was the information exchange between the institutions through campaigns for municipalities and delivery of up-to-date information about funding programs, government initiatives or events concerning Bulgarian local authorities.

FLGR HAS PROVEN REPUTATION OF AN EFFECTIVE MEDIATOR BETWEEN THE DIFFERENT GOVERNMENT LEVELS FOR THE PROMOTION OF DIALOGUE AND BUILDING PUBLIC CONSENSUS ON ISSUES OF IMPORTANCE TO LOCAL AUTHORITIES



I sincerely thank the team of FLGR for the efforts in conducting the national conference on Municipalities in Support of Businesses.

Nikolay Dimitrov, Senior Expert in Regional Development, Shoumen Regional Government Administration

I thank the FLGR for having done a wonderful job in organizing the recent LGI-funded study tour on regional policy. Several of the participants have commented that the tour was very useful and well organized. This experience demonstrates, once again, what an effective partner the FLGR is and how professionally your staff undertake their responsibilities.

Henry P. Minis Jr., Director, Local Government Initiative Program of the USAID, Sofia,

On behalf of the National Assembly and on my own behalf, I would like to express sincere gratitude to FLGR for the responsiveness in providing a wealth of information to the assistants of the Student Internships in Parliament Program. The materials you presented us are a valuable source of information.

Evgenia Popova, Student Internships in Parliament Program Coordinator

How in 2002 FLGR provided professional development opportunities to local governments



Having good knowledge of local governments' immediate needs, in 2002 FLGR continued to respond to the necessity for improving the professional capacities and skills of local elected officials and staff with well-prepared, experience-based training modules and proven experts as trainers. Total of 1 270 representatives of local authorities and NGOs received training in FLGR's 58 seminars during the year.

The main topics covered in FLGR's training courses were: customer-friendly service delivery to citizens, local economic development, project development and management, citizens participation in local self-government, effective work of municipal councils, municipal property management, and business activities of the municipalities. FLGR also designed and conducted workshops in response to the requests and declared needs for training of particular municipal administrations and regional associations of municipalities. Participants in the training courses were: municipal council members, specialists from the municipal administrations, mayors of small municipalities and villages, and local non-governmental organizations. Trainers at the workshops were leading practitioners and consultants in the field of public administration and experts from various spheres of local self-government.

The most numerous workshops, held by FLGR in 2002, were within the module on **Customer-Friendly Service Delivery**, where 420 staff members from 33 municipal administrations acquired and developed their skills in improving the delivery of administrative services to the citizens as customers of municipal services. The training was part of the overall assistance from FLGR/USAID to the creation of new or building on existing centers for services and information in these municipalities.

The Foundation conducted five workshops for municipal council members in various regions of Bulgaria on **Effective Work of Municipal Councils, Citizens Participation in Local Self-Government, and Responsibilities of Municipal Councils in Municipal Property Management**. The training contributed to increasing the professional capacities and information of council members in their important role as decision-makers. FLGR organized the workshops in partnership with the National Association of Chairmen of Municipal Councils and with regional associations of municipalities.

Training in three workshops on **Local Economic Development - the Role of Municipalities** was delivered by FLGR to specialists of 40 municipalities from the Danube and Stara Planina regions on the initiative and in partnership with the respective regional associations of municipalities.



Overall 40 mayors of small municipalities and villages from the municipalities of Gorna Malina, Elin Pelin, Mirkovo and Zlatitsa received training with FLGR's assistance in three seminars within the modules of on **Strategic Planning, Local Finance, and Development of Successful Projects**.

FLGR conducted two topical seminars in the spheres of **Municipal Marketing and Sustainable Development** within the Local Government Information Network (LOGIN) during the past year. The

meetings helped the active exchange of innovative practices among participants. FLGR awarded for innovative contribution on the first topic representatives of the municipalities of Haskovo and Silistra, and on the second topic - the municipalities of Dobrich and Etropole.

FLGR held in 2002 specialized seminars on pressing issues for different types of municipal specialists. Topics included: **Effective Communication, Annual Accounting Finalizing of the Organizations in the Budget Sphere, Infrastructure Management, and Municipal Road Maintenance and Reconstruction Planning**.

In 2002 FLGR organized two international study tours of local government representatives. During the first one a group of mayors of small and medium municipalities were directly introduced to the management practices of their Greek counterparts in the City of Hrisoupolis, the principles of regional government and the experience of Greece in operating with European funds. The visit was held within FLGR's project on Improving the Capacity of Local Authorities through Training Programs, supported by the Open Society Foundation. The second study tour FLGR conducted with the assistance of World Learning for representatives of 12 Bulgarian municipalities and two NGOs, who visited Poland and Ireland to examine best practices in the sphere of municipal marketing policy. Participants acquired practical knowledge on resource analysis, creation of strategies for development and investment attraction.

FLGR HAS A PROVEN CAPACITY TO DEVELOP INTERACTIVE TRAINING PROGRAMS, ADDRESSING THE NEEDS OF SPECIFIC TARGET GROUPS AND HAS A BROAD NETWORK OF TRAINERS WITH TESTED PROFESSIONAL SKILLS AND PRACTICAL KNOWLEDGE



I thank FLGR for the opportunity of conducting training on Municipal Customer Service. Your assistance and the professionalism of your trainers contributed to the successful start of our center and the achievement of one of our main goals - delivering good quality services to the citizens.

*Ivelin Yordanov,
Mayor of the Municipality of Aitos*

I am sincerely grateful to the team of FLGR for the extremely interesting and useful training on Municipal Marketing in Poland and Ireland. In the experience shared there we found opportunities and mechanisms that are relevant to be applied in Bulgaria, in order to overcome economic development problems.

Momchil Karaivanov, Specialized Administration Director, Smolyan Regional Government Administration

I would like to express my admiration for the excellent organization and usefulness of the Effective Communication seminar, held by FLGR with municipal communication specialists.

*Vanilin Gavrailov,
Head of the Mayor's Office and Public Relations Department, Municipality of Valchi dol*

How in 2002 FLGR provided needed and tailored information to local governments and other users



FLGR delivered timely and varied in format professional information to local authorities and their civic partners and contributed both to constantly enriching the recipients' knowledge and to expanding their opportunities to exchange experience within the Local Government Information Network (LOGIN). By combining and complementing its print and electronic editions, in 2002 FLGR ensured that information about the leading practices in local self-government reach as wide as possible interested audience.

During the past year FLGR published over 30 print editions. **The Reform in Local Self-Government Monthly Newsletter**, reaching local government leaders and specialists in all Bulgarian municipalities, regional government administrations, government institutions and non-governmental organizations, retained its position of a major source of expert articles, news, analyses and viewpoints about pressing issues. With its regular **Innovative Practices Bulletins** FLGR made available to recipients 65 innovative case-studies and encouraged the sharing of innovative practices among local governments and their civic partners through topical competitions.

FLGR launched by a national competition and awarded in October 2002 the **Annual Innovative Municipality Award**, by which the

Foundation recognized this time the overall innovative contribution of municipalities since the beginning of the local mandate (1999). During that period 215 practices from 72 municipalities and organizations have been submitted to the Innovative Practices database. The first winner of the top prize became the Municipality of Silistra, followed on second and third places by the municipalities of Sofia and Varna.

Up-to-date and demanded in 2002 were FLGR's manuals, handbooks and brochures with the following titles:

- Project Cycle Management**
- Analysis of the Implementation of the Regional Development Act**
- The Secrets of Public Administration**
- International Cooperation of Municipalities - Methodology and Practices**
- Municipal Customer Service Skills**
- Drafting and Implementing a Municipal Development Plan for Maintenance and Reconstruction of Municipal Roads in Vratsa**
- The European Social Charter (revised)**

The topical editions responded to pressing needs and provided readers with professional information, analyses and summarized experience in key spheres of local self-government and public administration.



FLGR HAS A PROVEN CAPACITY TO PROVIDE UP-TO-DATE AND PROFESSIONAL INFORMATION TO A WIDE NETWORK OF PARTNERS AND USERS BY VARIOUS TOOLS OF COMMUNICATION

„I would like to thank FLGR for publishing the Project Cycle Management Manual. The material is a valuable instrument in project management and is completely focused on systematizing and facilitating the work of organizations.”

Stanka Angelova, Deputy Mayor, Municipality of Razgrad

We follow FLGR’s weekly electronic bulletin with enormous interest. It is a valuable information source that can always be useful.

Tanya Rangelova, Head of Department, Center for Information and Administrative Services to Citizens, Municipality of Sliven

Your website is the best site for information about opportunities for funding and, more importantly, about the experience of projects already implemented in Bulgaria.

Petar Aleksiev, Regional Development Department, Yambol Regional Government Administration

I am interested in the issues of local self-government and I think that your program is very to-the-point and should be a regular one.

Mr. Kanchev, listener from Sofia who called in during the monthly Municipal Radio-Forum Program

For the first one year of its existence FLGR’s **For Local Government Weekly Electronic Bulletin** became a popular and useful information tool. During 2002 the number of its subscribers doubled. Through the disseminated 45 issues of the e-weekly bulletin FLGR delivered to the recipients total of over 500 pages of information, including news, funding opportunities, bids and competitions, and links to a variety of online resources. The number of visits to FLGR’s website reached 37 500, which marks double increase of the visitors’ traffic compared to the previous year. The content of FLGR’s online **LOGIN Library** was expanded by 214 new documents.

In order to achieve better and wider public understanding about the problems and achievements of local self-government, at the beginning of 2002 FLGR launched jointly with the Bulgarian National Radio (BNR) the monthly **Municipal**

Radio-Forum Program. Nine one-hour issues of the program, aired within BNR’s Horizont Program during the year, included total of 50 participants and interviewees, among which were mayors of big and small municipalities, chairs of municipal councils, government experts and representatives of non-governmental and business organizations. The program sought the opinion of the citizens on the discussed topics through radio surveys and open call-in telephone lines for questions and comments.

During the past one year FLGR gave four press-conferences on various occasions and disseminated over 40 news releases to the national and regional mass media. As a result of FLGR’s active work with the media, in 2002 there were nearly 70 materials published and broadcast in the media, covering news, events and issues, related to the activities of the Foundation.

How in 2002 FLGR provided financial and expert assistance to projects and initiatives of local governments and NGOs



The team of FLGR continued to develop successfully its capacity in delivering financial, technical and expert assistance to Bulgarian municipalities and local civic organizations. In 2002 FLGR provided targeted support for improving the delivery of municipal administrative services, the cooperation between local authorities and the citizens in implementing important local initiatives, as well as for strengthening the capacity of professional organizations of local government officers/councilors and regional associations of municipalities. The Foundation held four bids for project proposals of non-governmental organizations. The implementation of municipal projects within the **Improving Services to Citizens Program** and the **Danube River Initiative 2 Program** was totally completed. The financial assistance delivery to eleven regional associations of municipalities and five professional associations of municipal officers/councilors continued. The programs were implemented mainly with the support of the US Agency for International Development (USAID), as well as with assistance from the Swiss Agency for Development and Cooperation.

In 2002 FLGR delivered ongoing complex assistance throughout the practical implementation of the projects of 32 Bulgarian municipalities that won funding (among 110 applicants) within the **Improving Services to Citizens Program**. The total cost of the projects was 1 200 000 USD, of which 550 000 USD were provided by USAID and the rest was contributed by the municipalities. New customer service centers in six big and sixteen

smaller municipalities were completed and started functioning under the program in 2002, while the functions of eight already existing municipal centers were enriched and improved. Throughout the projects' implementation the team of FLGR delivered major expert and financial assistance to the municipalities, as well as training to their municipal staff on Customer-Friendly Service Delivery and a one-week professional training course for the respective municipal IT specialists. The opening of the new and renovated centers attracted considerable public interest on behalf of the media and the citizens, and in many cases the ribbon-cutting ceremonies were attended by high-level government officials and international guests.

Within the **Danube River Initiative 2 Program** improvements of the municipal infrastructure were implemented in twelve small communities in the Danube River region with overall 380 000 USD worth of assistance from FLGR/USAID. The projects implemented under the program, including construction and reconstruction activities with the involvement of local communities, achieved strong social impact. The results are renovated and completed water and sewerage systems, and infrastructure improvements that facilitate the living conditions of local citizens. The program also increased the capacity of the participating municipal administrations in conducting transparent public procurement procedures in accordance with donor requirements.

Under the **Support to Regional Association of Municipalities and**



(out of 272 participants in the bid for project proposals) to the total amount of 230 000 USD. 90 percent of project activities under this module have been completed in 2002, through which children's and sports playgrounds were built, and schoolyards and public parks were renovated. Within the second module of the program, named **Effective Partnerships**, out of 158 applicants for funding, FLGR granted overall assistance of 65 000 USD to 10 NGOs, whose projects will be completed by the middle of 2003.

Under the **Improving the Social Environment Program**, supported by the Charles Stewart Mott Foundation, in 2002 FLGR assisted the implementation of two additional projects, in the municipalities of Dupnitsa and Tvarditsa, which resolved specific problems of people with disabilities, while strengthening the dialogue between civic groups, local authorities, other institutions and the business. At the end of the year FLGR launched the second phase of the program, which consists of working in 10 new pilot municipalities, aiming to improve the mechanisms for delivery of social services and to encourage the partnership between citizens and local government for improving the social environment through the implementation of projects on the initiative and to the benefit of local communities.

In 2002 FLGR was chosen by the Swiss Agency for Development and Cooperation to take on the function of Project Office that consults and assists the development and implementation of projects in the municipalities participating in the **Community Forum Program**.

FLGR assisted in the past year the efforts of two Bulgarian municipalities - Montana and Kurdjali - in the preparation of their marketing kits and campaigns with support from various programs of USAID. Promotional brochures, materials and a compact disc have been created, targeting potential investors, which the two municipal teams used to establish contacts with over 300 businesses.

Professional Associations of Municipal Officers and Councilors Program

In 2002 FLGR regranted on competitive basis assistance from USAID worth 330 000 USD to the projects of ten regional associations of municipalities, four professional associations of municipal officers and the association of municipal council chairpersons. Through an agreement with the Swiss Agency for Cooperation and Development FLGR made available funding of 40 000 USD to the Central Stara Planina Regional Association of Municipalities. The associations, funded through FLGR, have as members 70 percent of Bulgarian municipalities and the projects under this program give them an opportunity to continue to serve their members, while strengthening their own organizational capacity.

In the past year FLGR implemented two modules of the **Partnership Initiatives Program** within its three-year work plan, supported by USAID, aimed to provide assistance to initiatives in local-self-government and to stimulate public participation. Within the first module, named **Improving the Living Environment**, FLGR granted funding to the projects of 30 non-governmental organizations

FLGR IS ABLE TO MANAGE EFFECTIVELY AND TRANSPARENTLY FUNDING PROGRAMS IN SUPPORT OF MUNICIPALITIES AND NGOs, BASED ON COMPETITIVE PROCEDURES, AND TO DELIVER COMPREHENSIVE EXPERT AND INFORMATION ASSISTANCE THROUGHOUT PROJECT IMPLEMENTATION

Let us congratulate the Municipality of Botevgrad, the US Agency for International Development and the Foundation for Local Government Reform for successfully mobilizing resources and finding ways to create this attractive center that will certainly shorten the distance between citizens and the municipality.

Georgi Parvanov, President of the Republic of Bulgaria, at the opening of the municipal customer service center in Botevgrad

For the first time in Bulgaria's recent history a local NGO has successfully implemented such an ambitious capital investment program on behalf of an international donor.

Debra McFarland, USAID/Bulgaria Mission Director, on the occasion of the completion of the Danube River Initiative Program

FLGR stimulated new investment policy and style of work in our municipality. The implementation of our project (within Danube River Initiative 2 Program) helped us to achieve new public attitude, support and involvement in solving the local problems.

Milko Simeonov, Mayor of the Municipality of Biala Slatina

FLGR helped us create a wonderful schoolyard with open stage for performances. The team of the Foundation, with which we worked (under the Improving the Living Environment Program), is an example of good partnership.

Nikola Kolev, Head of the Konstantin Velichkov School in the Village of Patalenitsa, Pazardjik Municipality

How in 2002 FLGR assisted local governments in achieving effective international partnerships

In 2002 FLGR again directed its efforts towards the implementation of effective international cooperation of local authorities through sustainable partnerships. The activities under this objective of FLGR continued mainly through the **Bulgarian Technical Twinning Program between Bulgarian and American cities**, funded by the USAID and implemented jointly by FLGR and the International City/County Management Association (ICMA), Washington D.C. The program strengthened its role as a generator of innovative solutions and a source of successful management practices to a wide circle of Bulgarian local governments. Parallel to this during the past year FLGR continued to support the multi-lateral cooperation of local authorities and transborder initiatives, and to assist directly the establishment of partnerships between regional government authorities.

Phase III of the Technical Twinning Program was completed in the middle of 2002. Throughout this phase of the program the participating eight Bulgarian municipalities implemented 18 projects with the assistance of their US partner cities, most of the projects being models, replicable in other Bulgarian local governments. Technical projects have been implemented in areas, new to the program such as: **park and green areas revitalization, infrastructure management and planning, urban development, solid waste management, regional**

tourism. Successful projects and management practices, achieved under the program by the eight Bulgarian-American partnerships in the areas of public-private partnerships and municipal marketing, have been replicated in five other Bulgarian municipalities, non-primary participants in the program. The developed marketing strategies of ten Bulgarian cities, including Internet business information sites, electronic marketing profiles and marketing brochures are a significant contribution of the program to Bulgarian local governments' efforts in investment and business attraction.

In support of the partnership projects FLGR and ICMA for the first time provided direct funding of overall 60 000 USD to the Bulgarian municipalities participating in the **Technical Twinning Program** on competitive basis. The assistance was used by the cities for purchase of necessary equipment, development of a detailed regulation plan, park renovation, publication of marketing materials, graphic design of electronic marketing and investment municipal profiles, publication of tourism brochures and methodological materials.

FLGR ensured broad dissemination to all local governments in Bulgaria of the best practices and experience, accumulated by the partnerships and projects of Phase III of the Technical Twinning Program, through its print and elec-





tronic publications, the Local Government Information Network (LOGIN) and topical workshops and conferences.

In September 2002 FLGR and ICMA started the implementation of Phase IV of the **Bulgarian Technical Twinning Program**, approved for funding by USAID for another two-year period, expanding the circle of participants by eight new Bulgarian municipalities. Five of the cities will be cooperating directly with American partners in the traditional and new project areas, and three will replicate the experience of the Bulgarian participants from the previous phase of the program.

FLGR assisted the completion of the work on the cooperation projects between Sofia Municipality, Bulgaria, Nish Municipality, Serbia, and the City of Columbus, Ohio, USA, within the **Three-Lateral Partnership of Local Governments Program** of the ICMA. The activities under the joint projects of the partner municipalities in the areas of **local economic development, waste management, water treatment and information services** to citizens were successfully finalized.

With the assistance of FLGR's team the first partnership of regional authorities was established in 2002. The regional governments of Malopolska, Poland, and Montana, Bulgaria, signed a Memorandum of Cooperation, defined major areas of cooperation and exchanged official delegations.

FLGR made further steps towards expanding its work in the area of transborder cooperation in the region by participating in the NGO Balkan Transfrontier Cooperation Forum, working meetings and conferences on transborder cooperation, held in Bulgaria and in the region.

Along with the implementation of various programs, in 2002 FLGR's team continued to deliver information and consultations for encouraging international cooperation initiatives at the municipal level. FLGR disseminated up-to-date information on the annual application procedure of the **European Commission's Town-Twinning Program** and assisted ten Bulgarian municipalities in preparing their proposals for funding. The applications of two of these cities, planning joint initiatives with partners from Greece and Spain, were approved for funding by the Commission.

FLGR published and disseminated among all Bulgarian municipalities, regional associations of municipalities and other partner organizations a **Handbook on International Municipal Cooperation - Methodology and Practices**, containing summarized experience and models on this topic. FLGR continued to disseminate relevant information about the progress of specific projects, useful practices and events concerning international cooperation of local authorities through its website, online **Technical Twinning database**, monthly newsletter and weekly electronic bulletin.

FLGR HAS A SERIOUS CAPACITY TO ASSIST INTERNATIONAL PARTNERSHIPS BETWEEN LOCAL AND REGIONAL AUTHORITIES, BASED ON PROFESSIONAL EXCHANGE OF EXPERIENCE AND MANAGEMENT PRACTICES BETWEEN LOCAL GOVERNMENT OFFICIALS AND EXPERTS

This program is a very successful formula that demonstrates how international municipal cooperation can truly contribute to the development of cities. I am proud that American cities help Bulgarian cities.

James Pardew, US Ambassador to Bulgaria, addressing the closing conference of Phase III of the Technical Twinning Program

The Technical Twinning Program is very effective, because it is simple. We always start with the question of what do citizens need.

Jon Bormet, International Resource Cities Program Director, ICMA, Washington D.C.

With Golden, Colorado, we have a very precise and practical area of partnership. After the given excellent evaluation of our joint work, we have the opportunity to continue working together in replicating our experience in the Municipality of Plovdiv.

Roumen Rashev, Mayor of Veliko Turnovo Municipality

On behalf of the citizens, the municipal council and all employees of the municipality, we thank you for the opportunity given to our city to become a participant in the Technical Twinning Program with a US counterpart.

Naiden Zelenogorski, Mayor of Pleven Municipality, and Georg Spartanski, Chairman of Pleven Municipal Council

How in 2002 FLGR ensured its sustainability as a non-profit organization



During the past year the Foundation for Local Government Reform continued to work on ensuring its organizational sustainability by making active efforts to strengthen its team, increase the capacity of team members, diversify donor support, participate with new project proposals in various bids for funding, and increase the share of paid services in the organization's consolidated budget.

The programs and activities of FLGR in 2002 were implemented mainly thanks to the support of the **United States Agency for International Development (USAID), the Charles Stewart Mott Foundation, the Open Society Institute - Budapest, the Open Society Foundation - Sofia and the Swiss Agency for Development and Cooperation.** The major share (91 percent) of FLGR's program expenditures in 2002 were allocated to subgrants, delivered by the Foundation as direct financial assistance to Bulgarian local governments and NGOs. In October 2002 for fourth consecutive year FLGR successfully passed through external financial audit, performed by Deloitte & Touche - Bulgaria, of two of its general grants from the USAID at the total amount of 1,5 million USD.

In the period of June - August 2002 the team of FLGR worked on developing a sustainability strategy of the Foundation with the help of experienced international consultants. FLGR's management visited

the United Kingdom, the Czech Republic and Hungary in order to examine useful practices of other similar organizations in Europe and to establish information exchange with them. As a result of these active efforts a strategy for sustainability of FLGR was developed together with a capacity statement of the organization and a plan of next steps under this objective.

FLGR's Board of Directors retained its number of eight members during 2002. Members of the Board are personalities with serious professional contribution and experience in various aspects of local government, civil society and the business. The Board continued to play an active role in formulating FLGR's management policy. Board members contributed with their knowledge and expertise to the successful implementation of FLGR's activities in 2002.

In line with the established annual practice, in 2002 FLGR conducted a team retreat meeting, where team members discussed pressing strategic and daily work issues, as well as strengthened their commitment to the organizational values and goals.

The team of FLGR consists of 24 competent employees, organized in six teams that reflect the Foundation's strategic objectives. Team members are proactive and respon-



sive in cooperating with FLGR's partners and beneficiaries and constantly upgrade their knowledge and develop their capacities through short-term trainings. In 2002 members of FLGR's team did individual one-week internships in five Bulgarian municipalities that gave them an opportunity to gain direct experience in working in municipal administration, as well as to contribute with their skills to activities and projects of the hosting municipality.

FLGR team members actively participated in various seminars and

workshops in Bulgaria and abroad, where they acquired new skills and built on their professional capacities in the areas in which they work. FLGR had its representatives as participants in key international forums, organized by the Council of Europe, the World Bank and other organizations. Team members host working meetings in the Foundation's office with representatives of international programs and organizations, informing them about FLGR's activities and advising them on the status and development of local self-government in Bulgaria.

FLGR ENSURES ITS SUSTAINABILITY BY CONSTANTLY IMPROVING ITS TEAM'S PROFESSIONAL SKILLS, STRIVING TO DIVERSIFY FINANCIAL SUPPORT, LOOKING FOR NEW INTERNATIONAL PARTNERSHIPS AND INCREASING THE SHARE OF PAID SERVICES



FLGR Board of Directors:

Lachezar Rossenov, Chairman of the FLGR Board, Mayor of Dobrich Municipality

Belin Mollov, Advisor on European Integration to the Minister of Regional Development and Public Works

Roumen Draganov, Manager in Tourism

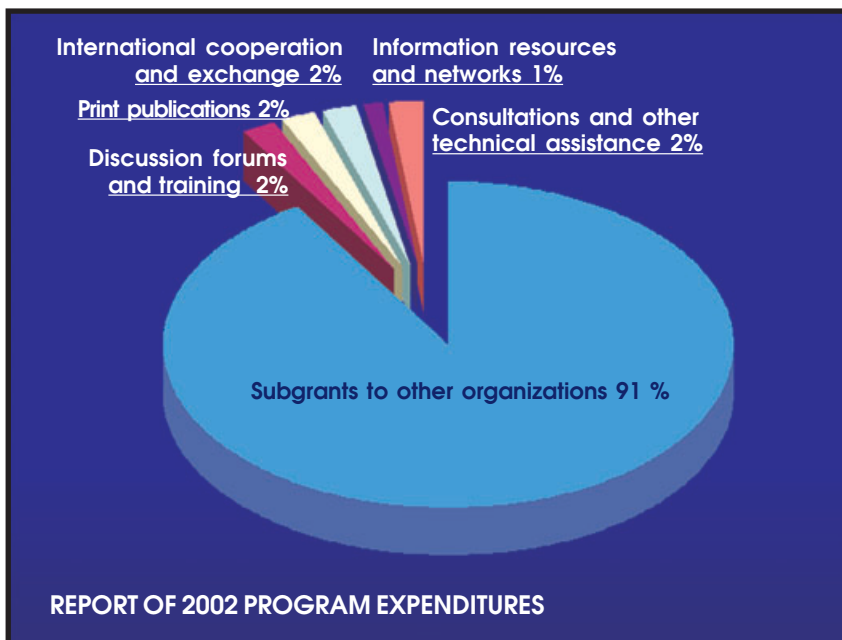
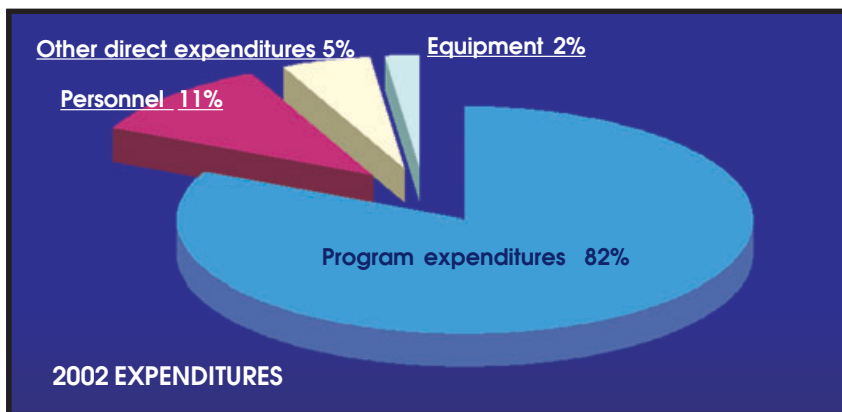
Savin Kovachev, Deputy Minister of Regional Development and Public Works

Julia Watkins, President of the American University in Bulgaria

Ginka Kapitanova, Executive Director of FLGR, Mayor of Zlatograd Municipality (1991 - 1995)

Emilia Panayotova, Ph.D., Senior Assistant at the Department of Law of Kliment Ohridski University in Sofia

Deni Kamenov, Vice-Chairman of the FLGR Board, Consultant on Local Self-Government, Mayor of Vidin Municipality (1991 - 1995)



FLGR has become an important local government reform advocate and powerful think-tank promoting policy reform and public-private partnership. Through the Foundation for Local Government Reform, USAID works to improve the capabilities of non-government organizations to represent civil society on governance issues.

Partners in Transition, USAID/Bulgaria publication

FLGR has accumulated expertise and capacity that we could successfully share with organizations and agencies working in the field of local self-government, as well as become a partner in the implementation of programs, consistent with our strategic goals.

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