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**FLGR MAILBOX**

Dear readers and partners,

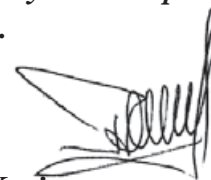
*It is with pleasure and hope that the Foundation for Local Government Reform presents you this latest issue of its bi-annual English Digest Newsletter. The publication covers articles and events of the first six months of the year 2003 that were already published for Bulgarian readers in our monthly newsletter.*



*Here you will find information on a variety of issues concerning local democracy and demonstrating local government progress and trends in Bulgaria. The selection of articles we made for you – our existing and potential international partners – can give a sense of the current hot topics such as: local government ethical norms, public infrastructure management, electronic governance, business attraction and local economic development, new public participation practices, the role of civic organizations, development of small communities, customer-friendly municipal services.*

*FLGR thanks everyone, who gave us their comments after reading our previous issue. We shall be pleased to hear from you and we hope that the information here will be to your benefit.*

*We are actively looking for new international partnerships and would be glad, if the experience we share with you in this publication raises new ideas for future cooperation.*



Sofia,  
August 2003

Ginka Kapitanova,  
Executive Director,  
FLGR

# ETHICAL CODE FOR LOCAL GOVERNMENTS

**January 2003**

*In the Information Pool Insert to the December 2002 issue of its monthly newsletter the Foundation for Local Government Reform (FLGR) published in Bulgarian language the Council of Europe's European Code of Conduct for the Political Integrity of Local and Regional Elected Representatives. In the first days of the new year we received immediate evidence that our undertaking has reflected an important issue of public interest. First, the Standart national daily covered on an entire page the initiative of the Chairperson of the Blagoevgrad Municipal Council, Mr. Georgi Vashev, on proposing to his fellow council members the text of the code for discussion and adoption. Second, there was feedback and reaction to the code on behalf of the Sofia Municipal Council by Ms. Zlatina Karova, Chairperson of its Standing Committee on Local Self-Government, Legislation and Regional Policy. Then, on 21 January the Bulgarian National Radio dedicated an hour on discussing the same topic with various stakeholders. FLGR decided to follow up the process it started with the dissemination of the code of conduct and presents here two interviews, remaining open for other opinions.*



**GEORGI VASHEV,  
CHAIRPERSON,  
BLAGOEVGRAD  
MUNICIPAL  
COUNCIL:**

The estimate of moral and ethics varies from person to person. We, the municipal council members, however, are public figures and we must

comply with certain rules. These rules are very well presented in the Council of Europe's European Code of Conduct for the Political Integrity of Local and Regional Elected Representatives. I am grateful to the FLGR for making this model available to us. I find it my duty to propose it to the municipal council members and it is their right to either adopt or not adopt it.

I think that every municipal council should at the beginning of their term adopt such a code of conduct. The code is





valid for a particular mandate and particular group of people. The rules and duties that it reflects are obliging as far as the elected officials truly accept them for themselves. I mean neither to offend municipal council members, nor to accuse them in lack of ethical conduct and moral. The adoption of this code would rather be a common agreement to act in one and the same direction - that of public interest.

If we adopt the code of conduct, and I see no reason why this would not happen, then we immediately face the question of who will judge whether council members comply with its rules. We will need to create an Ethics Committee but, according to me, it should not consist of council members, because self-control is not always the best option. I think the best model for such a committee is to have citizens as its members. If we do a good job in educating citizens about the principles of the code, they will acquire a basis for the evaluation they are to give about the conduct of the municipal council member.



**ZLATINA KAROVA,  
CHAIRPERSON OF THE  
COMMITTEE ON LOCAL  
SELF-GOVERNMENT,  
LEGISLATION AND  
REGIONAL POLICY,  
SOFIA MUNICIPAL  
COUNCIL:**

I learnt about the initiative of Georgi Vashev from the information in the Standart daily newspaper. He has made a courageous step and I congratulate him for being the first to use the model code of conduct, presented by FLGR's publication. I was impressed by the debate covered in the media. It was then that I actually realized that it is not so important how and what texts you propose, but rather that the municipal council members are faced by the necessity to discuss in the council their own conduct.

I am a council member for three years already and I meet council members every day. I notice that my colleagues are exasperated by the word „moral“ or „ethical“ because it hints that before the adoption of such a code they have been immoral or unethical, which is against the perception of each single person about his or her own conduct. However, the texts that the Congress of Local and Regional Authorities of the Council of Europe has put forward are free from such allusions about the needed moral rules. They are rather principal standards of conduct. I allow myself to remark that while reading the code I could visualize a concrete colleague of mine for almost each article of the text as an example of non-compliance with its requirements. This strongly motivated me to stimulate such a debate also in the council of our capital city.



At the moment I am drafting a memo proposal for the Sofia Municipal Council about a code of conduct. I am doing that with clear awareness that if my other fellow council members are strongly against it or if they still have not grown up to the necessity of taking on such an obligation, the code will not be adopted. If nothing else, we would still at least put to debate the personality, the moral and ethical status of the elected local government official, be it a council member, a district mayor, a deputy mayor, a municipal mayor, i.e. anyone who holds elected office. It will be a discussion about what rules of conduct and moral he/she is to present to society and what the public expects from him/her. A debate like this is very valuable for Bulgaria, where civil society is still quiet on many essential issues that we must put forward.

In this regard I like very much the Preamble of the European Code of Conduct, because it proposes texts that have been long ago adopted as presumptions about our own behavior. Since we do not have them codified in law, they remain as things well-known, but rarely spoken of. By writing them down we remind ourselves that this is a very important part of our conduct. I do not believe that anyone will ever be taken to court for not complying with the principles of the code of conduct in Bulgarian municipalities, but in front of the public someone somewhere would be pointed at for not observing these principles and the public will know why. The citizens will know that by doing this that individual has breached the rules he/she had personally adopted. ◆

# E-LOC@L GOVERNMENT INTERNATIONAL CONFERENCE

**February 2003**

On 13 and 14 February 2003 the Foundation for Local Government Reform (FLGR) held in Sofia an International Conference on e-Loc@l Government with the support of the US Agency for International Development. The conference was opened by FLGR's Executive Director Ginka Kapitanova and USAID/Bulgaria Director Debra McFarland. „**Today's conference will be an important contribution to the debate on introducing electronic government. At the end of this forum you will be able to formulate how to integrate in the national strategy for electronic government what is already achieved by municipalities,**” said Ms. McFarland in her opening address to participants.

Among the 130 participant in the conference there were central government experts, municipal mayors and IT specialists, representatives of regional and professional associations of local governments, as well as other non-governmental organizations. During the first day of the forum participants were introduced to the National Strategy on Electronic Government and discussed the interaction between central and local governments in this area. International experience was shared by guest presenters Krzysztof Glomb, President of the Cities on Internet Association, Poland, Andri van der Meer, Advisor to the Mayor, Municipality of the Hague, The Netherlands, and Sevil Sumanariu, President of the National Association of IT Specialists from Public Administration, Romania.

At the end of the first day of the conference FLGR announced and awarded the winners in the competition for innovative practices of Bulgarian local governments and their partners in the area of information and communication technologies. Thirteen municipalities, one regional government and one regional municipal association competed for the award with overall 26 innovative practices. Dobrich Municipality became the winner of the e-Municip@lity Award of FLGR.

During the second day of the conference participants shared their accumulated experience and discussed trends for the development of the municipal information system with regard to public services delivery to citizens. As a result of the work of the conference an Initiative Committee was formed with the task of establishing a national association of IT experts in public administration in Bulgaria. In conclusion of the forum participants discussed and adopted a Decl@ration addressed at central government institutions and expressing concrete recommendations and the good will of municipali-



ties to cooperate with the Government in building electronic governance in Bulgaria. Key remarks from conference presenters and participants follow.

## **HRISTO TRAIKOV, DIRECTOR OF THE COORDINATION CENTER ON INFORMATION, COMMUNICATION AND MANAGEMENT TECHNOLOGIES AT THE COUNCIL OF MINISTERS:**

External factors in favor of the implementation of the e-government strategy at the municipal level are: the clear position of the Government, the declared political consensus on building electronic government, the support demonstrated on behalf of the regional governors and mayors. Internal favorable factors include the existing general level of expertise and access to the necessary technologies. When these are combined with the correct positions of the leadership, this leads to success.



I do hope that after the drafting and adoption of the National Program for Building Electronic Government the necessary financial resources will be ensured for improving the communication and information infrastructure and for the start of the respective projects in local governments.

**PRAVDA DIMOVA, HEAD OF THE MAYOR'S OFFICE, DOBRICH MUNICIPALITY:**

We can be quite confident in saying that Bulgarian local authorities are more prepared for e-government than many other institutions in Bulgaria. FLGR works for the dissemination of best practices and experience in this area four years already. Among the critical factors for the success of e-government is the political will at the central and local levels. However, even if this will exist at the local level we can not act on our own in the area of e-government.

The obstacles seem to more: lack of funding allocated from the state budget for 2003 and as whole for supporting e-government activities; lack of clear rules and standards; lack of trained human resources both in the administration and its

customers; lack of programs for educating the future users of e-government; Bulgarian business has not grown up yet to the ideas of e-government; still local and central government do not coordinate their efforts towards e-government. An example of the latter is today's conference, organized by FLGR. The representatives of state administration are not well acquainted with the progress of local issues. A direct outcome of that is that so far local governments have been excluded from the process of e-government. This makes even more important the role of FLGR, which puts forward the issues of e-government, assists the replication of good practices and experience from other countries and local authorities, convenes the experts and makes them work for the common goal.

**NINA DANKOLOVA, CHIEF SECRETARY OF MEZDRA MUNICIPALITY:**

A great part of local governments are prepared for implementing the strategy and are even ahead of the national strategy and concept of the Government for one-stop-shop service delivery by opening up their own customer service and information centers. As for electronic government, we think that there should be created one central database, which should pass through regional governments.

**KIRIL SLAVKOV, INFORMATION TECHNOLOGIES EXPERT, STRUMYANI MUNICIPALITY:**

Small municipalities are in need of computer equipment in order to deliver services up to modern requirements, but their budgets are extremely insufficient to purchase all that is necessary. A favorable factor is young experts, who are eager to prove themselves as such.

**ANDRE VAN DER MEER, ADVISOR TO THE MAYOR, MUNICIPALITY OF THE HAGUE, THE NETHERLANDS:**

Information technologies are not an objective on their own, but a tool that holds enormous potential for the improvement of the quality of services and citizens' participation. It is the responsibility of every authority to enhance its activity by using them. At the initial stage, that happened with us five years ago, people did not know what the Internet was and what it was used for, while there were experts in the municipalities who knew that well. We started out with a campaign for introducing people to the existing opportunities, for training them and providing them accessible information points at public places such as libraries, schools, etc.

The first step is to introduce the citizens to information and communication technologies and at the same time we must start providing our services online. Perhaps in the beginning only 7 to 8 percent of the people will use them, but I can assure you that in five years this ratio will increase up to 40 or 50 percent and even more!



**SEVIL SUMANARIU, PRESIDENT OF THE NATIONAL ASSOCIATION OF IT SPECIALISTS FROM PUBLIC ADMINISTRATION, ROMANIA:**

For our countries, Bulgaria and Romania, which are through a period of transition and reforms, especially in the area of public administration, information technologies become more and more important, because they help us implement reforms and get closer to the citizens. I do hope that our countries will overcome this difficult period of transition and that in 2007 both Bulgaria and Romania will join the European Union. And if we - the Association of IT Specialists in Public Administration in Romania and the Foundation for Local Government Reform in Bulgaria - can say that we have contributed to this successful transition, let us promise ourselves to meet in Brussels and celebrate!

The message that I try to make to the participants of this conference is a message to all IT experts in Bulgaria: you must come together and exchange experiences and resources, because the solution to your problem is perhaps already found in another municipality. Use our experience and create your association. In that way you will build a community of IT specialists that can solve problems together.

**VALENTIN MILEV, CHIEF EXPERT IN THE INFORMATION AND COMMUNICATION TECHNOLOGIES AT THE COUNCIL OF MINISTERS:**

I am glad that the optimism and will for implementing e-government are huge in spite of obstacles that will always be there. We must distinguish between big cities and small municipalities. Small municipalities are less prepared and less equipped. However big municipalities have greater chances to be equal participants in the process. At the moment it is difficult to rely on special aid for small municipalities within the national state budget, because the return of such an investment is uncertain. There is room for activities of donor organizations since all of that concerns the issues of e-democracy and equal rights and access of citizens to the services. In Bulgaria the first stage of electronic government will include the big cities and the citizens of small cities and villages will have to travel to them. Given the availability of enough funding through donors' or joint programs, in the future such e-government points will appear also in small cities.

The obstacle in front of e-government is money. Funding for such projects is quite obliging. There is lack of financial resources in the population in most of the other cities apart from Sofia. The difference between Sofia and the rest of the country especially in the domain of information technologies is evident. In order to achieve functioning electronic government there must be a well-developed information culture of citizens and of the administration. Those are, perhaps, the biggest obstacles - lack of funding and lack of will to participate on behalf of citizens and private companies. We must find a mechanism for increasing the information culture of the country's population so that it can match that of the population in Sofia.

Let us wish ourselves that the optimism that can be felt among participants in this meeting be transferred to all those who are not present here today. ◆

***Antoaneta Mateeva***  
***FLGR***

***January 2003***

Under Phase Four of the Bulgarian Technical Twinning Program, facilitated by the Foundation for Local Government Reform and the International City/County Management Association, Washington D.C., the partnership Veliko Turnovo/Golden, CO received continued financial support for the implementation of the following program activities:

1. Replication of the successful Veliko Turnovo/Golden Project „Asset and Financial Management of Public Infrastructure“ (streets and sidewalks) in the Municipality of Plovdiv;
2. Continued work on projects in the primary areas of cooperation identified with the Memorandum of Understanding signed between the two cities during the previous Phase Three of the Program.

As of November 2002 the experts of the Municipalities of Veliko Turnovo and Plovdiv started working on the development of a financial management plan of the Plovdiv public infrastructure, related to streets and sidewalks as replication of the Veliko Turnovo project. Back then six representatives of Plovdiv Municipality discussed for two days with their colleagues from Veliko Turnovo the various aspects and approaches for project implementation. The experts of the two municipalities defined two priority tasks to prepare for the replication. Those include: completion of the digitalization of the existing maps of city (it turned out that Plovdiv was ready to a big extent with the digitalization of the maps and could in due time finalize the task) and prepare a full list of the streets of Plovdiv.

At the beginning of January 2003 Plovdiv Municipality made substantial progress in preparing for the actual work on the project. In the week of January 6-11, 2003, Dan Hartman, Director of Public Works, Golden, CO, USA, and three representatives of the Spatial Planning Department of Veliko Turnovo including Nikola Yankov, Valya Mitova and Dinko Kechev, conducted a workshop, delivering training to experts from the six districts of the Municipality of Plovdiv. Twenty Plovdiv staff employees actively participated in the workshop. Dan Hartman presented American best practices and models for effective street maintenance and repairs. Parallel to this, the experts from Veliko Turnovo reported in detail about their work in adapting these practices and models in Bulgarian environment. They outlined the differences and shared their experiences in the process of practical application of the American practices in the Municipality of Veliko Turnovo.

As a result of the training a bigger group of Plovdiv municipal specialists became acquainted with project details, sequence and specifics of action steps, as well as with the expected project results. Thus, the team of the Municipality of Plovdiv got prepared for the practical work related to project

## VELIKO TURNOVO IS EXPANDING THE COOPERATION WITH PARTNERS FROM THE US CITY OF GOLDEN IN PHASE FOUR OF THE BULGARIAN TECHNICAL TWINNING PROGRAM

implementation. Feedback from several participants in the training follows:

**PAVLINA PAUNOVA, SENIOR EXPERT,  
CONSTRUCTION AND PUBLIC WORKS DEPARTMENT:**

„The project is extremely useful, because it provides opportunities to create a long-term financial infrastructure management program allowing for wiser spending of budget money on street reconstruction. This means we have to allocate the money according to priorities by first reconstructing the streets, which are not in the worst condition. Thus, we would not allow total destruction of streets with deteriorated pavement and it is well known that partial reconstruction (until it is possible to perform it) requires much less funds than the full reconstruction of streets. Applying this principle by keeping priorities in street maintenance is cost-effective, and is a proved experience of our US colleagues.“

**POLINA KLIMOVSKA,  
CHIEF ENGINEER,  
IZTOCHEN DISTRICT ADMINISTRATION:**

„We have had some thoughts on this issue before, but the project of Veliko Turnovo and Golden gives an exact model, which can be used to systematize the information about streets' pavement conditions. It is very important that the project results in the development of a financial plan, allowing us to quantify current deficiencies and to achieve the maximum effect with the funds invested. I sincerely hope that through the development of the financial plan, proving cost-effective spending, it would be easier for the Municipality of Plovdiv to obtain funding for streets' maintenance and improvement at maximized investment value.“

The partners from Plovdiv, Veliko Turnovo and Golden signed an Action plan, which identifies specific tasks, deadlines and responsible persons with regard to the successful replication of the project in the Municipality of Plovdiv.

Within the second area of program activities, funded under Phase Four of the Bulgarian Technical Twinning Program, the partnership Veliko Turnovo/Golden had the opportunity to choose whether to complete joint projects previously initiated or to implement new projects that would build on the successes achieved so far. The leadership of Veliko Turnovo Municipality was pro-active in taking the decision. It had concrete

ideas for further development of the joint work with the American counterparts in the area of municipal infrastructure management. After a natural disaster in Veliko Turnovo in the spring of 2002, when heavy rain caused serious floods in the city, threatened the lives of hundreds of people and brought about serious damage to the infrastructure, the municipal administration undertook a series of measures for minimizing the consequences of future heavy rains. The City of Golden responded with good will to share their experiences in this field. The leaderships of the two twinned cities decided to join efforts in implementing a project aimed at the development of a storm water and ground water management plan that will protect infrastructure in Veliko Turnovo. The Action plan, signed by the two municipalities on 10 January 2003 at the end of Dan Hartman's technical visit in Bulgaria, is extremely ambitious. It includes completion of a conceptual design for managing storm water and developing the conceptual design to remove certain problematic underground water, so that it can be used for irrigation of green areas and the sports ground in Veliko Turnovo. The twin City of Golden will provide technical assistance, software and possibly specialized equipment in the course of project implementation. The expected results anticipate more effective infrastructure management of the Municipality of Veliko Turnovo and include: producing of topographic maps showing areas of underground water problems and the desired irrigation sites; producing of a topographic map that covers the entire water collection area and shows surface water drainages that need improvement; completed design of flood water volumes for the selected drainage basins; development of a dewatering plan and irrigation plan.

The project will provide cost estimates for construction, design and engineering, as well as quality control testing and contingency of the proposed plan. The implementation of the project will positively impact the quality of public services provided to the citizens of Veliko Turnovo, although it may become evident at a later stage. The protection of infrastructure by eliminating the underground sources and using them for irrigation and conveying surface water will lead to limiting immediately landslides in problematic areas. Also, irrigation by using surface and underground water will decrease expenses in this line item of the municipal budget.

We wish the three cities of Veliko Turnovo, Golden and Plovdiv successful joint work and fruitful cooperation! ◆



# CITIZENS' PARTICIPATION MAKES THE DECISIONS MORE LEGITIMATE

## **March 2003**

***On 15 March 2003 there was a referendum held in Sevlievo Municipality, initiated by the Balkan Assist Association. In order to introduce our readers to this project we posed several questions to Docho Mihailov, sociologist and Deputy Chair of the association.***

***Mr. Mihailov, how did you come up with the idea of seeing whether direct democracy instruments from Swiss experience can work also in Bulgarian environment?***

The understanding of a referendum in Bulgaria is initiatives that can be put to voting, whereas in leading democracies, and especially in Switzerland, the voting on government decisions is done in two ways. The classical referendum is initiated by a governing body, be it a local or the state parliament, in order to approve or reject by the citizens' vote a particular legislative decision or draft. There exists also the initiative of citizens to hold a referendum, which comes from a group of citizens instead of a governmental institution.

The 2001 National Human Development Report on Bulgaria of the United Nations' Development Program showed that from all opportunities and ways for exercising direct influence over the decisions of those who govern people mostly support and are more ready to participate in referendums, in comparison to voting in elections or participating in public meeting or conventions, etc. However, the legal framework puts high barriers that almost make the conducting of referendums meaningless. It does not provide for a national referendum and has very high requirements for local referendums. Local referendums in Bulgaria so far have been purely administrative - only on issues like transferring the governance of one town/village from one municipality to another or on constituting new municipalities. However, there have been no referendums held so far on local governments' decisions.

Balkan Assist has well-established relations with Swiss organizations and local governments. So we came up with the

idea of drawing on experience from the source, from the country that has been created by a referendum and is „the country of referendums“. That is how we began the implementation of the Referendum Project in the two Bulgarian municipalities of Sevlievo and Elena.

The aim of the project is to assist the creation of a favorable environment for direct democracy and citizens' participation in Bulgaria through referendums, to demonstrate the advantages of the referendums, and to also formulate recommendations for true changes in the legislation.

We have good contacts with the Parliamentary Committee on Local Self-Government and the Standing Committee on Legislation. They are inclined to help the process and we rely on their understanding, so that changes we suggest be adopted by the National Assembly.

## ***What kind of pilot referendums did you choose?***

We wanted to go through all the way stipulated by Bulgarian laws - from a public petition that would oblige the municipal council to conduct a referendum to its actual conducting. In Sevlievo Municipality, however, they dismissed the idea of organizing a petition, because they decided that the legal requirement of collecting signatures from at least 25 percent of the municipal population under a petition calling for a referendum is too high. In Switzerland the required petition turn-out levels are lower, as they vary between 1,2 and 5 percent. People in Sevlievo decided that the municipal council should use its legislative initiative to adopt a decision of conducting a referendum. In Elena Municipality they decided to run the procedure through a public petition although it is unlikely that enough signatures can be collected.

## ***How did you choose the issues to be put to a referendum in Sevlievo and Elena?***

Our legislation considerably limits the range of issues that can be resolved by local referendums. These, for example, can not be issues concerning the budget and the financial management of municipalities.

At meetings with the public, the citizens, the non-governmental organizations and the businesses in the two pilot mu-





nicipalities there were discussions held about which issues should be chosen to put to direct voting through referendums. They discussed what should these issues be in terms of wide public importance, so that they can both motivate people to participate and not be related to the municipal financial management. On the other hand we had to keep in mind that, if a decision was reached by a referendum, the municipal government had the obligation to implement it. At that point we immediately faced the problem with the rights and responsibilities of local government and its financial abilities. Because, even if legislation changes to allow for easier and more reasonable voting at a referendum, when the municipal authority has no financial independence, it would not be able to implement the decisions reached. The Local Self-Government and Local Administration Act and an eventual act on referendums are closely related. My personal view is that we are „advancing backwards“. The key moment is to empower local self-government and then to democratize local authorities.

In Sevlievo they decided to organize a referendum on whether or not the downtown area of the city should be reconstructed and turned into a pedestrian zone. In Elena the chosen issue was whether to transform one municipal building into a children's library.

***So, pressed by limits on both sides - by the legislative framework on conducting referendums, as well as by the legislative framework of local self-government and the lack of financial independence - you arrived at a limited opportunity as to the choice of issues that can be solved through the direct vote?***

That is right. The lack of a motivating issue is the main reason why the referendum in Sevlievo ended up with 6,9 per cent participation. It is important to bear in mind that this referendum is not a failure. In Switzerland after a petition is under way and there is even one single person, who goes to the poll

and votes, the referendum is legitimate. Here the requirement is that half of the population at least should participate. The logic of direct democracy is that the interested citizens will go and vote. It follows that laws should give the right to these people to take a decision, even if the others who are not motivated to participate, do not vote.

***There could be voices saying that the referendum is quite an expensive form of democracy?***

The cost of a referendum depends on whether it is held under the Local Elections Act or under another law. We suggest that the two laws should not be mixed. Thus, when the referendum is conducted under another law, it would not be necessary to stick to the requirement for having election units, more convenient time for people could be set for voting, etc. In Switzerland people have the option to vote by post and this even more facilitates and motivates citizens. In other words the price of a referendum also can be regulated by relevant legislation.

***How did the local governments in the two pilot municipalities react to the conducting of a referendum?***

Local administration is very mature and clear about that. It knows that by involving the citizens in the decision-making process, it would solve not only theirs but its own problems as well. This is the way to reach more legitimate decisions, to bring people closer to governance, to make them identify themselves to a greater extent with local government and be committed to solving its problems. The administration is aware of all this. We are way past the times when municipalities had to be educated about what is democracy and what is the meaning of it. A great deal of professional work is done already. Municipalities in the country are now working in a lot more professional, more responsible and more accountable way even than in the capital of Sofia. ◆

## LOGIN SEMINAR ON IMPROVING THE SOCIAL ENVIRONMENT IN BULGARIA

March 2003

Innovative approaches and cooperative action for creating social inclusion and modernizing social services were the main themes of the two-day LOGIN seminar „Improving the Social Environment“, organized by the Foundation for Local Government Reform on 26-27 March 2003 in Sofia, Bulgaria. The seminar, first of a series of local government innovators' fora in 2003, was funded by the Open Society Institute - Budapest and the United States Agency for International Development. 70 participants from different regions of Bulgaria - representatives of municipal authorities, local NGOs, central government agencies and donor organizations - shared the understanding that partnership is the key to developing successful policies and programs, and delivering quality services in the social sphere.

The event was conducted in the framework of the Local Government Information Network, which for several years now has brought together municipalities, NGOs and central government institutions to exchange know how and best practices on key aspects of local government in Bulgaria. Other innovative themes have included Networking for European Integration, Marketing a City and Attracting Investments, Sustainable Development and e-Government.

The seminar theme emerged from the recent changes to the Social Aid Act, in force from 1 January 2003, which has set up new institutions for social support and services in Bulgaria, and has given new responsibilities to municipalities and new opportunities to NGOs to participate in social services delivery. The aim was to facilitate the dialogue of key stakeholders in the social sphere, present successful examples of innovative action and create new links. Presentations were made by the Ministry of Labour and Social Policy, the Social Aid Agency, the Municipality of Sofia, the State Agency for Child Protection, and the Employment Agency. The general legal context and possibilities for action provided by relevant acts were outlined and discussed. To orientate municipal officials and NGOs about opportunities and sources of practical knowledge, a concluding Funding and Technical Assistance session was conducted, with the input of the Cooperating Netherlands Foundations for CEE, the Interethnic Initiative for Human Rights Foundation, The National Alliance for Working with Volunteers, the PLEDGE Program and the Bulgarian Red Cross.

The seminar was preceded by an Innovative Practices



Contest, which attracted 45 submissions by municipal administrations and their local partners. 15 case studies were nominated for the IP/LOGIN award and granted certificates for valuable contribution to the LOGIN themes at an official ceremony on the first day of the seminar. Among them are two international programmes - Counterpart Bulgaria implementing the „Community Funds and Social Enterprises“ Project and Save the Children UK implementing the „Social Policy Development For Children And Families“ Project with the Municipality of Rousse. Two first prizes were awarded to the Municipality of Mizia and the Center for Independent Life - Sofia for impact, sustainability and commitment to the action.

The special sessions devoted to sharing of innovative experience reflected the diversity and complexity of the topic. The practices focused on developing municipal social policy, managing participatory processes, service provision and social integration of disadvantaged groups, alternative forms of child and youth care, employment programs, access to training and qualification, institutionalized and informal cooperation, awareness and understanding of cultural diversity. The solutions proposed aim at integrating the efforts of various institutions for ensuring protection and independence of people in need, improving prevention and rehabilitation, and creating standards and trust for social services at local level. The seminar concluded with a discussion of the ways participants can continue to spread the knowledge and expand it, support each other and develop cooperative actions through the various services of the Local Government Information Network, FLGR programs and future live meetings. ◆

## IN 2003 FLGR CONTINUES TO ASSIST MUNICIPAL CUSTOMER-SERVICE AND INFORMATION CENTERS

**Todor Mladenov**

**FLGR**

**May 2003**

At the end of January 2003 the Foundation for Local Government Reform completed the effective implementation of projects on creating new municipal customer-service and information centers and building on existing ones within the Improving Services to Citizens Program. The total cost of the program was \$1 200 000, of which \$550 000 was donated by the US Agency for International Development and the rest was contributed by the participating local governments.

24 new municipal customer-service centers were built and the functions of 8 existing centers were enriched as a result of the program. Along with the delivered financial support FLGR also provided information and expert assistance to local governments during their projects' implementation. This program has been successful due to the joint hard work of the teams of experts from the municipalities and FLGR's team and the professional assistance of the Innovative Practices in Local Government Team.

Parallel to the completion of the Improving Services to Citizens Program, FLGR organized an International Conference on E-Local Government. Municipalities participating in this form shared the view that the creation of favorable conditions for high-quality service delivery to citizens through customer-service centers is in no doubt part of the building of modern information systems, which would allow integration of local governments in the national government information systems and registers on the way to electronic governance. Discussions led to the conclusion that the building of the centers is a continuous process that does not actually end. The expansion of the opportunities of the centers is due to changes in the legislative base, development and change of the forms of work organization, transformation of the role and significance of local governments in the contemporary information environment.

This, on the one hand, motivated FLGR to continue in 2003 its work with the municipalities that have built customer-ser-

vice centers by focusing efforts in the following directions:

1. Monitoring visits, aiming to deliver advice on pressing issues in the centers' operation and an opportunity for in-depth discussions to analyze their condition and effectiveness.
2. Technical assistance and expert consultations in solving problems related to the computer network, program and hardware equipment, etc., focused on the smaller municipalities under the program.
3. Exchange of information and best practices among the centers. To address this need FLGR is about to organize in June 2003 regional working meeting, where participants will be representatives of all existing municipal customer-service centers in Bulgaria.

On the other hand, FLGR has taken on a commitment to deliver technical and expert assistance to the municipalities of Kaloyanovo, Ugarchin, Elin Pelin, Sevlievo, Pravetz and Pirdop, who demonstrated their readiness and high motivation to create customer-service centers by their own resources. FLGR experts Vasilka Sirachevska and Todor Mladenov assisted the designing of their projects for customer-service centers, working together with the municipal experts and partners. In the process of project design and implementation the six local governments have an opportunity to receive a diversity of information and expert advice on:

- work organization in the operational units (municipal departments), aiming to prepare and execute the processes related to service delivery to citizens;
- organization of the technological processes of automated delivery of services;
- organization and functional assignment of the actual work stations in the center;
- system administration of the municipal databases;
- structure and content of the municipal website, etc.

The approach in designing and implementing a customer-service center project in the Municipality of Pirdop is interesting and worth mentioning. The municipal leadership there has managed to attract as a partner the largest local business - the Umicor Med joint stock company. As a result of this, the local government will receive significant financial support for the technical and software equipment of its customer-service center. 



# SMALL COMMUNITIES SHOULD BE GIVEN A CHANCE

**Rossitsa Raycheva**

**FLGR**

**April 2003**

When there is a bit of cold weather in mid-April in Sofia, the nearby Petrohan passage is covered by snow and thick grey fog. We gradually move out of the fog and as we descend on the other side of the mountain we find ourselves in the village of Zamfirovo. It is raining in Zamfirovo, but the first thing that strikes us is how clean the village is (by the way, to people coming from Sofia places anywhere out of it seem cleaner). You can not fail to notice the satellite dishes on the otherwise modest building of the town hall. We are late for our appointment with the mayor of the village, Mr. Krum Krumov, but he is there to meet us, because he knows well that when it rains in Zamfirovo, to arrive there you must have passed through piles of snow at Petrohan.

It seems that this difficult passage makes the entire Berkovitza county (as the local elderly people refer to it) an inaccessible place. On one side of it there is the mountain and on the other side - the City of Montana to which there is a better and easier road. That is why people in the village of Zamfirovo can not rely on some future super highway or a strategic investor to change their lives for better. They rely on their own initiative, their land and hard work.

Mayor Krum Krumov was born in Zamfirovo. He lived and worked as a doctor in Sofia for years. Then in 1991 he retired and came back to his native village. He started a small business with herbs used for medicine. In 1999 he was elected mayor of the village. This is what he told us:

*„I carefully watched the processes going on in agriculture. It was a very hard transition. The cooperative farms were not doing well. There were no secure jobs. When I became a mayor, my main objective was to help people.*



*Less than 2000 people live in our village currently - 50 people die and only 5 are born every year on the average. Still, I am happy that one family came back from Sofia to live here. When I became a mayor I set myself the goal of opening new jobs, because this is the way to stop migration. We have an excellent housing capacity and life is calm here.“*

Today in Zamfirovo there are fifteen small enterprises that employ 460 people. The sewing workshop that Krumov found

with 12 employees, when he came back, has now grown to 62 employees, because at the beginning he said to the owner: „Until I am the mayor, you can keep paying the same amount of rent as it is now, but you should keep expanding your business as much as possible.“ The owner purchased new modern machines and now the enterprise is doing very well.

Confectionary enterprises have been also attracted in Zamfirovo and the produce of one of them goes directly to Plovdiv (Bulgaria's second largest city). „I am very happy when I see here the trucks loading retail shipments for Switzerland and France, taking on sugar and sweets to other places,“ says Krumov.

The other existing enterprises include a flour-mill, a wood-mill, a meat-processing unit and two bread producers. „At the moment we have lack of women-workers. The jobs are there and we need more people,“ the mayor says and this sounds so unbelievable to me. „I am convinced that people will hardly manage without help from the government,“ he continues, „At the moment,“ he smiles, „Being the mayor, I play the role of both the former party secretary and the chair of the agricultural cooperative farms. The roles of all, in one word. I think the involvement of the state, of the municipal government, should be strong now in this period, when people need to find a direction in what they are to do. People over the age of 60 are 30% percent of the population here. They live with their memories of the past and we overcome this with great difficulty. Moreover, they had not possessed property before. Now that they received two, five or ten acres of land each, all of a sudden they started feeling very rich and it is difficult to persuade them about the use of the agriculture reform.“

„Agriculture is the big problem here. We have 40 thousand acres of agriculture land in Zamfirovo. Can you imagine that if it is properly managed to yield crops and if 1 lev per acre comes in the local budget, we would be able to create one beautiful street each year. To our regret the number of owners of this land is 2000 and this creates huge problems.“

„In spite of this we have an ambition to change things. In the year 2000 we drafted a project proposal, competed and won funding worth \$20 000 through the PLEDGE Program. Our project is on Restoring and Developing Environment-Friendly Agriculture and Food Processing Industry in the Berkovitza Region. The total cost of the project is over \$50 000. We joined the efforts of NGOs, private businesses, the



municipality and the public to restore our water-pump station, which is crucial to redeveloping fields for raising strawberries and raspberries, which has been our traditional of agriculture activity. We hope to open the restored pump station in May 2003 and be able to let water for the fields. We made a contract with a German company, which already bought the refrigerating station in nearby Berkovitza, and it rented 200 acres of our land (that is planned to increase up to 1000 acres) for growing strawberries and raspberries. The company is looking for security and in agriculture security means irrigation water. I am happy that our team has dealt with that major issue, because if the outcome is successful, there will be more and more jobs for people in our region. And this is what our people are good at. This type of production used to be our economic power. Back in 1990, for example, only in 16 days we have exported 200 tons of strawberries to Germany, Austria and the Netherlands.

On the mayor's desk there is a pile of projects, all of them formatted according to requirements, printed in color, bound and written in the specific language style that is difficult for many people to learn, but is perfectly understandable to donors. I ask Krumov who drafts and prepares these project proposals for them.

„There are six people working in the town hall, eighteen in the school and eight in the child-care center. Our village school is one of the best in the municipality. It is there that we first built a team and started with very small projects. We got involved in a four-year program called „Participation of parents in education“ that is still going on.

The children of Zamfirovo - a little over 120 - can be proud with their computer lab, built under a project, of which many kids Sofia can only dream. It has twelve PC stations, a scanner, a printer and a permanent fast connection to the Internet. The leadership of the municipality insisted in front of Mobilitel and the company had set up a telecommunication station in the village school. That is how the school receives rent money, the computer lab is sustainable and the village is connected to the world.

„After that we created a project team also in the community center (chitalishte). People were very enthusiastic. We already have a group that performs authentic folklore that has been nominated to represent Bulgaria at a festival in Hungary,“ Krumov continues. „It was with the goal to provide sustainability of the community center and to improve the outlook of the village that we applied with a project proposal to the Partnership for Improving the Living Environment Program of the Foundation for Local Government Reform. We are happy that our project was approved, because by building the planned indoor market near the community center, as well as several workshops for traditional crafts, we shall create new jobs, we shall ensure permanent revenues for the community center, we shall improve the outlook of the village central area and we shall get rid of the illegal dump. Every Thursday many people from the region come here and it is very lively. We shall apply in front of the Social Investment Fund for imple-



**The mayor is proud that last year Zamfirovo's people reconstructed the child-care center on their own and they are never short of project ideas**

**Krum Krumov unfolding the design project for the indoor market that will be located here!**



menting the next part of the project, because it is very ambitious and we shall need more funding.

Environment is at the focus of attention. There is work done on removing illegal dumps. Last year Zamfirovo reconstructed with own funding and volunteer work the child-care center, which has 50 kids. In 2002, provided that the annual public budget of Zamfirovo is 96 000 leva, 100 000 leva in addition have come to the village through projects.

Where do you find the biggest difficulties?

„Everything comes down to the municipalities, but never to the smaller communities, the villages,“ says the mayor. „Our relations with the Berkovitza Municipality, where we belong, are wonderful. However, somehow the information does not reach us. The municipality should provide information and should actively involve us, the mayors of villages. Especially when it comes to support programs related to agriculture and rural regions, the information should come straight down to the intended beneficiaries - the village people. Opportunities should be given to the small rural communities, because otherwise we are left with the impression that we are less important as citizens of this country.“

How do you manage to change the stereotype of people, who at the end of the day are used to hurry back home from work to milk the sheep or the cow?

„It is happening slowly and takes persuasion,“ the mayor smiles. „I am trying to build a community here. We are getting prepared for the moment when many more people will start coming back to the village. This moment is surely going to come. Then I want to be able to offer these people better conditions for living and working!“

# THE NGO SECTOR - PARTNER, FACTOR, WATCHDOG OR BY-STANDER IN SOCIAL LIFE

## *OR AN ATTEMPT TO FIND A WAY OUT OF THE DEAD-END STREET WE ALONE HAVE ENTERED*

***Ivanka Dushkova***  
***Executive Director,***  
***Union for restoration and development,***  
***Haskovo***  
***April 2003***

During the past several years in Bulgaria we have become champions in doing endless major reforms in all sectors of economy and government administration. We have been reforming ourselves so much, that we almost forgot who we are and what we want. The important thing was that we advance up and forward. We had no doubt about that, because anyone in power has been trying to convince us that this is the shortest way Europe. And in this constant run no one allocated funds and time to find out how many people are still there on board with us, what do they want and to where do they strive to get.

We had no time to look around in order to understand what is happening to us and people next to us. Who can we rely on? How to help the ones already exhausted? We paid attention just to those who fell occasionally and only in worst-case situations. We were not always exactly sure which was the next legislative and executive reform, whether there was an amendment following and in relation to which paragraphs? Even the interested, curious and educated people were not clear as to which rules to follow. Who were the main players on the team? Everything kept transforming extremely fast and people were left with the bitter feeling of disappointment that they had been running on the wrong team, that they had been mislead and deprived. After the competition someone else had taken the prize and all that was left to them was just fatigue and unfair blows. They could not understand why they had to play so many matches without any audience. They do not know whether there is a next game coming and would they be included. Who needs this game? Who will be their team-mates? What will be the rules of the game? Has the referee been on the field before and is he aware of the latest version of the rules? Would it be necessary for some of the players to explain him those when the game is already on?

The academic institutes are in a financial and spiritual crisis. Research agencies work according to market rules and collect information for sale. Many intellectuals and writers are on the verge of survival. The church is overwhelmed by its own internal conflicts and the distribution of its real estate property. Political scientists stick close to the authorities, the political parties and their lobbies, because it is where the sense of power and development is felt. Journalists cover mainly the political life and gossip news. The non-governmental sector is occupied with its own survival above all - struggling with the lack of local economic potential that can be used regularly, the delay of pre-accession programs and the absence of traditions. Work on the implementation of particular projects is partial and short-term. It is difficult to ensure continuity and consistency of actions.

The dynamism of everyday life and the difficulties in adapting to the quickly changing social environment require flexibility, resourcefulness and sustainability (financial, institutional, etc.) The efforts of the non-governmental sector so far have been directed towards healing some of the social deficiencies, instead of discovering and treating the cause of the disease. Non-governmental organizations that are closer to people's problems can have the fastest and most adequate reaction. They are still new, do not carry the burden of social stereotypes and have opportunities and potential for success. There are, however, several main difficulties:

1. Still a small number of NGOs work in a network and are confident about their own sustainability and future perspectives of their actions.
2. The greater part of the NGOs lack experienced experts, traditions and authority.
3. Very few organizations can yet claim that they are well-established institutionally.
4. The opinion of the non-governmental sector is rarely (or only sometimes) sought when defining the priorities of many programs about to be launched. Very often these are not adequate to the needs of the people, but rather correspond to priorities valid in other countries and conditions different from ours.
5. Very few NGOs know what funding will be available to them the following year and it is difficult for them to plan their overall activity.



6. Understanding and sense about the need for partnership is absent. There still is not enough of public understanding that NGOs can be a mediator between the citizens, the authorities and the business. The ability and necessity to work in partnership take long to build.

7. Last but not least, we can say that suspicion about corruption and private interest exists also about the non-governmental organizations. This is an obstacle for certain groups of people to build the necessary confidence between them and the third sector.

**What can be done for elevating the role and significance of NGOs and their active involvement in improving the social environment?**

It is necessary that non-governmental organizations direct their initiative mainly towards combining efforts amongst themselves. They must look for supporters first within their own circles and then among other institutions. It is necessary to unite the opportunities of key figures and important factors at all levels of authority. It is necessary to provoke immediately social dialogue, to forward important information to the legislative bodies, the executive authorities and all donor organizations, in order to adapt the priorities of future programs. If these measures are not taken now, the non-governmental organizations will join the multitude of by-standers and will miss the chance to fulfill their genuine goal.

Immediate steps that can be made now could be to:

- Use various forms and methods to convene people in groups and achieve social contacts among them. Attention should be given to the different social groups and their interests. Ways to attract the involvement of educated and qualified young people should be found, who later on can become direct participants in the process.

- Identify who can contribute with what, use their potential and demonstrate respect for their own capacity.

- Build communities that combine the practical with the exciting (depending on the members). The individual should be confident that the community has awareness and consideration for his/her opinion and interest, that it respects his/her personality and appreciates his/her efforts. After all, the individual should realize that he/she is treated like a personality and not as part of the electorate. Every person should build confidence in that there is something to rely on today, tomorrow and the day after tomorrow, regardless of elections and change of authorities in power. This would decrease the painful division of people along political principles and would attract their attention to the human side of life. This would charge them with creative energy instead of discontent.

- Work with students and young people and provide them knowledge and opportunities for future development. There should be a focus on giving them the knowledge and skills that would assist them find a concrete job, become self-employed and be of help to themselves and their families. Most students now work to support themselves, but possess no job skills.

- Educate and train minority groups in activities and skills that would help them earn a living in the long term. That is why, no job training for them should be done unless their professional placement afterwards is ensured. Involving people in made-up job activities, where there is lack of future professional perspective, is not serious. This serves well statistics and election campaigns, rather than really convince people that their living for tomorrow is secured. Their educational, cultural and professional abilities should be developed. New interests and needs should be encouraged. There is a tendency of increased training in human rights issues at the moment. In many cases the results are not evident and the benefit is disputable. A person with no skills and education has nothing in particular to defend, because he/she has also nothing to offer to the community. Someone who is illiterate would have difficulty in defending his/her own rights in spite of any training on these issues.

- Organize neighborhood activity. Create with the assistance of NGOs and authorities various clubs, where people can come together and communicate without being pressed for money.

These are the ways to start immediately the tough struggle against alienation between people, apathy and isolation, depression and the lack of willingness for any kind of social and often also work activity. This is the way to counter the negative information that is flooding us daily. We must create conditions for people and publicly accessible places, where they can feel comfortable, where they can feel helpful, where they can find support in critical situations that they face every day. That is why, the NGOs with help from the media should try to build positive role models, to show and demonstrate success and achievement of other people and organizations. The positive things happening in our society should be widely announced and this should be done not by the authorities, but by people close to them and by the journalists.

The cultural institutions should get involved in social life in a new way. They should integrate themselves in different communities and keep constant contact with them instead of meeting them once in a while by chance. When contacts are personal, perception is different, communication is different, and the results are different.

We should look for the partnership of the church for implementing common initiatives and concrete social activities. We should draft and implement long-term local and regional programs and achieve coordinated efforts from more institutions. We should ring the bell to those in power, when we register new problems. We should lobby at all levels.

Whether the non-governmental sector will become a partner, an important factor in society, a watchdog for the outcome of wrong decisions or will just stand by with a distant look upon social life, depends mainly on its representatives and their pro-activeness in public space. ◆

# COMMON PROPERTY MANAGEMENT IN APARTMENT-BLOCK BUILDINGS - HOW TO LIVE TOGETHER

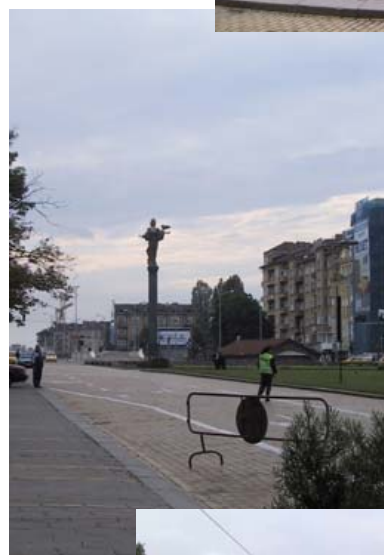
May 2003

This is the title of a project that is starting in six pilot districts of Sofia. The Foundation for Local Government Reform, in partnership with the Municipality of Sofia and the municipal ombudsman, begins the implementation of a series of activities, aimed at increasing the knowledge and awareness about the management of the common space property in apartment blocks and improving the interaction with the municipal administration and the providers of public services, such as Topolofikatzia (central heating company), the water and sewerage company and the electricity company.

Representatives of all stakeholders - the apartment-blocks' management, the local government administration and the companies, providers of public services - formed a working group that started work on a manual. The publication will provide information on the issues of apartment-block buildings' management and practical approaches in solving them with regard to existing legislation, including the Property Act, the Spatial Planning Act, and the Regulation on the management, order and supervision of common property in apartment-block buildings.

The manual will include case-studies and answers to frequently asked questions, related to the maintenance of common property areas in apartment-block buildings, collecting fees from residents, keeping internal order and other important issues. The manual will feature samples of protocols of general assemblies of residents, illustrating the correct procedures for decision making on major issues such as: transformation of the function of housing facilities, election of a manager, etc.

By treating the problems of apartment-block buildings' management, the project has as its focus point the introduction of practices that encourage the dialogue between members of the common property and the administration. Generating decisions in favor of the local community through better listening and addressing information to the actual stakeholders, defined another project task - that of creating and maintaining registers of the managers/chairs of the boards of the apartment-block buildings, located in the six pilot districts: Mladost, Izgrev, Lozenetz, Slatina, Nadejda and Triaditza.



The districts involved in the project implementation have a record of successful initiatives with citizens' participation on improving the living environment. By promoting and encouraging these best practices, the project will try to achieve their replication and establishment of truly sustainable partnerships between the municipality and its citizens. This is a project about creating a model of public participation through opening new communication channels between local administration and the citizens. ◆

## FLGR's INNOVATIVE MUNICIPALITY

# ANNUAL AWARD

## FOR THE YEAR 2003

For a second consecutive year the Foundation for Local Government Reform will give out its national award for innovation in local self-government. We shall again recognize the municipalities, whose administrations and local civic organizations have turned in for dissemination through FLGR the biggest number of innovative practices in the period from 1 October 2002 to 31 August 2003.

Six years already FLGR consistently encourages, collects, publishes and widely shares in print and electronic form innovative practices that promote resourcefulness and the exchange of experience in Bulgarian local self-government via its unique Innovative Practices in Bulgaria Project, supported by the Open Society Institute - Budapest and the United States Agency for International Development.

### An innovative practice:

- describes how the municipality/organization has solved an issue of public importance in a non-traditional, but successful way;
- has resulted in increased effectiveness, facilitated access to information, saved time and resources or achievement of a major goal of the municipality/organization;
- can be easily replicated by other municipalities/organizations in Bulgaria without requiring expensive funding or unique circumstances and technical skills.

This year too FLGR will recognize first, second and third place winners through the current national contest for the award. It will announce an honorary top-ten list of municipalities with considerable contribution of innovative practices. The first-place winner municipality will be awarded the unique Innovative Municipality prize trophy, a certificate and a special gift of two flight tickets for European destinations to allow its representatives - one person from municipal administration and one from a local NGO - to participate in international events, stimulating innovation. Tickets are kindly sponsored by Carlson Wagonlit Travel.

200 guests have been invited at the official award-giving ceremony on 10 September 2003 in the National Palace of Culture in Sofia, including representatives of foreign diplomatic missions, donor organizations, ministries, local governments and their associations.



# SUPPORT FOR LOCAL ECONOMIC DEVELOPMENT

June 2003

On 5-6 June 2003 the Foundation for Local Government Reform (FLGR), supported by USAID, held a national conference on Local Economic Development: Partnerships and Interaction Mechanisms. The 100 participants in the forum included municipal mayors, central and regional government experts, investors doing business in Bulgaria and representatives of non-governmental organizations. The goal of the conference was to outline the current trends and priorities of local economic development in Bulgaria, as well as to give publicity to successful examples of partnership between local authorities, central government and the business.

The conference was opened by FLGR Executive Director Ginka Kapitanova, US Ambassador in Bulgaria James Pardew and Deputy Minister of the Economy Nikola Yankov. In her opening remarks to the forum Ginka Kapitanova said:

„In the past four years FLGR has worked with Bulgarian municipalities to create new understanding about the role of local governments in the process of local economic development and active leadership behavior. We have done that through many publications, training workshops in the country and abroad, conferences and projects with concrete municipalities. There is growing awareness that local economic development is a well-planned process, based on analysis of physical and human resources, shared vision for long-term development, active marketing policy and good environment for investment. A prerequisite for success is also the partnership between institutions at all levels of government. Obviously, this is a slow and difficult process that depends on the will, motivation and efforts of all stakeholders at the national and at the local level. There is valuable experience accumulated under the Bulgarian Technical Twinning Program between American and Bulgarian cities, funded by the US Agency for International Development. Under the program we have achieved good practices and models of economic development strategies, municipal business profiles, marketing strategies, orientation programs for potential investors, public-private partnerships, business centers and business incubators, a functioning industrial park. All of this is an outcome of the new thinking of local authorities and active interaction between American and Bulgarian local government officers and experts.“

Deputy Minister of the Economy Nikola Yankov addressed conference participants by emphasizing the need for well-de-



fined short-term and long-term goals and competitive advantages on behalf of the municipalities. He asked local government leaders to formulate clearly their economic development priorities and present them to central government authorities at forums like this one. That is how, according to the deputy minister, the Ministry of the Economy can launch measures for assistance to each municipality, in order to achieve greater effectiveness.

In his opening speech US Ambassador in Bulgaria James Pardew congratulated FLGR for initiating this important forum. He said: „As you know, the United States Government is the major international donor in Bulgaria in the area of local government strengthening. Increasingly, our efforts focus on assisting and training Bulgaria's local government practitioners to apply best practices in promoting local economic development and creating jobs. I am gratified that through the USAID-funded Technical Twinning Program, more than a dozen Bulgarian cities have been able to take advantage of American municipal know-how and have applied innovative approaches in economic development. I wish you productive discussions today and tomorrow, and success in your continuing efforts to develop your municipalities, better serve your citizens, and build strong, democratic communities.“

The first working day of the conference had two topical sessions. The first one was focused on discussing the role of local government in creating incentives for the business, analyzing municipal resources and possible fiscal instruments to assist local economic development such as: municipal bonds, revolving funds, micro credits. During the second part models for cooperation between the Ministry of the Economy and concrete municipal and regional governments were presented.



During the second day of the forum representatives of the Foreign Investment Agency presented their expectations to Bulgarian municipalities. Examples of effective cooperation between local government and the business from five concrete municipalities were shared at the conference. In order to stimulate more effective legislative environment for local economic development and favorable conditions for cooperation between various institutions, at the closing of the forum participants formulated and adopted the following **recommendations**:

1. Municipalities need to be given more legislative power, in order to create incentives for the business and investors at the local level.

2. Municipalities need a reliable mechanism for exchange of information with the Ministry of the Economy. For this purpose, the Foundation for Local Government Reform will host a working meeting between local government representatives and the Ministry.

3. It will be very useful, if each local government creates its own register, describing in separate dossiers the established business contacts, which can later on be transmitted to the municipal leadership in the next mandate.

4. The marketing web-site with business profiles of fourteen pilot municipalities that FLGR is developing under the Technical Twinning Program should be expanded to include information on more Bulgarian local governments.

5. Local governments should be initiators of more contacts with the business by well-targeted participation in business forums and exhibits and by holding working meetings for interaction between the associations of the municipalities and the associations of the business. ♦





## FLGR MAILBOX

„I congratulate you for the extremely interesting edition „Municipal Year Book 2000. It contains very extensive, useful and up-to-date information on Bulgarian local self-government and Bulgarian municipalities.“



*Ginka Chavdarova,  
Executive Director,  
National Association of Municipalities in the  
Republic of **Bulgaria**,  
August 2003*

„We are interested in your experience, training materials, programs, etc., as well as in the possibility of implementing joint programs.“



*Emin Yeritsyan,  
President of the Association of  
Communities of **Armenia**,  
August 2003*

„We have received the 2002 Annual Report of the Foundation for Local Government Reform. We thank you for the very interesting publication.“



*Patricia Encarnacao,  
Area Metropolitana de Lisbon,  
**Portugal**,  
July 2003*

„Please, accept sincere congratulations for continued success in your efforts to further improve local government services.“



*Demosthenes Parnassos, First Counselor,  
Economic and Commercial Affairs,  
Embassy of **Greece** in Bulgaria,  
February 2003*

„I thank you for the activeness, demonstrated on behalf of the Foundation for Local Government Reform, for organizing useful discussions on issues concerning the local self-government and local administration.“



*Remzi Osman, Chair of the Parliamentary Committee  
on Local Self-Government, Regional Policy  
and Public Works, **Bulgaria**,  
February 2003*