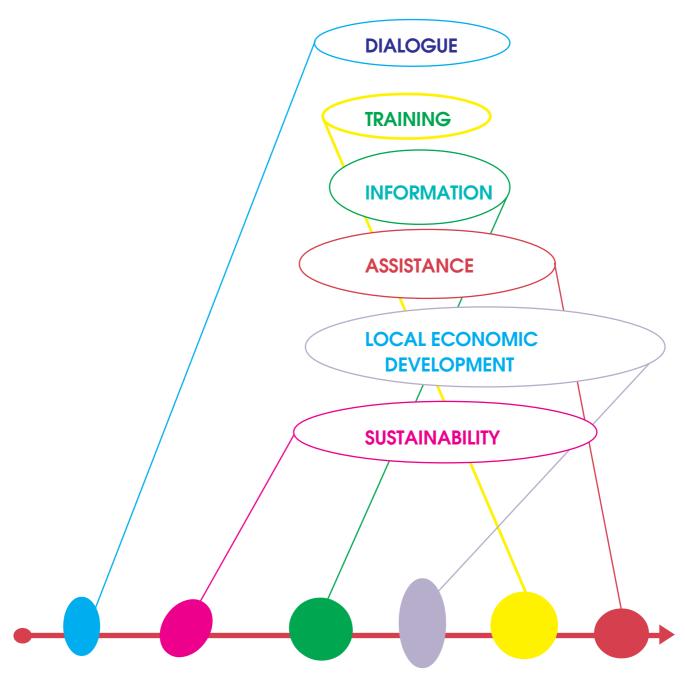
ANNUAL REPORT'2007





Dear partners and readers,

Herewith the Foundation for Local Government Reform (FLGR) reports on the activities implemented within the period of January - December 2007. Established in 1995 by a group of mayors, the Foundation strengthens successfully its position and works as an independent professional resource centre, supporting local democracy.



FLGR clearly defines its objectives and priorities. Its specific activities are in accordance with the local government needs and the contemporary trends in the field of local government development. Our main strategic fields of work are:

- Stimulating dialogue and achieving consensus for effective policy and joint initiatives between various stakeholders and governmental levels;
- Professional development and consultations for local governments, their civic and business partners;
- Provision of needed and topical information to different customers through the use of appropriate technology;
- Partnerships for local economic development;
- Improvement of the administrative services provision;
- lacksquare Support for the implementation of projects of NGOs and municipalities \Box Community Forum Program;
- FLGR invests in its professional and organizational development.

On the January 1st, 2007 Bulgaria became a member of the European Union. The NGO sector in the country had to overcome the challenge and to continue its work in the terms of withdrawing for-many-years donors and still unstructured and not functioning system for EU funding.

FLGR can be happy with the fact that it comparatively smoothly passed through this period and managed to develop and carry out projects that were in the interests of Bulgarian municipalities and stakeholders and guarantee the financial independence and vitality of the organization.



Ginka Kapitanova, Executive Director of FLGR May 2008

Stimulating Dialogue and Achieving Consensus for Effective Policy And Joint Initiatives Between Various Stakeholders and Governmental Levels

Throughout 2007 FLGR continued its efforts to support the improvement of the integrated local development.

On 27 - 28 February 2007 IDG Bulgaria with the assistance of the Ministry of State Administration and Administrative Reform (MSAAR), The State Agency for Information Technology and Communications (SAITC), National Association of Municipalities in Republic of Bulgaria (NAMRB), Foundation for Local Government Reform (FLGR) and UNDP organized 8th National Conference on egovernance entitled "e-Government in Bulgaria - Challenges and Perspectives". The achieved results in the field of IT and public administrative services at local and central level were reviewed, innovative approaches were shared, and the European trends in the e-governance development were outlined.

In March 2007 (14th and 15th) FLGR and the newspapers "Construction/City" and "Dnevnik" organized a conference on "Infrastructural projects, Bulgaria 2007 - Status and Perspectives" within the Bulgarian Construction Week. Ministers, deputy ministers from the Ministry of Regional Development and Public Works, Ministry of Transport, Ministry of Environment & Waters, Ministry of Finance regional governors, mayors, deputy mayors, chairmen of municipal councils, managers of leading companies, representatives of universities, business organizations, renowned experts in the infrastructure from Bulgaria and abroad took part in the conference.



In October and November 2007 FLGR presented in a roundtable format the results of a study on the practices of EU member states with functioning two tiers of local self-government. Possibilities of building second tier of self-government in Bulgaria were discussed. The discussion meetings were part of the activities under the Strategic goal 1, Measure 1, Priority 8 of the Programme for implementation of the Decentralization Strategy, commissioned by the Strategic Planning and Management Department of the Council of Ministers. Representatives of the Council of Ministers, Ministry of State Administration and Administrative Reform (MSAAR), regional governors, academia and NGOs attended the meetings.

On 23 October 2007 FLGR and InvestBulgaria
Agency organized an information meeting with
municipal local economic development experts
and representatives of the regional economic
development agencies on the newly adopted
amendments of the Investment Encouragement
Act and the corresponding Regulations.

On 23 November 2007 FLGR organized a public forum where the first national **Public-Private Partnership (PPP) handbook** for local authorities was presented and discussed. The handbook was commissioned by the Ministry of Regional Development and Public Works. The goal of the handbook is to present in an integrated approach the conceptual, administrative, legal and financial framework of the public private partnerships on local level. The handbook also pays attention to the steps, risks and responsibilities of all parties that shape the partnership. Representatives of the municipalities, ministries, the business and NGOs took active part in the public discussion.

At the end of 2007 (27 November and 4 December) FLGR organized two regional discussion meetings on the topic "Enhancement of the administrative capacity of regional and municipal administrations for the decentralization processes in the country, administrative-territorial structure and local activities". The main goal of the meetings was to present the progress of the Decentralization Strategy Implementation and to discuss future steps. The Ministry of Regional Development and Public Works commissioned the meetings. The propositions of the participants were summarised and proposed for consideration to the Ministry.

In October 2007 FLGR joined the Microsoft's initiative **European Union Grant Advisor** (EUGA) for Bulgaria together with ministries, state agencies, banks, companies. The European Union Grants Advisor programme is a collaborative effort to help SMEs, as well as local and regional governments, to better understand and use EU funding opportunities at the international, national, and regional level.



Professional Development and Consultations for Local Governments, Their Civic and Business Partners

For fourth consecutive year FLGR Training Centre together with Sofia University "St. Kliment Ohridski" held professional qualification courses - 14 as a total. 298 people successfully graduated them and acquired a **Certificate from Sofia University** in the field of:

- Project Design and Management of EU Programmes
- Effective Communication
- EUStructural Punds. Funding possibilities under the Operational programs 2007 2013

The Training Centre of the Foundation for Local Government Reform in partnership with the Centre for European Programmes of the American University in Bulgaria organized training course "Fundamentals of local economic development". The course consisted of two modules and was targeted to civil servants from municipalities and regional administration, NGOs or consultancy organizations that work in the field of local economic development.

On 16 March 2007 the Closing **ALAVA Project Conference** was held in Poland. The ALAVA
Project 2004 - 2007 (**Adult Learning as an Added**

Value to the Activities of Community-based NGOs) was funded by the EU Grundtvig I Programme and partially by the Swiss Federal Office for Professional Education. The project aimed to strengthen the capacity of the local community organisations and add more value to their activities through establishing adult learning centres within community-based NGOs. FLGR participated

the project with 6 partner organisations from Germany, UK, Poland, Romania and Switzerland.



- Human Resource Development
- Public relations
- Protocoland etiquette

In 2007 three practical courses on Facilitation
Skills and Techniques were conducted. This
training module is becoming increasingly important and demanded as facilitating of groups and
meetings of different stakeholders at local level
with the goal of strategies elaboration and plans
design and implementation in the framework of
the Operational programmes is topical.

Results of the ALAVA project in Bulgaria are:

- Five Bulgarian community-based NGOs were chosen as partners at local level and needs assessment with the assistance of the local partners was carried out by means of a questionnaire;
- Through 40 courses were trained 551 people-students, teachers, unemployed, participants from NGOs and municipalities. The trainings held were on the topics: Preparation for work (ICT Skills, Entrepreneurship), Personal development, Project management and Community development. The participants evaluated the courses and the training materials developed as very useful, practically oriented and well appreciated.
- The capacity of local NGOs as adult learning training centres was strengthened, and a pool of experienced trainers at local level was built.

In 2007 FLGR started a long-term partnership with the Friedrich Naumann Foundation. In its framework six trainings for municipal officials and officers were held on the topic **Project Design and Management under EU Programmes**. In 2008 the partnership will include other training modules also.

In November 2007 FLGR applied for funding for the project "NGOs - Reliable Partners For Development" under the Operational Programme "Administrative Capacity". The project was one of the 47 (from 329 that applied for grant) that won funding. The project will be realised in the South Central Planning Region during a period of 18 months and its goal is to strengthen the capacity of the NGO sector, working in the sphere of local and regional development, to develop and implement policies in partnership with the public administration. The funding is in the amount of 334,000 levs (171,282 euros).



Provision of Needed, Topical and Timely Information

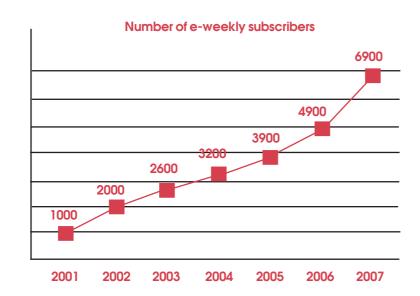
In 2007 FLGR continued to develop its communication channels and to expand its audience.
FLGR initiatives received wide media coverage.
FLGR turned into valuable information and innovation source for its clients and partners.

FLGR publications in 2007:

- 3 editions of the monthly information bulletin;
- 3 radio broadcasts on National radio;
- 48 editions of the e-weekly newsletter provided information about activities, trainings and initiatives of FLGR; 965 calls for proposals and funding opportunities and 263 training opportunities were published;
- 12 editions of the English electronic monthly newsletter e-Brief:
- The online LOGIN library on the www.flgr.bg was enriched with 311 new professional publications. Most downloads had the editions "Competitiveness of the Bulgarian economy" (823 downloads), "Possibilities for NGOs" (220), "Management of EU funded projects a handbook" (212), "Project Cycle Management" (192), Regulation

on co-financing from the EU funds" (145), "Structural funds - possibilities and challenges" (116), "Municipal partnership - Manual for practitioners" (114), "LEADER Manual" (102), "Preparation of Bulgaria to participate the EU structural instruments" (99);

- In the framework of LOGIN Programme FLGR collected and disseminated 98 innovative practices of municipalities and their partners, 77 of them were presented on the English part of the organisation's website;
- Innovative Practices Volume # 38 presented practices, realized during the last three years in the framework of the 10-year partnership between Bulgarian and American municipalities.
- Innovative Practices Volume #39 presented successful practices of professional and regional municipal associations, that participated thematic Innovative practices competition `2007
- Innovative Practices Volume #40 presented European practices, realized at local and regional level, that could be replicated in Bulgaria;
- FLGR published also Annual Innovative



Practices edition '2007 in Bulgarian and English;

■ "Joining Forces and Resources for Sustainable Development, Cooperation among Municipalities - A Guide for Practitioners", issued by United Nations Development Programme, Bratislava Regional Centre for Europe and the Commonwealth of Independent States, was translated into Bulgarian and disseminated by FLGR in 2007.

In 2007 FLGR organized thematic Innovative practices competition '2007 for practices of professional and regional municipal associations. 13 practices from 5 regional and professional associations were submitted. Two practices with equal number of votes won the title "Practice -Choice of the Public" within the on-line thematic competition: they were presented by the National Association of Secretaries of Municipalities in Republic of Bulgaria (NASM RB) and by the Union of the Bulgarian Black Sea Local Authorities (UBBSLA). Winner in the thematic competition for Best Practice of regional/professional association of municipalities became Union of the Bulgarian Black Sea Local Authorities with the practice "EnerBuild: Public-Private Partnership For Integrated Improvement Of The Energy Characteristics Of The Municipal Buildings".

In December FLGR summarized the results of the 2007 National Annual Innovative Practices Contest. In this year's national contest participated 98 innovative practices from 27 municipalities, 1 professional and 5 regional associations of municipalities in Bulgaria. Municipality of Tundzha won the title "Innovative Municipality '2007" with the input of 22 innovative practices.







Partnerships for Local Economic Development

The USAID-supported 10-year Technical Twinning Program implemented by FLGR and the International City/County Management Association (ICMA) was successfully completed. One of its components - The Bulgarian Local Economic **Development Partnership** (BLEDP) continued to operate as an informal network. The BLEDP members unite efforts and resources for marketing and investment attraction, business climate improvement and creation of new and qualitative job opportunities. The current members of the Partnership are the municipalities of Aksakovo, Vratza, Gorna Malina, Gorna Oryahovitza, Dobrich, Knezha, Lovech, Mezdra, Montana, Pazardzhik, Pleven, Plovdiv, Razgrad, Rousse, Sevlievo, Silistra, Stara Zagora, Strazhitsa, Teteven. FLGR coordinates the partnership.

In 2007 (March and September) FLGR granted certificates "Municipality - Ready for Business" to 9 new Bulgarian municipalities and to the LED practitioners in the newly certified municipalities. The FLGR economic development team together with representatives of the InvestBulgaria Agency evaluated the applications of the candidates and verified their technical compliance with the set of certification criteria.



Best Practices Conference "Get Ready For Business" was held in June 2007. The conference provided for dissemination of best practices and successful management models developed under the 10-year Bulgaria Technical Twinning/ CityLinks Program financially supported by the U.S. Agency for International Development (USAID), Bulgaria and jointly implemented by FLGR and the International City/County Management Association (ICMA), Washington, USA. The conference was attended by representatives of over 50 Bulgarian municipalities - mayors, City Councils' chairs, municipal employees, representatives of regional governments, NGOs and the business sector, US city managers and municipal experts, official guests from USAID, ICMA, InvestBulgaria Agency, Bulgarian Small and Medium Enterprises Promotion Agency, partners. During the conference was conducted a competition "Site Selection and Investment Attraction" that showcased site selection techniques acquired by Bulgarian economic developers as result of the joint work with leading US practitioners.

In July 2007 FLGR organised a study tour in the Czech Republic on "Development and Management of Industrial Parks". Mayors, deputy mayors, Municipal councils' chairpersons, private businessmen, economic developers were participating the study tour. The participants had an intensive schedule of visits and meetings to various types of industrial parks in the Czech Republic - Pilzen, Zatec, Kutna Hora, Moravska Trebova, Pardubice. They exchanged experience, got in-depth knowledge on how to meet the requirements of the investors and adequately prepare by development of industrial parks.



FLGR team representatives, in implementation of the Marketing Plan of BLEDP, participated in 2 international trade shows: at the SIMA real estate show in Madrid, May 2007 and in the 63rd International Technical fair - Plovdiv (September 2007). During both trade show participations were conducted a lot of meetings with companies and organizations interested in the BLEDP's activities and discussed opportunities for investment and future cooperation.





Six regional seminars were organized in November - December 2007 dedicated to **Strengthening of the Local Economic Development Units within the administration in Bulgarian Municipalities.** The regional seminars were financed by the Ministry of Economy and Energy of Bulgaria and were attended by mayors, deputy mayors, and department directors from all Bulgarian municipalities.

As of September 2007 the FLGR started disseminating a thematic economic development biweekly electronic bulletin among the BLEDP members.

Improvement of the Administrative Services Provision

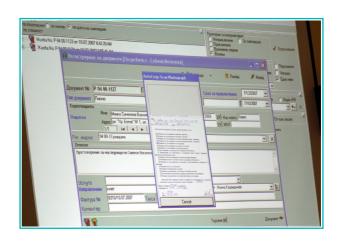
On July 10, 2007, the start of the "Complex administrative services in the e-Region Lovech" project was officially announced through a demonstration venue organized by the municipality of Lovech. The project introduced organizational possibilities and a mechanism for document and information e-exchange between regional administration, municipal administrations and regional branches of the state institutions in the Region of Lovech on the basis of cutting-edge information technologies and complex administrative service delivery in favour of citizens and business.

The project was initiated by the Regional association of municipalities (RAM) "Central Stara Planina" and it was carried out with the financial support of the Swiss Agency for Development and Cooperation (SDC) and the expert support of FLGR. The project activities were coordinated by the Regional administration of Lovech.

This is the third e-Region in Bulgaria (after e-Region Gabrovo `2005 and e-Region Blagoevgrad `2006) whose e-development was assisted by the FLGR's experts. 42 complex administrative services will be provided by the regional branches of 6 state agencies, Region of Lovech and 8 municipalities: Apriltsi, Letnitsa, Lovech, Loukovit, Teteven, Troyan, Ugarchin and Yablanitsa. Nearly 170,000 inhabitants of the region of Lovech will benefit from the improved quality of the administrative services that are to be provided.

In 2007, with the consultant and methodical support of FLGR, a pilot project "Automation of the activities on maintenance of the civil status registries in the municipal centres and mayoralties" was carried out in the municipalities of Teteven and Lovech. Results of the project go as follows:

- 1. Own sources of information were created based on the population registries;
- 2. Accountability of the registered documents, activities performed and the fees collected at municipal level was improved;



- 3. A higher number of clients received services;
- 4. Access to administrative services for people living in the mayoralties was secured and the necessity of travelling to the municipal centre died out;
- 5. The protection of personal data was increased;
- 6. The possibilities for gathering and submitting information were increased;
- 7. A unified administrative service delivery to the residents of the territory was ensured.

During 2007 with the methodical help of FLGR similar pilot projects in the municipalities of Tvarditsa and Dryanovo were implemented with the goal to secure equal access to service delivery in the mayoralties of the municipalities. The implementation of the projects led to the following results: improved quality and effectiveness of the administrative service delivery for the inhabitants of the mayoralties through saving of time and money for transportation; improved administrative service delivery in the municipal centre; improved quality of the work of public servants.

Support for the implementation of projects of NGOs and municipalities

- Community Forum Programme

For a third consecutive year FLGR in partnership with the National Culture Fund at the Ministry of Culture (NCF) and with the financial support of the Swiss Agency for Development and Cooperation (SDC) have continued to support local communities in managing cultural heritage and transforming it into a factor for sustainable development. 2007 being the last year of implementation of the Community Forum Programme in Bulgaria was the culmination of the implementation of projects in the sphere of cultural heritage management. For the period 2005-2007 the joint initiative of FLGR, NCF and SDC aiming at applying the Forum approach for transforming the cultural heritage into a factor for sustainable development of the regions has resulted in:

- 5 intermunicipal partnerships in the field of cultural and historical heritage (CHH) have been established;
- 5 regional policies for transforming the CHH into a factor for sustainable local development have been developed;
- In addition, 3 other municipalities have been involved to support the implementation of the regional cultural policies;
- 43 project proposals have been developed and 27 of them have been implemented based on a total budget of more than 500 000 levs. The funding sources and their corresponding amount were as follows: SDC 240,000 levs; NFC 110,000 levs; Municipalities 135,000 levs;
- Improved access to and socialization of 6 archeological monuments and ethnographic complexes;
- 10 tourist routes have been developed and indicated;
- Cultural assets in 5 regions of the country have been mapped;
- 5 museum and cultural exhibitions have been developed;
- Historical events have been revived;
- Customs and traditions have been studied and reproduced in 5 regions in the country;

- Cultural heritage promotion (guides, handbooks, films, brochures, leaflets, broadcasts on national media);
- Over 50 young people have been trained as tourist guides;
- Over 20 young people have been trained in wood-carving and pottery;
- Stakeholder representatives have been trained in EU quality criteria for integrated cultural-tourist product management;
- Increased local community sensitiveness to cultural heritage preservation;
- Enhanced capacity for using cultural heritage as a factor for development;
- Stakeholders from cross-border regions have been involved in the process;
- International exchange has been conducted.

By the end of 2007 the positive experience accumulated as a result of the Community Forum Programme implementation in the sphere of cultural heritage management was summarized into a Handbook "Regional Cultural Forums - New Approach for Regional Cultural Policy Development and Transformation of Cultural Heritage into a Factor for Sustainable Development".

In 2007 FLGR has also rendered expert support for the establishment and institutionalization of Local Action Group Teteven-Yablanitsa. Apart from this 10 projects were implemented within the Project Fund co-funded by SDC and both municipalities.



Pilot Projects

Integrating Sustainable Land Management Policies at Municipal Level



The project was implemented by FLGR as a part of the national project "Sustainable land management" of the Ministry of Agriculture and Food and UNDP - Bulgaria, financed by the Global Environment Fund. A national information campaign was carried out and attracted representatives of 102 municipalities. 10 pilot municipalities had been selected by FLGR based on a pre-defined set of selection criteria. FLGR provided expert assistance to these municipalities to revise their Municipal Development Plans 2007 - 2013 in accordance with the national priorities and principles of the sustainable land management. FLGR also helped the local stakeholders to identify feasible and relevant project ideas in the area of sustainable land management, which were developed into full project concepts and 10 of them were financed and implemented on competitive basis.

New Ideas and Practical Approaches in the Field of Anti-corruption



Within this project the training manual "Restore the Health of Your Organization - a Practical Guide to Curing and Preventing Corruption in Local Governments and Communities" by Fred Fisher, Ana Vasilache and Nicole Rata, was translated into Bulgarian and disseminated among municipalities, regional authorities and trainers that work in the field of local government, regional associations of Bulgarian municipalities, professional associations of municipal experts - PR, secretaries of municipalities, jurists; NGOs, representatives of the media.

Network for Social Inclusion of People with Disabilities

The Project was financed by USAID through FLGR and was carried out in all 28 district cities in the country. The Health for Everybody Association - Pleven opened Training centres for people with disabilities in the towns of Pleven, Sofia, Varna and Stara Zagora. 1000 people with disabilities were trained in social enterprising. The project developed National network for social inclusion of people with disabilities and their organisations with the aim to support their participation in the social life through improved access to training, jobs and services.

Planning of the Local Economic Development of the Municipality of Letnitsa



The 6-months project was implemented in 2007 and was financed by the Active Services on the Labour Market Programme of the Ministry of Labour and Social Policy and the World Bank. The leadership of the municipality and the municipal council supported implementation of the project. A wide range of stakeholders were involved and a Strategy for local economic development of the Letnitsa Municipality and a One year programme for the implementation of the Strategy were elaborated. Added value to the initiative gave the production of marketing materials in Bulgarian and English, representing economic and investment potential of the area. Communication strategy and a brochure as an instrument to reach wider popularity of the economic potential of the municipality and the business opportunities it offers was elaborated.

The LEADER approach and FLGR assistance to rural areas



In 2007 FLGR has been involved in the establishment of the following LEADER **Local Action Groups** and the development of their local strategies:

- The municipalities of Teteven and Yablanitsa
- Strumyani and Kresna
- The municipality of Svoge
- Dobrichka municipality
- Municipalities of Banite, Luki and Chepelare
- Municipalities of Levski, Pordim and Letnitsa

The process for the creation of the LAGs at local levels has been modified and applied according to the specifics of the territories and the characteristics of the communities involved. FLGR has developed its own methodology for assistance and work with the local stakeholders leading the local communities through a bottom-up planning process, active involvement of all interested social, public and economic groups, better understanding of the principles and possibilities for the rural areas within the National Programme for Rural Development 2007 - 2013 and the future application of the LEADER approach.



A study tour to Greece on "Local Action Groups - a Bottom-Up Approach for the Development of Rural Areas" was organized by the USAID Participant Training Program implemented by World Learning in response to a request from FLGR to support our work with Local Action Groups in small municipalities. The tour was hosted by the West Macedonia Development Company, which has expertise in supporting local action groups, stimulating communication and cooperation among all parties in the rural development process.

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