



Empowering Communities: A Participatory Budgeting Approach to Democratic Decision-Making in Europe

Municipal funds in support of community initiatives

June 12, 2024

**Emilia Lissichkova
Association AGORA Platform**

MUNICIPAL FUNDS IN SUPPORT OF COMMUNITY INITIATIVES

- The experience of Platforma AGORA Association and 10 Bulgarian municipalities, different in size and composition of the population, geographical location, administrative functions, financial, economic and social indicators, is summarized.**
- Sustainable local resources for development and active community participation.**
- Specific approach of budgeting with citizen participation and management of public resources at the municipal level in Bulgaria.**

LOCAL GOVERNMENT SYSTEM IN BULGARIA

- ❑ Bulgaria is divided administratively and territorially into 28 regions and 265 municipalities, in which there are 3,177 Kmetstva (town halls);**
- ❑ A different number of municipalities are located on the territory of each region: from 4 in Gabrovo to 11 in Montana - where some of AGORA partner-municipalities are located;**
- ❑ The territory of each municipality consists of one or more neighbouring settlements/small towns and villages, which are administratively divided into Kmetstva (town halls) – as a sub-municipal legal administrative structures representing local communities;**
- ❑ The municipal funds are the instrument that bring the municipal budget closer to the citizens in non-central towns – small towns and villages on the municipal territory;**

MUNICIPAL FUNDS: GENERAL FRAMEWORK

- ❑ **LEGALITY**: they are established by a decision of the municipal councils; they are governed by rules adopted by the municipal council
- ❑ **SUSTAINABILITY AND REGULARITY**: they are based on the municipal budget and their funds are planned every calendar year
- ❑ **RELEVANCE**: correspond to specific public needs and expectations through prioritized funding sessions that stimulate local civic activity
- ❑ **DIALOGUE AND PARTNERSHIP**: enable citizens to participate in forming and implementing local policies
- ❑ **EFFECTIVENESS**: Supported local initiatives solve specific community problems in a participatory manner

MUNICIPAL FUNDS: FEATURES

INSTITUTIONAL FEATURES

- Municipal funds are created and managed within the established administrative municipal practices, as per the adopted regulations, specific for each municipality;**
- Municipal funds support local initiatives that match specific local bottom-up needs identified by the communities themselves and their organizations;**
- Local organizations apply with written proposals for financing their initiatives on a competitive basis at the announced fund sessions. After approval, they sign contracts with the municipality and donors (if any). Grants are transferred to the contractor's bank account and are spent in compliance with the approved rules for reporting, accountability, effectiveness and efficiency.**
- Local initiatives are implemented on public municipal property and are of public benefit**
- Administrative capacity of the municipal administration is needed to manage the funds (especially in smaller municipalities) to implement rules and procedures, control costs, monitor results and dialogue with the civil sector.**
- Capacity of local organizations is needed to develop, manage, report and implement local initiatives.**

MUNICIPAL FUNDS: FEATURES

FINANCIAL FEATURES

- The main source of municipal funds are funds specifically allocated in the municipal budget structure.
- Municipal funds are financed from the municipalities' own financial resources (local tax on buildings, vehicles, sales of municipal property, etc.);
- The amount of the funds is approved by the Municipal Council within the municipal budget and is determined and provided for each calendar year
- The unrealized funds provided by the municipal budget are not transferred to the next calendar year, as they are calculated in the municipal budget of the following year;
- The funds can attract additional financing from local sources - donations and partnerships, which are managed according to the rules of the fund;
- The attracted financial contribution can be transferred to the operational municipal bank account or directly to the local initiative's coordinator;
- External funding attracted to the municipal fund is regulated through partnership agreements/contracts between the donor and the municipality (in the case of direct funding with the coordinator of the local initiative, as well).
- VAT is included in the budgets of the supported local initiatives;

MUNICIPAL FUND FOR LOCAL INITIATIVES: ESTABLISHMENT AND FUNCTIONING

Implementation,
monitoring,
reporting and
results of local
initiatives

Funding session
announcement,
community project
submission,
assessment and
selection of local
initiatives

Setting the
priorities and
directions of
each fund
session

The municipal
council approves
the fund in the
municipal budget
for each calendar
year

They are
established by a
decision of the
municipal council
and adopted
regulations

WHO IS IN CHARGE

MUNICIPALITY

- Municipal council
- The mayor of the municipality
- Municipal administration

CIVIL SECTOR

- Public/ Community Council
- Advisory Board
- Board of Trustees

WHO IS IT FOR?

- non-profit legal entities on the territory of the municipality
- traditional for Bulgaria community cultural centers (named Chitalishtes) and their associations
- associations of home' owners
- municipal cultural establishments: libraries, museums, galleries, youth centers
- informal civic unions

**LOCAL
SOURCES
IDENTIFIED IN
SUPPORT OF
PUBLIC
INITIATIVES**

- financial and administrative resource of local authority
- donation and contribution of citizens and local businesses to the implementation of initiatives in money, materials, equipment and supplies
- voluntary work and civic participation
- organizational and administrative capacity, coordination and leadership of local organizations in implementing the initiatives

**MODELS OF
MUNICIPAL
FUNDS IN
SUPPORT OF
LOCAL
INITIATIVES**

- Municipal fund for local initiatives managed directly by the municipal administration
- Municipal fund for local initiatives with an external local administrator
- Municipal thematic fund for local initiatives: tourism, youth activities;
- A public forum-based municipal fund.

WHAT AGORA ACHIEVED IN 10 PARTNER-MUNICIPALITIES 2021 - 2023

- ❑ 10 sustainable municipal funds to support local initiatives
- ❑ 101 local initiatives financed by the funds and implemented (2021 – 2023)
- ❑ 726 volunteers
- ❑ 7063 hours of voluntary work/ 883 days of voluntary work
- ❑ 62 donors: 43 individuals and 19 businesses
- ❑ 300,000 BGN (153,000 EUR) total budget of the 10 municipalities, of which:
 - BGN 155,516 from municipal budgets
 - BGN 97,486 project financing
 - BGN 46,911 financial contribution/own funds
- ❑ 3000 BGN/ 1530 EUR - average budget of a local initiative with a duration of 3 - 4 months

BENEFITS TO THE MUNICIPALITY

- Increased trust in municipal policies
- Solved local problems affecting the daily life of citizens
- Community organizations - a natural partner of the municipality
- Local organizations contribute to the municipality's expertise in specific areas
- Increased efficiency in spending the municipal budget with high community contribution
- Increased opportunity for the local authority to hear the community's "voice"
- Enhanced local government dialogue with various community groups
- Increased capacity of the municipal administration for dialogue with community organizations and for introducing new forms of civic participation.
- Preserving and changing the attitude of residents to preserve the results of local initiatives

BENEFITS TO THE LOCAL COMMUNITY

- Enhanced self-organization and empowerment of citizens and the community
- Improved quality of life of various community groups, especially the vulnerable (elderly, children)
- Introduced new models for the development of local communities, based on the shared public resource
- Turning the attitudes of local residents from passive users of municipal services into active partners
- Stimulation of entrepreneurial behaviour among citizens
- The results of the initiatives are the "property" of the citizens, they keep them and value them more because they put in their own work and contribution
- Increased sense of local identity and empathy

https://youtu.be/6_W2KhFB6BE

https://youtu.be/83kBA2_KFA4

<https://youtu.be/Tnkjzzh1Jg>

www.agora-bg.org