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EXECUTIVE SUMMARY

The Foundation for Local Government Reform has a proven record of successfully implemented projects and programs contributing to the democratization of local government in Bulgaria and enhancement of public awareness on local government issues. During the thirteen years of its existence, FLGR has gained wide recognition at national and international level and has established a broad network of partners. This report presents the achievements under the USAID grant program in support of Bulgarian local government for the period October 2001 – March 2008. FLGR managed to consolidate all its activities towards fulfilling the planned tasks and fully establishing sustainable legacy mechanisms such as viable and self-sustaining Regional Associations of Municipalities, local NGOs and Customer Service Centers throughout the country.

GOAL The program aimed to improve the efficiency and effectiveness of local government through the provision of technical and financial assistance to local governments and to indigenous local government support organizations and the implementation of innovative municipal practices. FLGR activities directly contributed to USAID's Strategic Objective 2.3 - Local Governance More Effective and Accountable - and this SO's Intermediate Results.

PROJECT DESCRIPTION The target group under this program included a broad range of beneficiaries: municipal experts and practitioners; regional associations of municipalities; non-governmental organizations; individual municipalities; central government institutions; citizens groups. FLGR efforts improved the accountability, transparency and effectiveness of local self-government, stimulated active and considered citizen participation, promoted inclusion of gender and ethnic issues into the local government agenda, and enriched public awareness about the role and importance of local self-government.

The program focused its activities on several tasks:

Support the implementation of competitive projects of Regional Associations of Municipalities (RAMs), municipalities and NGOs

Build public consensus for policy change and joint initiatives between all levels of government entities and their civic partners (NGOs and businesses).

Provide professional development and consulting services to local authorities and their civic partners.

Provide needed information to local governments by using appropriate technology.

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

Ensure FLGR sustainability as a non-profit organization.

ORGANIZATIONAL BACKGROUND

FLGR was established in May 1995 as non-governmental organization by a group of mayors after the first democratic local elections in Bulgaria. For thirteen years of existence the Foundation has gained wide recognition at national and international level. Now it has a proven record of successfully implemented projects and programs contributing to the democratization of local government in Bulgaria and enhancement of public awareness on local government issues.

Vision: FLGR is an independent professional resource center, supporting local democracy.

Mission: FLGR offers customized and need-based information, expertise and assistance, provokes innovations in local self-government, acts as a mediator and builds a broad network of domestic and international partners.

FLGR's experience encompasses successfully completed programs and projects within the following main activity areas: training, publications and dissemination of information and innovative practices, research and analyses, individual consultations, town twinning, public forums, international conferences, and financing NGO projects stimulating partnerships at local level.

FLGR has been a major initiator and facilitator of public discussions and policy forums, creating opportunities for key actors and decision makers at national and local level to discuss important issues, such as regional development, fiscal decentralization, municipal property, etc. Through its main activities - publications, training programs, research, dissemination of innovative practices, international cooperation and financial support to NGOs the Foundation has gained wide recognition in Bulgaria and abroad.

FLGR guiding principle is to provide synergy between different activities, projects and programs, to disseminate and encourage the replication of the accumulated knowledge and practice and build upon the achieved results, taking into consideration the changing environment and the specific needs of the target groups. FLGR activity planning process is very participatory, including broad contribution from the whole team, local government and state agencies practitioners and external experts, aiming at visible practical results and policy change.

FLGR is a "learning organization", constantly improving its own organizational and expert capacity and public image, using the best national and international experience, applying innovative approaches and offering high quality information and services.

Beneficiaries of the activities of FLGR are local government officials and professionals, regional governors and experts, state agencies, members of the Parliament, non-governmental organizations, business organizations, international agencies and private entrepreneurs.

CONTEXT

Political Environment

In 1997 the newly elected Bulgarian Government recognized the development and the strengthening of a local self-governance that could provide “free development of the municipalities”. In implementation of its Program 1997-2000 the Government carried out a number of concrete actions (i.e. amendments of laws) related to the achievement of the above mentioned priority but they did not produce all the expected results in the direction of more effective decentralization and improved local governance. There were still a lot of discrepancies between the competencies, the responsibilities and the resources of the municipalities that affect the capacity of local authorities to respond adequately to citizens’ needs and demands.

With the adoption of the Administrative-Territorial Division Act in 1999 the country was divided into 28 regions. A Regional Development Act was also enacted in 1999 with the aim of creating the institutional framework for an effective long-term strategic planning and cooperation at regional level that would allow for the convergence of national and local policies. In 1999 the Government also created 6 planning regions equivalent of EU NUTS II (Nomenclature of Territorial Statistical Units) for the purposes of regional planning and implementation of the regional development plans and for determining regional statistics.

The local elections held in October 1999, introduced a third term of democratically elected mayors and council members in Bulgaria. In some parts of the country, the election results indicated party differences between mayor and the municipal council majority, as well as between local and central/regional government necessitating a new governance approach based on consensus and partnership. The newly elected municipal officials and administrators needed training in new skills and negotiation techniques that would stimulate new political culture of reaching consensus and would provide for more efficiency in service delivery and better communication with the citizens.

Furthermore, with the start of the official accession negotiations with the European Union in 1999, the country needed to develop administrative capacity in view of its harmonious integration into the EU. The administration at local level needed the relevant knowledge and expertise in order to participate in EU programs for regional development, trans-border cooperation, economic development, and to implement specific projects.

The Administration Act and the Civil Servants Act provided the statutory grounds for ensuring continuity in the administration as they define the allocation of responsibilities within the administrative units and the role of the civil servant.

Administrative Services

One of the significant development trends during the past few years concerned the further expansion of municipalities’ capacity to deliver administrative services to their citizens through the establishment of Customer Service Centers. For the direct beneficiaries of municipal services in these municipalities, their citizens and businesses, the results include: quick delivery of quality services; accessibility of services; savings in time and efforts; transparency and control on the administration; and restricted opportunities for corruption.

The Concept on the Improvement of Administrative Service Delivery and the Basic Model of One-Stop Shop Administrative Services, adopted by central government have incorporated the municipal experience in enhancing service delivery. These documents set a general methodological framework of the one-stop shop service delivery process.

Steps were made towards improving the business environment by enhancing the licensing, permitting and registration regimes that involve the municipalities in their enforcement. Council of Ministers Decree No. 189 of August 20, 2002 effected changes in the structure of the electronic Registry of Administrative Structures and Acts of Executive Power Bodies. The Registry now includes information on the acts issued under regulatory regimes. The successful implementation of the Decree contributes to the improvement of the business climate, the enhancement of service delivery and the reduction of corruption. Furthermore, this is a specific example of e-government that involves all municipalities, each of which has identified a registrar.

Regional Development

The Regional Development Act was adopted in the beginning of 2004. It defines the different levels of planning and programming, the areas for purposeful impact. It also stipulates that the planning process should be conducted by involving the community in public discussions and envisages the establishment of technical assistance agencies within the planning regions. It sets the conditions for utilizing the EU funds in the period 2007-2013 and is a step forward towards the integration into the European Union. In relation to this, FLGR experts have closely cooperated with the Ministry of Regional Development and Public Works for developing the guidelines for developing regional and municipal development plans.

Municipal Associations

The constitutional right of the territorial communities to form associations to solve common issues, as stipulated by Art. 137 of the Constitution, was developed further. The number of the National Association of Municipalities in the Republic of Bulgaria (NAMRB) and regional associations' members continued to grow. Practically, there is almost no part of the country without a regional association of municipalities. The associations of municipalities are playing an increasingly important role in the interaction between local and national government. They have become a corrective of the national government, whose active role is unmatched in the CEE countries. Currently there are 10 pro-active regional associations of municipalities as well as several associations established mostly for development purposes. FLGR has supported the Regional Associations of Municipalities and the Professional Associations of Municipal Officers by providing technical and financial assistance for their projects and activities and contributing to their organizational development and increased project management capacity.

Financial Decentralization

Until 2002, the municipalities had to operate in a financial framework dating back to the time preceding the adoption of the new Constitution in 1991. The Decentralization Concept adopted by the Council of Ministers aimed to provide public services of quantity, quality and prices corresponding to the users and consistent with citizens' capabilities, based on the sustainable, long-term correlation between municipalities' spending responsibilities, stable revenue sources and effective civil control. Financial decentralization is considered to be a long process that covers the entire system of financial relations at all levels of public government. FLGR supports

the process of financial decentralization by encouraging the public consultative process and acting as a catalyst for citizen participation and building the capacity at local level through training and technical assistance, thus complementing the efforts of NAMRB and the Local Government Initiative Program (LGI).

ACCOMPLISHMENTS

PROGRAM TASK 1

To support the implementation of projects of regional associations of municipalities and other NGOs at local level

The FLGR grant team has accumulated substantial experience in grant management. Our effort was a combination of information, expert and financial assistance. FLGR was engaged in building of sustainable mechanisms such as networks of municipal experts and professionals that provide broader access to information, knowledge and experience, resulting in replication of good practices. FLGR program implementation has been very successful thanks to the strict application of our program management scheme. It consists of four major phases: Program Promotion; Project Preparation Assistance, Submission and Evaluation; Project Implementation; and Program Monitoring and Assessment.

FLGR team has become well balanced, experienced and efficient in providing timely technical assistance to the implementing NGOs and municipalities. In 2002 Under the Improving the Living Environment Program FLGR granted funding for the projects of 30 NGOs, and under the Effective Partnerships Program 10 NGO projects were funded.

In 2003 FLGR funded the implementation of NGO projects within the program For a Better Living Environment resulting in 120 temporary jobs. The purpose of this program was to consolidate the efforts of citizens, non-governmental organizations, local authorities and businesses to widely discuss pressing problems, identify adequate solutions and develop joint projects to improve the quality of life in local communities. A total of \$187,500 was allocated to 24 NGOs out of the 169 applicants countrywide that qualified to receive direct grants under the program. The local communities' own contribution to the projects amounted to \$156,250. Results from the projects' implementation include newly constructed and renovated public recreation areas, children's playgrounds, and infrastructure improvements.



Support to Regional Associations of Municipalities and Professional Associations of Municipal Officers

FLGR team put a lot of efforts in building the capacity of the regional associations of municipalities (RAM) and the professional associations of municipal officers (PAMO). Nine RAMs and six PAMOs have become reliable partners of the local authorities.

The implementation of this program component was prompted by the need at local level to implement programs aimed at improving local government environment and

performance of local initiatives, as well as at strengthening the capacity of municipal administrations. The grants provided to RAMs enabled local authorities to influence the legal environment they work in by active lobbying activities. Thus, an opportunity was created for these associations not only to provide services to their member municipalities, but also to improve the economic situation in the municipalities, to encourage and carry out local initiatives in order to ensure sustainable development of their regions.

FLGR encouraged and support efforts of the RAMs to achieve self-sustainability by providing them with a gradually decreasing financial aid over the five-year period. RAMs were stimulated to expand the portfolio of services to their members; to deliver paid services; to develop projects funded by EU and to look for new instruments to increase the capacity of their member local administrations, as well as put an emphasis on activities having impact at regional and national level.

The financial assistance provided to PAMOs was not in the form of full-fledged grants, but activity support. It aimed at improvement of local government environment and performance of local initiatives, as well as at strengthening the capacity of municipal officers working in key areas. The support provided to PAMOs enabled these associations to provide better services to their members, and stimulate the implementation of local initiatives for municipal development. PAMOs were encouraged to expand their activities, to look for new instruments to increase the capacity of the local administrations and to stimulate joint projects, such as provision of on-going consultation and training of municipal employees in their specific fields of expertise; improvement of local legislative acts; promotion of results and encouraging replication; development of samples on local regulations of newly enacted laws; introduction of new instrument for more efficient management of the municipal administrations, etc.

The Support Fund supported predominantly activities aiming at: achieving transparency in the work of local authorities; diminishing the obstacles to businesses at municipal level; improvement of local legal environment (incl. regulating and licensing procedures in the municipalities); increasing the capacity of municipal experts.

In the period 2001-2007 under the Support to Regional Associations of Municipalities and Professional Associations of Municipal Officers Program FLGR regranted on competitive basis assistance from USAID worth USD 1 274 047 to the projects of nine RAOs and six PAMOs.

This has brought about the following results: other donors supported more than 35 projects of municipalities, prepared by their RAM; RAMs supported 25 specific local initiatives leading to sustainable development; 82% of Bulgarian municipalities are members of RAMs; PAMOs have increased the number of their members by more than 40%; the capacity of RAMs and PAMOs for project preparation and grant management was enhanced. They have prepared more than 160 projects; other donors supported 75% of them; 10 trans-border co-operations were established; and RAMs and PAMOs increased their funding from member dues by 70%. All nine RAMs have become sustainable and viable regional organizations and active local players.

The lasting outcome of the USAID support is that the RAMs and PAMOs are good on the sustainability track and are stable and well functioning organizations. They have built broad networks of highly qualified experts and coordinators who prepare and

manage projects and programs funded by the EU under the Operational Programs. The RAMs and PAMOs have helped significantly improve the environment for functioning of the local authorities by implementing new procedures, methods and legal instruments that have helped strengthening the capacity of municipalities and the process of decentralization. The support organizations have established themselves as reliable partners for exchange of information and best practices, as well as consultations in the process of project development and implementation of programs for sustainable development in their respective regions. The RAMs have specialized in professional service delivery to their member municipalities by providing legal advice, technical assistance, trainings and publications. The effect of the USAID support is the building of solid administrative capacity with the RAMs and PAMOs both in terms of leadership and experts for project development and management who can continue to support the process of strengthening local government in Bulgaria.

SUCCESS STORY

Establishment of effective dialogue between the mayors of RAM "Trakia" member municipalities

The Regional association of municipalities "Trakia" has developed an extremely useful and effective interaction and communication between the mayors. This was done step by step through the years and started seven years ago with the initiation of regular (every two months) sessions of the Board of Directors with the participation of all the mayors. All this happened within the frames of the long-term financial and technical support of the USAID. The regular meetings are each time hosted by different municipalities and traditionally start with a detailed socio-economic and cultural presentation of the host municipality. All the achievements, projects and good practices are regularly presented and thus the beginning of a natural exchange of information and knowledge has been laid out. The mayors themselves define this innovative approach extremely useful because these meetings give them the opportunity to get acquainted with each other's problems, to introduce new ways of solving particular issues to each other, to define common strategy in crisis situations, etc. The biggest achievement is that they have managed to overcome the political belonging and prejudices and to focus on searching particular solutions of concrete problems in a quite friendly environment within the association. And last but not least, this good tradition continues.

Customer Service Centers

In the last eight years, FLGR successfully supported the establishment and functioning of more than 70 of the existing more than 100 Customer Service Centers in Bulgaria. USD 545 800 were provided in the form of technical and financial assistance to CSCs under this grant. These centers have won recognition as successful vehicles for achieving better quality of administrative services, enhanced efficiency of the administration and increased transparency. The "one-stop shop" appropriately incorporated very wide range of administrative services as *Registration and control of documents, Civil status and registration, Municipal real estate property, Finance, Labor and Human Resources, Business activities and licenses, Taxes and fees, Urban Planning and Construction etc.* The municipal teams have also improved their information and communication channels with the local community. The advantages can be summarized as follows:

For citizens:

- Friendly and business-like environment
- Saved time and efforts

- Limitation of corruption
- Better access to information – catalogues of services, information boards and flyers, information of other institutions, municipal websites or portals

For municipal staff members:

- Sufficient operational time for provision of high quality services
- Improved organizational interrelations

For the municipal leadership:

- Opportunity for automated/electronic control
- Effective management

All these accomplishments are the foundation of well functioning Municipal Information Systems (MIS). It allows further integration and compatibility of MIS with the national institutions' databases and national registrars.

In 2001 FLGR launched the first national competition for municipal project proposals within the Improving Services to Citizens Program as a result of which 33 new customer service centers were established throughout Bulgaria.

In 2002 The Foundation established good cooperation with the Agency for Small and Medium Enterprises and jointly worked for decreasing the administrative barriers to the small and medium businesses by implementing the Kiosk for Entrepreneurs in 14 municipal administrations, thus building upon and enriching the functions of their Customer Service Centers. In the area of training provision, the most numerous workshops held by FLGR in 2002 were within the module on Customer-Friendly Service Delivery, where 420 staff members from 33 municipalities acquired and developed their skills in improving the delivery of administrative services to citizens.

In the period 2003-2006, FLGR held yearly 6 regional workshops for exchange of experience between the professionals in administrative service delivery. On average 120 heads of municipal administrations, information center managers and system administrators from 60 municipalities attended the workshops. FLGR also actively supported the *Innovative Practices Team* by organizing regular workshops and initiatives aimed at the generation and dissemination of successful local government practices.

FLGR's consulting team has responded to multiple requests and delivered technical and financial assistance to more than 70 municipalities for establishing Customer Service Centers. Currently FLGR provides paid consultations to municipalities willing to establish or improve their CSCs.

FLGR asserted itself as a leading organization in the modernization of Bulgaria's public administration by the implementation of modern management approaches and IT technologies. The Foundation's experts were actively involved in a series of innovative developments and initiatives, which were then presented at prestigious fora organized by the Minister of State Administration, the Ministry of the Economy, the National Association of the Municipalities in the Republic of Bulgaria, etc.

SUCCESS STORIES

Integrated Service Delivery. *In 2004-2005, the Foundation continued to provide technical and expert support to municipalities determined to improve their service to*

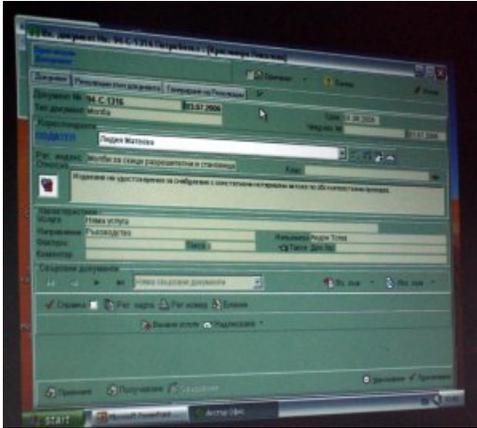
community using own resources. FLGR with the financial support of the USAID initiated the Integrated Administrative Services at Regional Level Project. Gabrovo and Teteven were selected as pilot municipalities that have established and well functioning Customer Service Centers. The project created organizational and technological opportunities for providing integrated administrative services by municipal administrations together with territorial institutions in accordance with high quality standards. A mechanism for online and official communication between administrative institutions was established. The District Court, Social Service Regional Department, Territorial Tax Administration, Regional Administration, the Regional Environmental Inspectorate and Regional Inspectorate for Control and Prevention of Public Health agreed to provide and exchange information and documents. By the end of 2005 the citizens in Teteven applied for more than 800 integrated services.

Complex administrative services

In the summer of 2006 the largest project in the field of the electronic government in Bulgaria "**Complex administrative services in the e-Region Blagoevgrad**" was launched. The project introduced a mechanism for document exchange between administrations and institutions on the basis of the contemporary information technologies in interest of citizens and business, it built on the whole experience in the field of the electronic government in Bulgaria till the present moment and impressed with its dimensions:

- partners on the project implementation are all the **14 municipalities in Blagoevgrad region, Regional administration Blagoevgrad and six regionally represented state institutions** (Regional court jointly with the Information servicing; Regional direction for national building control; Regional inspection for prevention and control of the public health; Territorial direction of the National incomes agency; Regional inspection of environment and water; Police district direction);
- the number of conceded complex administrative services is **17**;
- all the six decentralized units of state structures concede **26 outer administrative services**;
- the document exchange was realized on **technologically new principle**, which grants the document protection and their authenticity.

Other results, achieved by the projects implementation are: unification of separate administrative services in the municipalities from the region; speeding up the document exchange and the process of services accomplishment; reduction of the postal expenses for the document exchange between the institutions (district, municipality, regional departments); reducing the number of the contacts between citizens and separate administrations, and together with it reducing the possibilities for corruption practices.



Improving administrative service provision in the City of Sofia

On June 12, 2006, the Mayor of Sofia Mr. Boyko Borissov and the US Ambassador in Bulgaria H.E. John Beyerly opened 3 **Customers Service Centers in Sofia**. The Centers operate as one-stop shop and deliver a wide range of administrative services and information to citizens. The **Improving Administrative Services in Sofia Municipality Project** was implemented within 5 months by the Sofia Municipality and the Management Council of Sofia Privatizing Fund with the financial support of US Agency for International Development and the technical assistance of FLGR. The joint work of **FLGR and Sofia Municipality** in 2006 contributed to introducing one-stop office services in eight (out of 24) Sofia administrative districts and VPN connection of all Sofia administrative districts and the central Sofia administration.



At the beginning of 2006 we have set an ambitious task – to modernize administration, to improve services, to enhance the qualification of employees, to make processes in the administration transparent, to enhance confidence in the state and the institutions. I would like to express my gratitude to FLGR for our successful partnership and for your active support in achieving our priorities.
Nikolai Vassilev,
Minister of State Administration
and Administrative Reform

Revolving Fund

Within the grant agreement between USAID and FLGR FLGR implemented a grant loan scheme for municipalities amounted to 5 000-30 000 BGN (\$3 000- \$20 000). The main goals of the scheme were:

- To assist small municipalities with limited financial possibilities in developing feasibility studies for public infrastructural projects to apply before the national and EU authorities;
- To enhance the transparency of the local governments and the quality of the public services by establishing customer service centers based on the “one stop shop” approach.

The scheme was successfully launched in 2005 where loans of \$ 51 338 were granted to three Bulgarian municipalities. Since then, however, major actions have been taken to improve the economic situation in the country; the banking sector has been expanding very rapidly attracting clients with soft loan terms supported by favorable legal framework. All these factors made the FLGR's grant loan scheme unattractive and applications have not been received since 2005. As a result \$108 662 of the total budget remained unused. However, the granted loans in 2005 were repaid which resulted in accumulated total amount of \$53 200, where the principle was \$51 338 and the interests were \$1862.

At FLGR request, USAID approved the retention by FLGR of proceeds from the repayment of loan principal, in the amount of \$51 338, and interest, in the amount of \$1862, on loans which were made with grant award funds. FLGR undertakes the commitment to use these funds to support the objectives of the current grant, specifically: (1) for the provision of technical assistance to Bulgarian municipalities in the program areas of developing and co-financing EU projects in the area of good governance; and (2) for implementing activities for improvement of municipal customer services.

Other Supported Projects

With regard to the devastating floods from the summer of 2005, FLGR and 6 other Bulgarian organizations and companies initiates a fund-raising campaign in support of the reconstruction works and of the development of prevention mechanisms in the areas that were damaged the most. The European Integration and Project Development departments of small municipalities affected most by the floods (Gorna Malina, Ihtiman, Kostenets, Mizia and Smyadovo) were each donated a computer by the Foundation, in order to optimize their communication with the national administration in the development of projects for accelerated damage recovery.

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

As a result of the USAID support the Chitalishta Development Foundation has increased its institutional capacity, developed a long-term strategy for implementing new projects and programs and established a number of strategic partnerships. The Foundation has further strengthened its network of 285 chitalisha, developed the project capacity of its team, and reinforced the relations with the local authorities, the regions, and the media.

In 2006-2007 FLGR supported the implementation of the National Social Inclusion Network for Disabled People Project of **Health for Everyone Association**. The overall project objective was to enhance the capacity of disabled people and disabled people's organizations to equally participate in the society through access to training, employment and services, to create ways for disabled people to take ownership of

their future and to be actively involved in designing and implementing solutions to fit their own needs.

The project accomplished its goals to increase the opportunities of people with disabilities for access to the labor market by means of increasing their competitiveness and the capacity of the organizations of people with disabilities through establishing social enterprises. Social entrepreneurship provided the organizations of people with disabilities an opportunity to achieve stability by granting permanent employment of the representatives of the target group. Within the frames of the project trainings for developing social enterprises were organized for the organizations of people with disabilities in four training centers (Sofia, Pleven, Varna, Stara Zagora) as well as at other regional centers of the country, due to the strong interest on the part of the organizations. The project was also successful in establishing a mechanism for participation of people with disabilities in the formation and application of the social integration policy. To achieve this objective within the frames of the project Public Councils for social integration of people with disabilities at a regional level were created including representatives of all interested parties - local authorities, representatives of state agencies, employer organizations, and the media.

PROGRAM TASK 2

To promote the dialogue and build public consensus for policy change and joint initiatives between local, regional and central government and their civic partners (NGOs and businesses)

FLGR has successfully acted as an intermediary between the various levels of authorities and their civic partners in bringing about public consensus and policy change through the organization of discussion forums and maintaining working relations with the National Assembly, leading ministries and close contacts with NGOs, think tanks, business associations, and the media. FLGR is not a membership organization, which makes it an independent actor able to moderate such forums. By organizing numerous public forums during the past few years, FLGR has gained trust and respect among local officials, partner organizations and decision-makers. As a result from the discussions some of the conclusions and recommendations made during the workshops have underlain in the adopted legislation related to local government and regional development. These legislative changes have played a significant role in the process of successful development of the country and are an evidence for a good cooperation between local, regional and central authorities.

In 2001 FLGR signed a *Memorandum for Cooperation with the Parliamentary Committee on Local Self-Government, Regional Policy and Public Works* defining the areas for future joint activities. The Foundation organized two forums on the newly adopted Territorial Planning Act as a result of which submitted 92 specific recommendations to the legislators. In addition, FLGR published a legal commentary on the law that was distributed to all municipalities in the country and generated huge specialist interest.

In 2002 FLGR organized seven forums with total of 810 participants. In the framework of its Annual Work Program with the Parliamentary Committee on Local Self-Government, Regional Policy and Public Works FLGR conducted three major policy forums on recent legislative changes giving an opportunity of presenting the viewpoints of all stakeholders. The forum on the *New Regional Development Policy* 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 forum on the *Spatial Planning Act – Legislative Changes and Stakeholders' View* gathered 110 participants who formulated 45 specific recommendations that FLGR summarized and disseminated to the responsible institutions. The discussion on 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. 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 the Ministry of Transport. Their main purpose was to provide for information exchange between the institutions through campaigns for the municipalities and delivery of up-to-date information about funding programs, government initiatives or events concerning the Bulgarian local authorities.

In 2003 FLGR organized seven discussion forums with total of 670 participants on the topics: e-Local Government, Local Economic Development, Participation of Bulgarian Municipalities in European Programs, Improving the Social Environment and Public Private Partnerships in the Water and Sewerage sector. In partnership with the Municipality of Sofia and the Sofia ombudsman, FLGR implemented for the first time in Bulgaria a project on *Common Areas in Residential Buildings: Living Together*. The project established a citizen-participation model based on new communication channels between the municipality, the district administrations, residential buildings' managers and residents. The project covered all 24 districts of Sofia. A Building Manager's Manual was published, including practical advice and information. A registry of the managers of common areas in residential buildings in Sofia was developed.



Through the fora in 2004, FLGR encouraged dialogue and partnership between national and local government, civic sector and business. The Foundation re-affirmed its role as a mediator between various stakeholders in the process of building public consensus and implementing legislative changes. It also encouraged the exchange and dissemination of best practices in the following areas: citizen participation, quality management, spatial planning, absorption of EU funds, preservation of green areas and parks and development of regional plans and municipal development plans.

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

In 2006 FLGR continued to undertake concentrated actions to improve the integrated local development. The focus was on: elaborating and discussing Operational Programs 2007 – 2013 among all stakeholders: representatives of ministries, regional administrations, municipalities, and experts in the field of local self-government; improving the information environment of the Bulgarian municipalities in regard to the operational programs and the strategic documents for 2007 – 2013 by implementing the first national information campaign *“Operational Programmes 2007 – 2013: Opportunities for Bulgarian Local Governments”*. Over 480 people

attended the information meetings organized in 6 regions; participants were representatives of over 80% of the municipalities in Bulgaria.



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

*Valko Makaveev,
Mayor, Municipality of Hisarya*

Toward the end of the grant period the most effective efforts of FLGR were directed towards the expert and consultation participation FLGR team members in the national Working Groups for the development and discussion of the Operational Programs and the National Strategic Plan for Rural Development 2007 – 2013.

SUCCESS STORIES

Round Table on Preserving Sofia's Parks and Green Areas

A Round Table on **Preserving Sofia's Parks and Green Areas** was held in Sofia on October 5, 2004. The forum was organized by FLGR under the patronage of James Pardew, US Ambassador to Bulgaria, with the support of the United States Agency for International Development. The Round Table was attended by 140 representatives of 35 citizen associations and groups, Sofia municipal councilors and administration, representatives of the Ministry of Environment and Waters, the Ministry of Regional Development and Public Works, the National Assembly, the United Nations Development Program, the Swiss Development and Cooperation Agency, non-governmental organizations, the Prosecutor's Office and the Court. Prior to the Round Table FLGR spent three months helping citizen associations and all involved resource institutions to develop consensus views and specific proposals aimed at preserving Sofia's green system. The public discussion focused on the current status and the future development of Sofia's parks and green areas. Its

purpose was to identify the necessary legislative, administrative and managerial measures that would provide for the preservation, expansion and responsible development of the capital city's green system. The event was unique for the country and generated a wide media response.



Transparency Campaign

The Foundation for Local Government Reform and

the Local Government Initiative Program, with the support of the United States Agency for International Development, initiated in early 2004 a Campaign for Transparency in the Municipalities. The campaign targeted all Bulgarian municipalities. Its purpose was to increase the transparency in the operation of the municipal councils and the municipal administrations, thus increasing citizens' trust in local government and encouraging citizen participation.

FLGR and LGI partners in the implementation of the campaign included the National Association of the Municipalities, the regional associations of municipalities and the professional associations of municipal specialists.

The major activities included:

- A self-assessment questionnaire was disseminated among the municipalities to establish the extent of transparency in their operations;*
- A Communications Plan was developed and disseminated among all municipalities;*

- A Demonstration Team of 17 pilot municipalities was formed, on a competitive basis, which proved their willingness to apply new transparency practices and transfer their experience to other municipalities.*

FLGR established a Transparency in Local Government Award, with two categories: Most Transparently Operating Municipality; and Best Transparency Practice in a Risk Area. The start of the Transparency Competition was announced by FLGR Executive Director, Ginka Kapitanova, at the Second Annual Meeting of Bulgarian Local Authorities.

29 innovative practices from different areas of municipal operations were submitted for the Best Transparency Practice in a Risk Area category. The Municipality of Vulchi Dol was awarded the third prize and a honorary certificate for the practice Let's Lift the Curtain on Bids: Transparent and Effective Municipal Property Management. The Municipality of Smyadovo got the second prize and an honorary certificate for the practice A New Way of Appointing Bidding Committees: A Method Preventing Corruption Attempts.

The first prize in the Best Transparency Practice in a Risk Area category was awarded to the Municipality of Razgrad for the practice Effective Control on the Implementation of Contractual Terms in Deals under the Municipal Property Act.

17 municipalities competed in the Most Transparently Operating Municipality category. These were all municipalities that: apply most of the practices included in the Transparency Questionnaire; have formed municipal teams covering both the municipal council and the municipal administration, citizens, business and media; have implemented an impressive number of new practices in the current year; and have developed and adopted programs and plans with regard to transparency. The third place honorary diploma in this category was awarded to the Municipality of Berkovitsa. The Municipality of Berkovitsa is implementing 79% of the practices included in the Questionnaire, has implemented 24 new practices and has planned 12 practices for the near future.

The second place was divided between two municipalities, Strymyani and Stara Zagora. The Municipality of Stara Zagora demonstrated an exceptionally high percentage of implementation of practices included in the Questionnaire 92%, while the Municipality of Strumyani registered an extraordinary development in their implementation from 45% in May to 80% in November. Both municipalities have successfully analyzed their efforts towards transparency, have teams with wide representation and have developed successful programs and plans.

The winner in the Most Transparently Operating Municipality category was the Municipality of Pleven. The Municipality of Pleven was exceptionally active during the 2004 Campaign for Transparency in the Municipalities and within the Demonstration team on Transparency. The Municipality was implementing 81% of the practices

included in the Questionnaire, implemented 18 new practices and has planned 25 more practices in its Increasing the Transparency of Municipal Council and Municipal Administration Operations Program. The program was a useful document serving as a model for other municipalities willing to implement similar actions.

PROGRAM TASK 3

To provide professional development and consulting services to local authorities and their civic partners for better governance

The reform in local self-government needs efficient municipal management and well-trained specialists. FLGR has built up full capacity to assess training needs, develop curricula, update training handbooks and tools, select appropriate case studies, attract qualified trainers and generate realistic feedback for tailor-made seminars on topics in demand. Beneficiaries of the training activities of FLGR throughout the grant were municipal mayors, council members, professionals, municipal specialists in different areas, government officials, NGOs and FLGR partners.

FLGR training characteristics encompass practical training, based on real needs and addressing key issues, designed and conducted by highly professional trainers and experts, based on interactive, participatory learning methodologies, client-oriented and demand-driven. Professional training materials with case studies and best practices complement all training activities.

Throughout the grant period FLGR has delivered more than 600 training seminars with overall 12 000 participants.

The Training Center within the Foundation for Local Government Reform was established in 2003 aiming at institutionalizing the training activities offered by FLGR. A contract for cooperation between FLGR and Sofia University was concluded aiming at developing certified *long-term professional courses* designed for municipal experts. More than 800 people have been trained and received certificates from the Center.

FLGR has standardized training modules on municipal property management, spatial planning, strategic planning, local finance, project development and management of EU funds, human resource management, public relations, organizational and management skills, infrastructure management, social services, administrative customer service, e-government, conflict management, waste management, public-private partnerships, protocol, management of life-long learning and citizen participation.

In the beginning of 2004 after the local elections FLGR together with the National Association of Municipalities in the Republic of Bulgaria, the Local Government Initiative and the regional associations of municipalities held *post-election orientation seminars* for mayors and municipal councilors. The purpose of the trainings was to provide quick, time-saving orientation to the newly elected municipal officials; help the participants acquire management and decision making skills and understand and apply in their work the principles of teamwork, transparency and partnership. In addition, FLGR organized 12 trainings for municipal councils upon request by the respective municipalities.

In 2005 FLGR signed a Memorandum of Understanding with the United Nations Thessaloniki Center for Public Service Professionalism (UNTC), Thessaloniki, Greece. The Center was established in 2000 with the purpose to support public service reforms in the Central, Eastern and Southeastern Europe countries. FLGR and UNTC cooperate in the following areas: increasing public service professionalism and improving the quality of public services; promoting effectiveness and transparency in the public administration; supporting dialogue between public administration,

businesses and the civic sector; establishing a regional information exchange network.

FLGR designed nine new modules for municipal administrations and the general public on the following topics: Team work, Facilitation Skills, Elaboration of Municipal Development Plans, Organization and Management Skills, Management of Life-long Learning, Project Development and Management of EU Projects, Human Resources Management, Local Economic Development, Structural Funds and Operational Programs in Bulgaria 2007-2013.

FLGR has broadened its network of training experts by training 28 municipal experts as trainers. These lecturers now participate in trainings and seminars organized by FLGR's Training Center.

FLGR has also organized and hosted *study tours* for practitioners from Serbia, Kosovo, Georgia, Bosnia and Herzegovina, Albania and Armenia in the areas of customer service, citizen participation and local economic development, as well as study visits for Bulgarian civil servants in the fields of regional development, economic development, social policy, local democracy, utilization of EU funds in the Czech Republic, Portugal, Hungary, Poland, Ireland, Greece, Switzerland and USA.

As a result of FLGR constant efforts and professional training and consultations, the Bulgarian local government officials have improved their expertise, qualifications and efficiency, there was an increase in the number of implemented projects following the training activities, and increased satisfaction of citizens on the quality of management and service delivery.



*Our recently established NGO "Civil Society" won its first grant. It is a successful start for us as it is the first project that we have developed in general. I would like to express my sincere gratitude for the training "Project Design and Management". I have participated in variety of trainings in this field but it is the first that provided basic knowledge and skills. Thanks to the acquired training experience we started our activities. You have a great team. Keep supporting civil society development!
Kremena Slavcheva, City of Elena*

PROGRAM TASK 4

To provide needed information to local governments by using appropriate technology

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

The Foundation for Local Government Reform consistently improved and diversified its information activities and services to local governments and their civic partners. Providing professional assistance on topical issues of local democracy, as well dissemination of best practices and innovations has been the focus of FLGR's highly demanded and appreciated print and electronic publications. The information delivery vehicles of the FLGR are its weekly electronic bulletin, e-monthly bulletin in English, printed monthly newsletter, web-site, monthly radio program, topical print editions, manuals, brochures, booklets, digest editions. So far the Foundation has consistently managed to transform attitudes, encouraged participatory practices, and inspired new policies at local and central government level through its role of information provider, educator, convener for exchange of know-how and networking.

Overall, in its print and electronic publications FLGR gave priority to the following main topics: municipal marketing and investment attraction, regional development, transparency and public participation in local self-government, public-private partnerships, municipal property management, improvement of municipal services to citizens and businesses, the capacity of local governments to work with EU funds. Towards the end of the grant period FLGR started to market its information products for sale, subscription and advertising to keep them financially sustainable.

FLGR published *the Reform in Local Self-Government Monthly Newsletter* with quarterly *Information Pool Inserts* throughout the grant period. The newsletter retained its strong position of an effective tool for informing local authorities on issues important to their work, for providing analysis on hot topics, for promoting and emphasizing the best practices and know-how of USAID-supported programs and projects, as well as for encouraging peer-to-peer exchange of information and points of view. FLGR also published the bi-annual English Digest edition of the monthly newsletter that mainly reviewed Bulgarian best-practices and outputs of FLGR/USAID programs for the international community.

FLGR published the *Innovative Practices (IP) Booklets* on a quarterly basis. The IP Booklet reflected the collections of case-studies from topical calls for innovative practices, which FLGR conducted each year together with forums for innovators.

During the reported period FLGR published the following *Topical Publications*:

- European Urban Charter
- How to Apply the Access to Public Information Act Booklet
- Commentary on the Spatial Planning Act book
- European Landscape Convention
- Guide for Local Authorities on Organizing Official Visits
- Vision and Strategic Planning in the Community (Guide)
- Best Practices in Bulgaria – Partners for Local Development

- Guide on Municipal Development Plans for Waste Management
- Review of Regional Policy in Bulgaria
- Guide on establishing Municipal Customer Service Centers
- The European Social Charter (revised);
- The Secrets of Public Administration Book, authored by Deni Kamenov;
- Manual on Municipal Customer-Service Skills;
- Manual on Project Cycle Management;
- International Cooperation of Municipalities – Methodology and Practices Handbook
- Promotional kit of FLGR – folder, flyer and training forms;
- Commentary on the Spatial Planning Act Book
- Collection of European Charters
- Building Manager's Manual: Common Areas in Residential Buildings
- Municipal Yearbook 2002
- A Manual on Funding Programs in Support of Local Authorities
- A Collection of Training Materials on EU Accession Instruments
- 50 Ideas on How to Better Serve the Citizens Brochure
- Methodological Guidelines on the Elaboration of the Municipal Development Plans
- Methodological Instructions on the Preparation of the Regional Development Plans;
- Project Cycle Management, an updated edition of the European Commission's manual;
- The Citizens as Partners – a manual on informing, consulting and involving the public in the development of OECD policies;
- Growing Professionalism in the Bulgarian Municipalities – a manual of best practices implemented under the FLGR/ICMA Bulgarian Technical Twinning Program, 2002 – 2004

For seven years FLGR produces and disseminates its *Weekly Electronic "For Local Government" Bulletin*, containing tens of pages of FLGR news, up-to-date and extensive information on best practices and innovations, funding opportunities and bids, useful links and web-based sources of knowledge. The e-weekly successfully complements FLGR's other information tools and promotes ongoing programs. It generates bigger traffic of visitors to FLGR's online resources and has managed to increase the average number of users to the web-site more than six times. Since 2001 the e-weekly managed to attract enormous interest and its subscribers currently are more than 7000. The e-weekly has gained extreme popularity among different target groups and its diverse recipients' list includes not only representatives of municipalities, NGOs, central and regional governments, but also private companies, researchers, students, private individuals. Many organizations seek popularity of their initiatives through the e-weekly, as it has been recognized as the leading publication of this kind. 273 issues containing more than 13600 pages of information have been published in the period 2001-2007.

Based on numerous inquiries from internationals, FLGR launched a short monthly English version since 2005 – *e-monthly*, of its electronic bulletin that delivers information in brief format on FLGR news and useful links on the web, related to Bulgarian issues and best practices already existent in English. During the reporting period 36 issues have been disseminated to more than 500 subscribers - international partners and donors, and international development organizations working in support of local government and civil society the region.

The FLGR has enhanced its *web-site* to better serve local governments' need for

information exchange and networking. FLGR has developed and adapted to user needs its online databases, discussion forum, news and information. FLGR made available online all its print publications and other articles and resource materials aimed to enhance the knowledge and capacity of local governments and their civic partners. The Foundation introduced and raised fees for advertising through banners on its website in order to ensure its financial sustainability.

For six years FLGR organized together with the Bulgarian National Radio the *Municipal Radio Forum* each month. The one-hour shows were attended by mayors, municipal experts, government officials, donors and NGO representatives. The topics reviewed included: problems faced by small municipalities; social services decentralization; municipal development plans; preservation of cultural monuments; national rural development network, municipal marketing, local economic development, housing, etc. For the period 2002-2007 FLGR held 56 radio shows that raised great interest and stimulated greater citizen participation in local government issues.



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

During the past three years FLGR has started to attract corporate sponsors and advertisers for its publications, products and events. The most important publications are made sustainable by selling advertisement space to Bulgarian organizations and companies, interested to promote themselves to the readership group. FLGR has also ensured that the budgets of new projects provide an adequate share to the cost of information and promotion activities.

As a result of its diversified information channels and activities, FLGR has considerably increased awareness and knowledge on important issues concerning local government among local government officials and their civic partners and established its public image as an independent innovative professional resource center, supporting local democracy.

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SUCCESS STORY

Innovative Municipality Annual Award Program

An FLGR Annual Innovative Municipality Award was granted for the first time in October 2002 at the Annual Local Governments Meeting in the presence of 800 Bulgarian mayors and key representatives of all levels of government. The award acknowledged the overall contribution of local authorities and their NGO/business partners within the 1999 – 2002 period of their mandate. The first winner was the Municipality of Silistra. For six years now a specially designed IP prize statue and a certificate have been awarded annually to the winner. The IP Award stimulates the transfer of know-how and innovative methods in the Bulgarian municipalities. For six years more than 1000 innovative practices of Bulgarian municipalities have been submitted in FLGR database. FLGR has organized numerous thematic IP competitions throughout the years and awarded innovators in the areas of: local economic development, European integration, social services, intermunicipal cooperation and public private partnerships, etc. and annually awarded the prestigious Innovative Municipality Award. The following municipalities have won the award besides the municipality of Silistra: Sliven, Dobrich, Svishtov, Strandzha and Tundzha.



*By giving this award FLGR provides a forum for a noble competition of innovations that are extremely needed for creating competitive environment for local government development.
Stanislav Blagov, Mayor of Svishtov Municipality, 2005 winners*

*The very fact of receiving the Award demonstrates the vitality and the potential of the Tundzha citizen, the Tundzha administration and Municipal Council.
Georgi Georgiev, Mayor of Tundzha Municipality, 2007 winner*

PROGRAM TASK 5

To assist local governments in establishing international partnerships based on professional interests

FLGR has proven its capacity to assist Bulgarian Local Governments in their international cooperation efforts to form effective partnerships and apply best practices, share experience, know-how and adapt specific models to the Bulgarian environment. Based on its unique experience in successfully implementing the Bulgarian Technical Twinning Program, including forming a wide-scale partnership of Bulgarian/American cities for Local Economic Development, through this grant FLGR has achieved a broader impact on Bulgarian Local Governments for improved competence in this area. It has also succeeded to further build the capacity of FLGR staff for provision of quality consulting services in LED, which makes the efforts sustainable in the coming years.

The established in 2004 Bulgaria Local Economic Development Partnership (BLEDP) evolved in an association of Bulgarian municipalities that applies systematic and sustainable economic development strategies to improve the economic vitality of their individual communities. With technical assistance from American economic development experts, Bulgarian municipalities are applying proven best practices to foster business development, create jobs and improve the quality of life for their citizens. Together, ICMA, USAID and FLGR have built the capacity of Bulgarian local governments to implement a systematic and sustainable approach to economic development. As a result of these successes, the Bulgaria Local Economic Development Partnership (BLEDP) is considered a model for building local economic development capacity in other transitional countries throughout Europe and Eurasia.

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

Throughout the grant period FLGR actively disseminated information on international partnerships' efforts through the Website, Electronic Newsletter and publications in the FLGR monthly Bulletin. In November 2004 a Handbook "Expanding Professionalism in Bulgarian Municipalities", incorporating 20 best practices of practical experience and project achievements resulting from the successful Bulgarian/US cities technical cooperation was published and reached all Bulgarian Municipal Administrations, City Councils and municipal professionals.

International networking was one of the important areas of FLGR involvement. The Foundation was one of the key participants in the Corridor 8 Local Economic Development Network, created by municipalities, NGOs, national institutions, private sector and key organizations from Albania, Bulgaria, Macedonia, Serbia and Kosovo - countries with priority interest in developing the corridor linking Black and Adriatic Seas and stimulate economic growth in the region. In 2005 FLGR became a member of the newly formed Association for Economic Development along European Corridor No. 8 and was elected to serve on the Association's board.

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

FLGR created conditions for professional preparation and development of local specialists by developing and delivering basic and advanced LED courses. Thirty-nine municipalities participating in the project have created the position of “economic development specialist” and have hired staff for this position. For three years, FLGR trained these specialists with the support of American experts.

The periodical training included: weekly courses on economic development basics, as well as topical courses on strategic planning, economic planning, resource evaluation and analysis, preparation of professional presentations for investors and trade exhibitions, writing and justifying economic projects, industrial park creation, development and marketing, marketing of existing buildings and lots, economic development advisory boards, business etiquette and protocol, etc. More than 100 municipal employees were trained under the project; of them, 59 have received individual certificates based on their participation in the trainings, results achieved in specific tasks and an essay on an economic topic. 33 municipalities have been certified as Ready for Business, 6 of them with excellence.

Initially, the courses were delivered only by American economic development professionals. Later, trained Bulgarian practitioners began teaching the courses. The great interest in the interactive trainings made the program open not only to municipalities but also to consulting companies and regional governments. The Foundation, together with the American University in Bulgaria, is now offering modular training based on the Bulgarian-American experience.



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

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

*Tsvetina Zaharlieva, Chief LED specialist,
Municipality of Karlovo*



PROGRAM TASK 6

To ensure FLGR sustainability as a non-profit organization

Since its very start FLGR has constantly endeavored to build up the capacity of its team members in order to increase the organization's sustainability and improve the quality of services offered by the Foundation. In this process, from 1997 onwards FLGR is assisted by leading US consultants in Organizational Development provided with the financial and technical support of USAID and ICMA. A tradition was established to organize staff retreats as a form of generating new ideas and improving the relationships among the members of the team. FLGR is also regularly organizing focus groups with external experts and local government professionals to estimate their notion of FLGR's work and the future expectations within the constantly changing environment in Bulgaria and the Balkans. This has led to the establishment of a unified professional team representing and keeping the good image of Foundation at national and international level.

Implementing the Sustainability Strategy

In 2002 with the technical assistance of British and US consultants FLGR developed a sustainability strategy including: strategic relationship building with diverse donors, self-financing, corporate sponsorship and fundraising, as well as increased organizational and staff development. A great deal has been achieved ever since towards implementing this strategy in reality by introducing fees for seminars, offering paid consultations, establishing a limited company owned by FLGR, submitting new projects for funding to various donors.

Policy of donor diversification

During the past few years FLGR has followed a worthwhile policy of donor diversification and has succeeded to prepare and submit for funding more than thirty project proposals to various donors and programs: World Learning, EU Socrates Program, EU Phare Program, Swiss Agency for Development and Cooperation, Open Society Foundation – Sofia, Open Society Institute – Budapest, C.S. Mott Foundation, MATRA Program of the Dutch Government, the Operational Programs. Most of these projects were successful and thus FLGR has achieved considerable donor diversification and additional funding to support its activities.

Policy of Financial Independence

FLGR followed a policy of financial independence by introducing more and more paid services, working on consultancy contracts and public orders, etc. FLGR made the first steps towards sustainability by establishing a branch in Smolyan and a limited company FLGR Consult Ltd. in 2003, owned by the Foundation, in order to offer paid services, such as training, consultations, publications and generate income. Currently both FLGR and FLGR Consult Ltd. perform contracts for studies and analyses from the Bulgarian ministries and are sought and reliable partners to the national authorities.

Professional Training and Internships

FLGR experts have increased their professional qualifications by participation in training courses and internships in Bulgarian municipalities and state institutions. 80 percent of FLGR team have become experienced in providing consultations in the areas of regional development, improved service delivery, local economic development, EU program management, housing management, ISO 9000:2001 certification, etc., thus being able to offer such consultations/training as paid services and contributing to FLGR sustainability.

LEGACY

The FLGR Program in support of local governments in Bulgaria has achieved its goals as planned and succeeded to raise the capacity of municipal officials and provide indispensable technical and financial support to local governments and their partner organizations.

The Program leaves behind an enduring legacy of an independent reputable Bulgarian NGO – the Foundation for Local Government Reform which has established itself as the most active think-tank in the area and has become a sustainable organization providing information, consultations and support to local governments and NGOs in Bulgaria and internationally.

Through the USAID support program, FLGR also assisted the positioning of the RAMs and PAMOs as reliable local government partners, which have proven to be self-sustainable and active after the end of the funding period.

The other major achievement and lasting legacy are the Customer Service Centers established in more than 100 Bulgarian municipalities with the technical and financial support of the Program. They provide high-quality administrative service delivery and increase the citizens' confidence in the administration.

The Foundation has managed to become sustainable towards the end of the grant period as it has:

- Succeeded to reshape core activities into truly marketable services and products and to make available those products and services to solvent target groups, while still servicing those less solvent and in need of FLGR support;
- Ensured adequate human resources and continued leadership by creating additional capacity and expertise within the organization, ensuring diversity in the staff in terms of professional backgrounds and work responsibilities;
- Maintained its good partnership network with central government and local partners, as well as with its international partners for project development, tendering and exchange of expertise;
- Maintained cutting-edge expertise by using high-level experts;
- Constantly diversified the funding base by securing funding from the EU, private foundations, through participation in tenders, USAID country missions assignments, the Operational Programs, and generates income through the provision of services.

Currently the Foundation for Local Government Reform takes part in projects under the Operational Programs, prepares studies and analyses for ministries and maintains a broad network of qualified experts and partner organizations. FLGR team actively participates and shares best practices in numerous international events worldwide, as well as provides technical assistance and consultations in international projects in Serbia, Georgia, Bosnia and Herzegovina, Macedonia, Albania and Armenia in the areas of customer service, citizen participation and local economic development. At present FLGR plays an active role in an EU funded project in Albania for assisting the Albanian local and regional levels of government in

improving public administration of licensing and permits through provision of high-quality administrative service delivery and application of contemporary management approaches and technologies within the municipal administration. Thus, FLGR uses the already acquired expertise in the field of customer service to transfer its know-how and sustain itself as an independent professional consulting organization.

The Foundation will continue to promote effective, partnership-based local development that reinforces democratic values, promotes inclusion and prosperity and contributes to the fulfillment of local communities in the civic, economic and cultural life of Bulgaria and Europe. The Foundation will promote best practice and the highest standards of service and participation through structures of local and regional governance. The Foundation will continue to work as an independent, professional, non-profit organization, characterized by transparency, fairness and efficiency.

ANNEXES

List of Municipalities with Customer Service Centers Supported with Technical and/or Financial Assistance by FLGR under the USAID Grant

REGION	MUNICIPALITY
BLAGOEVGRAD	Sandanski
	Satovcha
	Strumyani
BOURGAS	Bourgas
VARNA	Beloslav
	Dolni Chiflik
	Provadia
VELIKO TARNOVO	Veliko Tarnovo
	Gorna Oriahovitsa
	Elena
	Svishtov
VIDIN	Vidin
	Kula
	Ruzhintsi
VRATSA	Biala Slatina
	Vratsa
	Kozlodui
	Mezdra
GABROVO	Drianovo
	Sevlievo
	Triavna
DOBRICH	Dobrich
KARDJALI	Chernoochene
LOVECH	Teteven
	Troyan
	Yablanitsa
	Letnitsa
MONTANA	Valchedrum
	Montana
	Boitchinovtsi
	Brusartsi
	Chiprovtsi
	Lom
PAZARDJIK	Panaguirishte
PLEVEN	Knezha
PLOVDIV	Maritza
	Kaloyanovo
	Hisar
ROUSSE	Rousse
SILISTRA	Tutrakan
	Silistra
SLIVEN	Sliven

	Tvarditsa
SMOLYAN	Zlatograd
SOFIA CITY	Vazrazhdane district
	Studentski district
	Mladost district
	Sredets district
	Ovcha kupel district
	Vitosha district
	Krasno selo district
	Ilinden district
	Slatina district
	Poduyane district
	Oborishte district
	Lozenets district
	Lulin district
	Nadezhda district
	Iskar district
SOFIA REGION	Botevgrad
	Bozhurishte
	Elin Pelin
	Kostenets
	Etropole
	Pravets
	Gorna Malina
	Pirdop
STARA ZAGORA	Stara Zagora
TARGOVISHTE	Antonovo
	Popovo
HASKOVO	Dimitrovgrad
SHOUMEN	Venets
	Novi Pazar
	Smyadovo
YAMBOL	Elhovo

Support to RAMs, PAMOs and other NGOs

Organization		USAID Amount in BGN	Own Contribution in BGN
<i>Regional Associations of Municipalities</i>			
Regional Association of Municipalities <i>Trakia</i>		400 000	
Association of Rhodope Municipalities		367 165,71	
Association of Black Sea Municipalities		376 455	
Association of Danube River Municipalities <i>Danube</i>		164 953,99	
Regional Association of Municipalities <i>Maritza</i>		399 719	
Association of Southwestern Municipalities		168 973	
Regional Association of Municipalities <i>Yantra</i>		125 604,05	
Regional Association of Municipalities <i>Central Stara Planina</i>		141351,25	
Association of Municipalities from South Central Region <i>Hebar</i>		19 998	
	Total RAMs	2 164 000	1 289 969
<i>Professional Associations of Municipal Officers</i>			
National Association of Secretaries of Municipalities of Republic of Bulgaria		102 885	
National Association Legal Initiative for Local Government		103078,91	
National Association of Chairmen of Municipal Councils		32 409	
National Association of Servants at Trade, Tourism and Consumer Protection Departments of Republic of Bulgaria		11 571,13	
Association of PR Specialists of Municipalities		29 253	
Association of Municipal Environmental Specialists		28 453	

	Total PAMOs	307 650	105 640
<i>Other Associations</i>			
Regional Association for Tourism Development <i>Northwestern Balkan, Berkovitza</i>		25 873	
Association for Trans-Border Cooperation and Development <i>Dunavska Dobrudzha</i>		22153,16	
Association for Trans-Border Cooperation and Development of Northwestern Bulgaria		24196,6	
Regional Development Center, Targovishte		75160,22	
Chitalishte Development Foundation		64 000	
<i>Health for Everyone</i> Association		296 299,13	
	Total other	507 682	189 088
	Total	2 979 332	1 584 697

Supported Projects under the Improving the Living Environment I Program

<u>Name of the organization</u>	<u>Name of the project</u>	<u>USAID grant in BGN</u>
Association of Headmasters in Education, Troyan	Urbanization and Reconstruction of the School Yard of Vasil Levski Primary School, Village of Borima and the Yard of Sinchetz Kindergarten, Troayn	17927
Business, Tourism and Training Agency <i>ALSENA</i>	Construction and Equipping of Children's Playgrounds in the Town of Varshetz	6673
Foundation <i>Community Development Fund of Lovech Municipality</i>	For a Cleaner Town for Our Children	14200,1
Board of Trustees at <i>St.St. Kiril and Methodii Preliminary School, Aitos</i>	Physical Education and Sports - My Companions Four Seasons	15993
<i>Yavorov</i> Foundation, Chirpan	Urbanization of Park <i>Yavorov</i>	17952
Zora Chitalishte, Dupnitza	Construction of Platforms for Disabled people	18000
<i>For Samokov</i> Foundation	Construction of Smehurko Children's Playground	17957,5
"SOS Zdrave - Sliven"	My Town - Better Place for Living	14100
<i>St.St. Kiril and Methodii</i> Chitalishte, Tvarditza	World of Games and Recreation	7316
Regional Environmental Society Yantra	Clean Homeland	17800
Basketball Club Lokomotiv, Dryanovo	The War of Hedgehogs	13403
AgroBusiness Center, Elhovo	Creating Better Conditions for Sport and Recreation Through Reconstruction of the Park in the Town of Elhovo	17912

Board of Trustees at <i>St.St. Kiril and Methodii</i> School, Kardzhali	Urbanization of the School Yard of <i>St.St. Kiril and Methodii</i> School and Children's Playground Construction	9188,22
St.St. Kiril and Methodii Chitalishte, Village of Dorkovo	Renovation of the Chitalishte Park and Construction of a Children's Playground	10500
Gorna Oryahovitza 2000 Association	The Other Place - Our Park	18000
Center for Economic Development, Razgrad	Green Village	13274
Foundation <i>Civic Initiative for Partnership and New Ethnic Tolerance</i>	For the Children of Rechitza	11285,9
<i>School 21 Century</i> Association, Smolyan	Our School Yard: Partnership for Effective Environment Construction	17880
Business Incubator, Targovishte	Construction of Easily Accessible Area for Recreation	18000
Partners for the Future Association, Bourgas	Urbanized School Yard - Training and Games of Children with Disabilities	12970
<i>St.St. Kiril and Methodii</i> Chitalishte, Topolovgrad	Green Academy 4 - Transformation of Summer Cinema into Children's Entertainment Center	17124
Protected Areas North Black Sea Foundation	Nature is in Our Hands	12313
Earth Forever Association, Svishtov	Park <i>Nadezhda</i>	8503
<i>Hristo Botev</i> Chitalishte, Belene	Urbanization and Construction of Children's Playground at 43 Neighborhood, Belene	17050
Board of Trustees at <i>Otetz Paisii</i> Secondary School, Slivo pole	Together for a More Beautiful World	13293
<i>St. Pantaleimon</i> Board of Trustees, Village of Patalenitza	School - Theatre	17430
Board of Trustees at <i>St.St. Kiril and Methodii</i> Secondary School, Village of Satovcha	Urbanization of the School Yard in the Village of Satovcha	14878
Municipal Children's Complex, Miziya	Construction of Children's Playground in Novo selo Neighborhood, Miziya	17895

Board of Trustees at Tzanko Tzerkovski Secondary School, Polski Trambesh	School Yard - Beautiful Place for Sport and Recreation	17301,25
<i>Novo Hiljadoletie</i> Association, Pomorie	Better Life for Our Children	13503,17
<i>Khan Omurtag</i> 2000 Association	To Play and Work with Pleasure	14611,98
Integration, Development and Reform of the Community Foundation, Dolni Dabnik	Beautiful and Healthy Environment for Our Children	13326
TOTAL		467 560,12 BGN (USD 264 278)

Supported Organizations under the Improving the Living Environment II Program

<u>Name of the organization</u>	<u>USAID grant in BGN</u>
Community Fund Foundation, Chepelare	14 154
<i>Kultura</i> Chitalishte, Kresna	10 825
<i>Razvitie Chitalishte</i> , Village of Lehchevo	11 3111
<i>Probuda</i> Chitalishte, Village of Smolyanovtsi	11 789
<i>Progres</i> Chitalishte, Village of Novo Ljaski	10 000
<i>Probuda</i> Chitalishte, Village of Plovdivtsi	3 936,69
<i>Zvezda</i> Chitalishte, Village of Elhovets	6 530,92
Board of Trustees at <i>St.St. Kiril and Methodii</i> School, Village of Blaskovo	10 178,91
<i>Bratstvo</i> Chitalishte, Village of Pavlikeni	14 427,38
<i>Hristo Botev</i> Board of Trustees, Rakovski	14 918,5
Development Center, Nikolaevo	3119
<i>Initiative for Kirkovo</i> Association	11 352,45

Regional Development Agency, Petrich	14 057
Women's Union, Village of Iskra	11 636,5
<i>Kolkata</i> Chitalishte, Village of Ljutibrod	14 541,56
<i>Probuda</i> Chitalishte, Village of Orjahovets	14 555
<i>Hristo Botev</i> Board of Trustees, Ivailovgrad	13 593,81
<i>Razvitie</i> Chitalishte, Village of Zamfirovo	14 986,15
Board of Trustees at <i>Otets Paisii</i> Preliminary School, Beloslav	4 997
Center for Sustainable Development of Teteven Municipality, Teteven	12 004,06
<i>Palaveev</i> Chitalishte, Koprivshitsa	10 705
<i>Kiril and Methodii</i> Board of Trustees, Village of Kalipetrovo	14 943,6
<i>Antonovo 2000</i> Association, Antonovo	15 000
<i>Give Hand to Suvorovo</i> Association, Suvorovo	14 951,62
	Total: 278 496 BGN (USD 157 414)

Supported Projects under the Effective Partnerships Program

Name of the organization	Name of the project	USAID grant in BGN
Regional Association for Confessional Cooperation, Bourgas	Group for Mediation Between Ethnic Minorities and Municipal Council, Bourgas	10720
North Black Sea Protected Areas Foundation	Nature is in Our Hands	12312,9
Civil Society for Local Government Development, Stara Zagora	Stara Zagora Initiative for Citizen Participation	12966
Local Government Club, Yambol	Transparency and Publicity in Local Government	11730
For <i>Bjala Slatina</i> Civic Association, Bjala Slatina	Civic Assembly	14237
Center for Youth and Students' Initiatives, Shoumen	Citizens and Local Authorities. Mechanisms of Control and Feed Back	9020
Regional Economic Development Agency, Stara Zagora	Creating Positive Image of Galabovo, Radnevo and Chirpan Municipalities – Base for Building Confidence in Citizens and International Partners	14984
Rhodopeya – Balkanika	Campaign for Involving Women from Ethnic Minorities from Momchildgrad and Kardzhali Municipalities in Decision Making	14765
Bulgarian Society for Encouraging Civic Initiative, Bourgas	Initiative for Turning Conflict Situations Between Citizens and Local Authorities in Tzarevo Municipality into a Partnership	13885

Knowledge Dissemination Society, Dobrich	Sustainable Model of Citizen Participation in Municipal Budget Compilation, Discussion and Control over Its Implementation in Dobrich Municipality	10985
TOTAL		Total: 125 605 BGN USD 70 995

Register of Regional Associations of Municipalities and Professional Associations of Municipal Officers

Name of the Association	Address	Telephone	Fax	E-mail	Web site	Executive director
Association of Bulgarian Black Sea Municipalities	Varna 9000, Bulgaria, 4 Preslav Str., post box 161	00359 52 60 02 66; 00359 52 611 811	00359 52 611 811	office@ubbsla.org	www.ubbsla.org	Mariyana Kancheva
Association of Rhodope Municipalities	4700 Smolyan, Bulgaria, 14 Bulgaria Blvd, Business Center, Office 412/13, , post box 100	00359 301 620 56	00359 301 620 48	arm@arm-bg.org	www.arm-bg.org	Zlatka Nikolova
Association of Danube River Municipalities	Belene 5930, Bulgaria, 23 Bulgaria Sq., 8 fl., office 805, , post box 14	00359 658 3 29 40, 00359 658 3 27 60	00359 658 3 29 60	adrm_danube@abv.bg	www.adodunav.org	Maria Kondrova
Regional Association of Municipalities Maritza	Haskovo 6300, Bulgaria, 4 Tzar Osvoboditel, Business Center, office 319	00359 38 66 50 21, 00359 38 66 48 69	00359 38 66 48 69	maritza@maritza.info	www.maritza.info	Margarita Velikova
Regional Association of Municipalities Central Stara Planina	Gabrovo 5300, Bulgaria, 9 Opalchenska Str.	00359 66 80 46 13	00359 66 80 46 13	rso-csp@mbox.contact.bg	www.rso-csp.org	Mariela Petrova
Regional Association of Municipalities Trakia	Stara Zagora 6000, Bulgaria, 102 Tzar Simeon Veliki Blvd, 2 fl.	00359 42 60 05 86, 00359 43 644 009	00359 42 60 05 86, 00359 43 644 009	ramt@ram-trakia.org	www.ram-trakia.org	Ivan Varliakov

Regional Association of Municipalities Yantra	Veliko Tarnovo 5000, Bulgaria, 2 Maika Bulgaria Sq.	00359 62 63 01 39	00359 62 63 01 39	yantra@abv.bg	www.ram-yantra.eu	Mariela Tzoneva
Association of SouthWest Municipalities	Blagoevgrad 2700, Bulgaria, 23 Todor Alexandrov Str., office 32	00359 73 88 22 75	00359 73 88 22 75	aswm@abv.bg	www.aswm.hit.bg	Ljubitz Tomova
Regional Association of Municipalities Hebar	Plovdiv 4000, Bulgaria, 1 Tsentralen Sq., fl.2, post box 499	00359 32 626 623, 00359 32 656 457	00359 32 626 670	hebar.ram@gmail.com	www.hebar-bg.org	Vasil Sgurov
National Association of Secretaries of Municipalities of the Republic of Bulgaria	Gabrovo 5300, 3 Vazrazhdane Sq.	00359 66 80 64 93	00359 66 80 64 93	naso.rb@gmail.com		Vassil Pancharov
National Association Legal Initiative for Local Government	Sofia 1000, Bulgaria, 22 Alexandar Stamboliiski Str., entr.A, fl.4	00359 2 981 01 16, 00359 2 986 70 21	00359 2 981 01 16, 00359 2 986 70 21	office@nalilg.org	www.nalilg.org	Katerina Traikova
Association of PR specialists of Municipalities	Sofia, Bulgaria	0884 70 57 60		m_maleeva@abv.bg	-	Mihaela Maleeva