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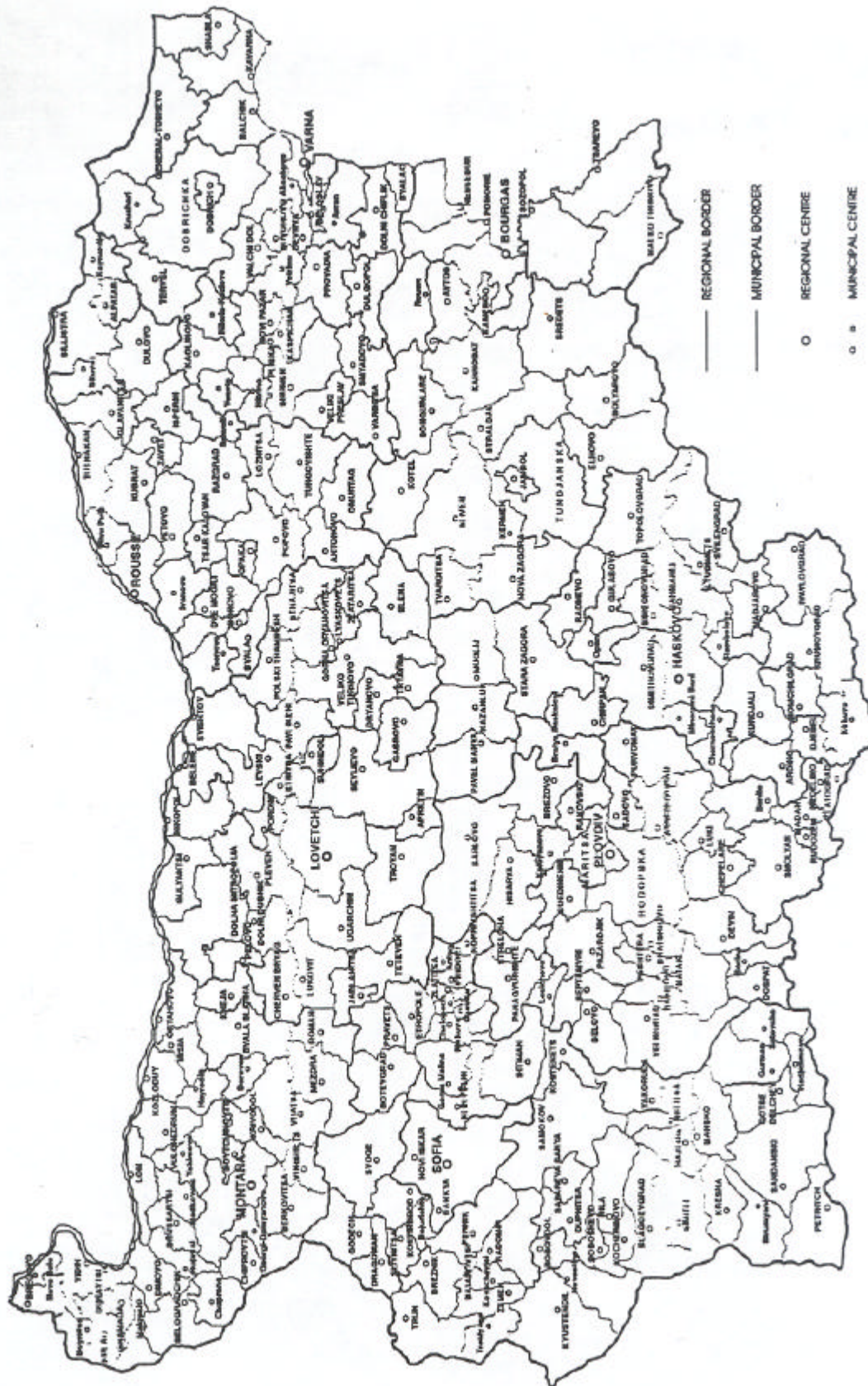


Structure and operation of local and regional democracy

Bulgaria

BULGARIA

Territorial set-up



Structure and operation of local and regional democracy

Situation in 1996

Bulgaria

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1. LEGAL BASIS

1.1. Constitutional provisions

The fundamental principles of the 1991 Constitution of the Republic of Bulgaria provide the key provisions for the structure and functioning of local and regional authorities: separation of powers, supremacy of the sovereignty of the people, right to direct universal suffrage by secret ballot, political pluralism, guarantee of the fundamental rights and freedoms of citizens. The constitutional guarantees underpinning local self-government are in Article 2 paragraph 1 of the preamble to the Constitution and are spelled out in Chapter 7 and the following. According to Article 2 paragraph 1, "The Republic of Bulgaria shall be an unitary state with local self-government" .

Articles 135-146 define the principles governing self-government and local authorities.

Thus, Article 135 establishes that the national territory is divided in regions and municipalities. According to Article 136, paragraph 1, the municipality is the main administrative territorial unit within which local self-government is exercised. In addition, citizens are entitled to participate in local self-government: both indirectly through their elected representatives and directly through referendums and general meetings of the population.

According to Article 142, the regions are administrative territorial units entrusted with carrying out regional policy and governmental policies at local level.

The Constitution also makes provisions for the right of local authorities to associate with one another and for the financial support which is allocated according to equalisation criteria.

1.2. Legal provisions

The main piece of legislation in this field is the Local Self-Government and Local Administration Act adopted in 1991 (State Gazette, No. 77 of 1991) in accordance with Article 146 of the Constitution which provides that the organisation and procedures of the bodies of local self-government and local administration are to be established by law.

In the four years that this act has been in force it has become clear that amendments and supplements were needed, and these were introduced in 1995 (State Gazette, No. 65 of 1995). The process of improving the legislation in this area was also stimulated by the fact that in 1995 Bulgaria ratified the European Charter of Local Self-Government and incorporated it into its national law in accordance with Article 5 of the Constitution.

The Local Self-Government and Local Administration Act defines essentially:

- the sphere of action of municipal self-government (Article 11);
- the composition and powers of municipal councils and ward councils (Articles 19 to 22), the organisation of their activities (Articles 23 to 29a and 48 to 50); the powers and status of municipal councillors and ward councillors (Articles 30 to 37b);

- the powers and duties of the mayors of municipalities, wards and mayoralties, and the secretary of the municipality; the status of the personnel of municipal administration (Articles 51 to 56);
- the property and finances of the municipality; the main sources of income and expenditure in municipal budgets (Articles 51 to 56);
- the role of the region as a decentralised administrative territorial unit, the regional governor and the regional administration (Articles 68 to 72);
- the right of local and regional authorities to associate together; the powers of the National Association of Municipalities (Article 9).

2. STRUCTURE OF LOCAL/REGIONAL AUTHORITIES

2.1. Administrative territorial units

The Administrative and Territorial Organisation of the Republic of Bulgaria Act (State Gazette, No. 63 of 1995) confirmed the two territorial levels: municipalities and regions.

The main administrative territorial units within which local self-government is exercised are the municipalities. They have municipal councils and elected mayors. Within the municipalities administrative territorial subdivisions – wards and mayoralties – are created performing functions and powers entrusted to them by statute or by the municipal council. By the terms of the Capital and Large Cities Territorial Division Act (State Gazette, No. 66 of 1995) wards have been set up in Sofia and cities with a population of over 300 000 inhabitants – Plovdiv and Varna. Municipal councils of municipalities with a population of more than 100 000 inhabitants may set up wards.

The wards have their elected councils and mayors. The territory and number of councils in a municipality are subject to change according to the will of the population through a decision of the municipal council. The mayoralties also have elected mayors. If a general meeting of the inhabitants so decides, mayoralty councillors may also be elected.

The regional structures are regions where the regional governor and the regional administration appointed by the central government carry out the functions of the latter.

Bulgaria has its own historical traditions in the area of administrative territorial organisation and its development. From the historical development of these processes the following conclusions may be drawn.

Firstly, for centuries the municipality has asserted itself as the key link in the system of government of the Bulgarian state. Traditionally Bulgaria organised its day-to-day existence on a friendly basis in the municipality where problems of vital importance to it were settled; failings of municipal management reflected attempts to transform the municipality into a "lackey" of the central government because of its heavy financial dependence on it.

Secondly, in the administrative territorial hierarchy there have always been levels above the municipality. There have essentially been three tiers – districts, counties and regions – which developed together or separately over varying periods of time. For long periods these territorial units mainly implemented central policy.

Thirdly, in more recent time (the last 120 years) the desire to improve the administrative territorial organisation prevailed. However, it was accompanied by many weaknesses:

- reforms made as one-off measures without any overall relationship between them;
- strong, sometimes even total, preponderance of the interests of the state at the expense of local interests and the wishes of the population;
- model imposed from above establishing an administrative territorial division that lasted just until the next isolated change;
- continual ill-thought-out changes of the administrative territorial organisation. (Since 1880 there have been fifteen total or partial reforms.)

For lack of a clear conception on the part of the legislature and because of political opposition the regulations governing territorial management have too often been altered. Thus in thirty-five years the Urban Municipalities Act (State Gazette, No. 69 of 1886) was amended fifty times, while the Rural Municipalities Act (State Gazette, No. 70 of 1886) was amended more than forty times.

2.2. Main features of each category of administrative territorial units (ATU)

2.2.1. Data

The current administrative territorial division (ATD) of the country comprises 255 municipalities and 9 regions, including the municipality of Sofia with its status as a region. The administrative territorial subdivisions are the mayoralties and wards. There are 3 840 mayoralties. There are 24 wards in the capital, 6 in Plovdiv and 5 in Varna.

Local and regional authorities in Bulgaria

Authorities	1950	1996
municipality	2 178	255
mayorality	-	3 840
ward	-	35
district	117	-
region/county	14*	9

* The counties were abolished in 1987, and replaced by nine regions. At that time there were twenty-eight counties.

2.2.2. Surface and population of the Bulgarian local/regional authorities

The regional administrative territorial units (the regions) were created by Decree of the State Council in 1987. Table 2 shows the territory of each of them.

Surface and population of the Bulgarian regions

Regions	Territory		Population in 1994	
	Total km ²	Percentage of total area	Number	Percentage of the country's total population
Bourgas	14 636.6	13.2	849 000	10.1
Varna	11 940.4	10.8	908 100	10.8
Lovetch	15 148.3	13.6	999 100	11.8
Montana	10 581.8	9.5	621 400	7.4
Plovdiv	13 610.4	12.3	1 219 700	14.5
Rousse	10 884.2	9.8	763 000	9.0
Sofia	18 995.0	17.1	973 900	11.6
Haskovo	13 899.2	12.5	901 600	10.7
Sofia	1 315.6	1.2	1 191 700	14.1
Average	12 334.6	11.1	936 400	11.1

The average area of a Bulgarian region is about 12 300 km². The Sofia region is the largest one (almost 19 000 km²), followed by the regions of Lovetsh and Bourgas. The smallest is the one made up of the capital (1 300 km²). Not counting the last named, given its special features, the smallest regions are the Montana region (10 600 km²) and Rousse region (10 900 km²).

The average area of a Bulgarian municipality is 435.3 km², the smallest being 38.6 km² and the largest 1 364.3 km².

In terms of its population, the Plovdiv region is the largest with its 1 219 700 inhabitants and the Montana region the smallest – 621 400, with an average of 936 400 for the whole country.

Municipalities and population

	Number of municipalities	Percentage of total	Population 1994	
			Number	Percentage of country's total population
Up to 1 000	0	0.0	0	0.0
From 1 001 to 5 000	22	8.6	77 207	0.9
From 5 001 to 10 000	60	23.5	469 990	5.6
From 10 001 to 50 000	136	53.4	2 865 322	34.0
From 50 001 to 100 000	24	9.4	1 727 320	20.5
From 100 001 to 500 000	12	4.7	2 095 836	24.9
Over 500 000	1	0.4	1 191 700	14.1
Total	255	100.0	8 427 418	100.0

The grouping of municipalities by size of population shows that the group of municipalities with a population of between 10 001 and 50 000 inhabitants is the largest, with a total of 136 municipalities, or 53.4% of the total. Next come the municipalities with a population of between 5 001 and 10 000 which make up 23.5% of the total number of Bulgarian municipalities.

The average population of a Bulgarian municipality is about 33 000 inhabitants, with the smallest having 1 500 inhabitants and the largest, the capital, 1 191 700.

Surface and population indicators of local and regional authorities

	AREA (sq. km)			POPULATION (1994)		
	Smallest	Largest	Average	Smallest	Largest	Average
Region	1 315.6	18 995.0	12 334.6	621 400	1 219 700	936 400
Municipality	38.6	1 364.3	435.3	1 500	1 191 700	33 000
Wards	2.6	384.7	46.6	23 100	117 300	52 600
Mayoralties	-	-	-	-	-	-

Note: data on mayoralties is not given because their size and number are constantly changing, as these administrative territorial units are formed by the municipal councils.

2.3. Special structures for particular areas

There are no special structures, conurbations or isolated areas, etc. in the Republic of Bulgaria. Only the capital municipality has the specific feature of forming a region. The municipality of Sofia is an administrative territorial unit within which local self-government combines with government policy to promote the development of the capital. The municipality of Sofia covers 1 315.6 km² and it had a population of 1 191 700 inhabitants in 1994.

2.4. Regulations governing changes in administrative territorial units

The Administrative Territorial Organisation of the Republic of Bulgaria Act adopted in 1995 laid down the procedures and criteria for the introduction of changes in the administrative territorial units. It is an act which regards the territorial and administrative arrangements as a process that is carried with due reflection, continuously and in accordance with both the wishes of the inhabitants and the interests of the nation.

The act defines a municipality as made up of one or more settlements, with its own territory, its own name and its administrative headquarters. The conditions/criteria required for the establishment of a new municipality stress:

- the number of inhabitants (a minimum of 4 000 inhabitants);
- the existence of a settlement with an administrative centre and existing facilities;
- the maximum distance between localities and the centre of the municipality – less than 20 km.;
- the integration of all the neighbouring localities that do not fulfil the conditions required for forming a municipality or joining an existing municipality.

The procedure for the formation of a municipality requires the organisation of a local referendum and a favourable vote by the population followed by approval by the government.

The conditions required for the formation of a ward (as an administrative territorial unit within a municipality) lay down requirements as to the population (not less than 25 000), the possibilities of practical territorial planning of the town and the existence of facilities suitable for a ward.

Wards are established in cities with a population of more than 100 000 inhabitants by a decision of the municipal council upon a proposal by the mayor. This procedure does not apply for the formation of wards in the capital and cities with more than 300 000 inhabitants whose territorial organisation is the subject of a special act.

The creation of a mayoralty as an administrative territorial unit within a municipality requires a population of more than 100 inhabitants as well as the capacity to perform the functions entrusted to it by the municipality. The procedure includes a popular consultation. The municipal council only takes a decision after a favourable vote by the population.

The main changes in the area of territorial administration occur through amalgamation, splitting, separation and joining. The act sets out the requirements for each of these changes. For the municipalities and mayoralties it is always obligatory to hold a popular consultation. This obligation does not apply for wards.

There are regulations concerning the procedure to be followed for changing the centre of the administrative territorial unit and the names of settlements, establishing a new settlement, restoring one that has been abolished and giving the status of "town" to a "village", etc.

The main features of the new legislation on administrative territorial division are as follows:

- application of legal criteria for the formation of administrative territorial units of all categories; these criteria are objective and easy to establish;
- clear procedures for the introduction of any change in the administrative territorial organisation with the wishes of the inhabitants taken into account and the direct participation of local elected representatives;
- guarantee of a balance between change and stability in the processes through the possibility of constantly making changes according to the will of the population, but only after two years have elapsed since repeated changes of the same type;
- elimination of the legal possibility of authorised bodies simply imposing decisions in the event of a negative vote by the population;
- maintenance of the current status and rank of administrative territorial units and equal possibilities for all as regards future changes;
- any act may be challenged before the courts.

It requires a special act to proceed to the establishment of regions and to make changes in their borders. The general procedure for this purpose does not provide for consultation of public opinion.

2.5. Decentralised state administration and local and regional authorities

In Bulgaria decentralised public administration involves a highly developed territorial structure notably as regards the levels and territorial scope of decentralised services. More than twenty central ministries and agencies dispose of decentralised services which function at the level of the former counties that existed until 1987. Decentralised services at two or more levels (including the municipal level) have been set up in particular areas, such as employment, the army, the police, tax administration, landed estate commissions. As regards the scope of the areas served by these decentralised structures the variety is very considerable.

The bulk of the regulations on the territorial organisation and functioning of the decentralised public services and their relationship to local and regional authorities is inadequate and obsolete. It is only in isolated cases that the establishment of decentralised structures is regulated by a law and generally such a law only envisages the creation of such structures, while the ministers and heads of the agencies concerned have the power to define the territorial scope, functions and attributions of those services. It follows that the structure and functioning of the decentralised services are regulated by ordinances of the Council of Ministers or by internal ministerial regulations of the affected ministries and administrations. With the Administrative Territorial Organisation of the Republic of Bulgaria Act concrete steps have been taken towards the establishment of decentralised services. The principle has been established that the demarcation of the sphere of action of the territorial services of ministries and administrations must not violate the borders of administrative territorial units (municipalities and regions) except where an act provides otherwise. The Council of Ministers has one year in which to make the territorial scope of decentralised structures of ministries and agencies coincide with the borders of the administrative territorial units.

The relationship between the decentralised public services and the municipal authorities becomes apparent through joint actions and the co-ordination of work for the exercise of shared competencies, technical assistance, mutual assistance in the drawing up of joint strategies, programmes and action plans, for controls, exchanges of information, participation in commissions, joint councils and in the case of administrative, penal and other measures which they share in cases set out by statute. At the regional level the interaction between services decentralised by law is achieved through the regional governor who is entrusted with the task of co-ordinating the activities of public bodies within the region and their relationship with the local authorities. It is he who exercises control over the legality of the acts and actions of decentralised services and local services.

3. ORGANS OF LOCAL OR REGIONAL AUTHORITIES

3.1. Deliberative body

At the municipal level the deliberative body is the municipal council. Pursuant to the Local Self-Government and Local Administration Act the composition of the municipal council is determined according to the population of the respective municipality.

– up to a population of 5 000:	11 councillors
– up to a population of 10 000:	19 councillors
– up to a population of 20 000:	25 councillors
– up to a population of 30 000:	29 councillors
– up to a population of 50 000:	39 councillors
– up to a population of 100 000:	45 councillors
– a population of more than 100 000:	51 councillors
– the capital municipality:	61 councillors

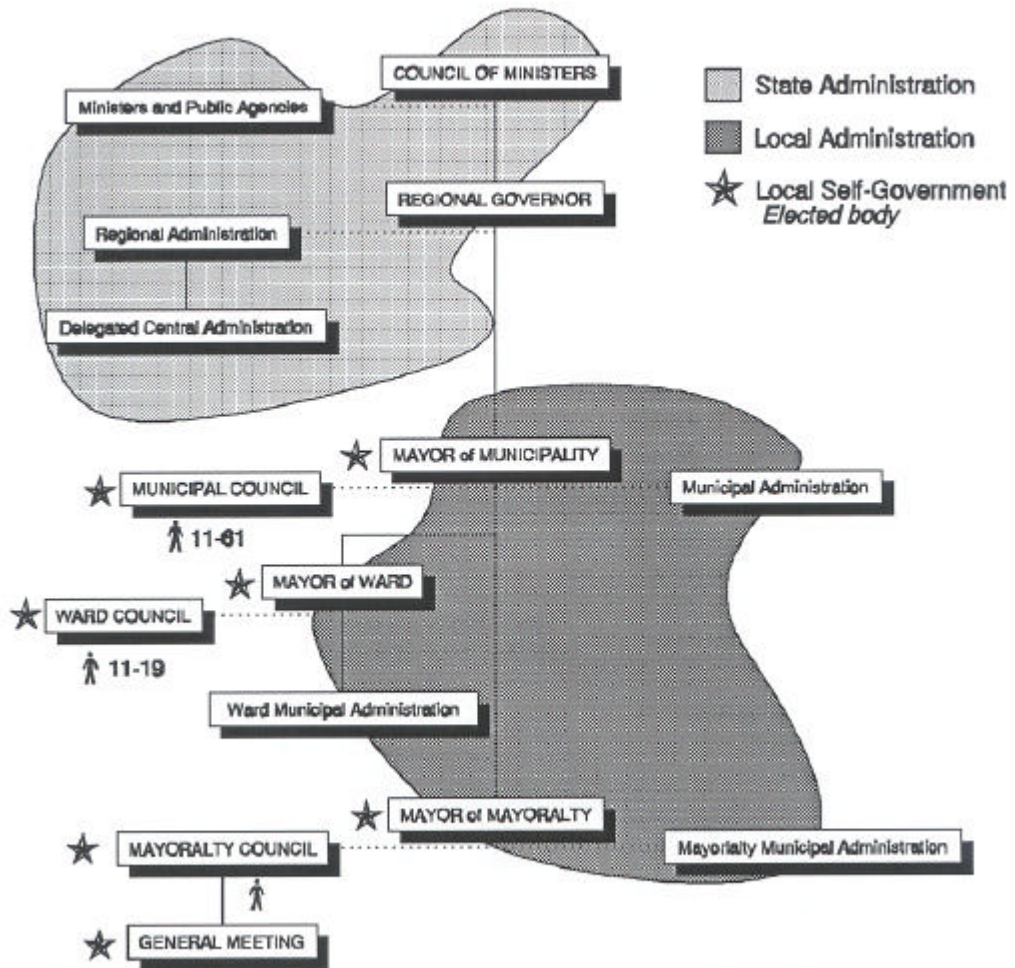
At the level of the ward there is an elected ward council. The number of ward councillors is determined according to the population of the ward:

– up to a population of 50 000:	11 councillors
– up to a population of 100 000:	15 councillors
– a population or more than 100 000:	19 councillors

The election of municipal and ward councillors is governed by the Local Elections Act (State Gazette, No. 66 of 1995; amendment, State Gazette, No. 33 of 1996). It is an election by direct universal suffrage. Citizens-voters must be domiciled in the municipality or ward concerned and have electoral rights. The electoral system is proportional, with no barrier of any sort. For this election the territory of the municipality or the ward constitutes a multi-member constituency. In accordance with the electoral system that has been adopted, the registered political parties and the electoral coalitions nominate their candidates on separate lists. These lists are final and cannot be altered at the time of the vote. Independent candidates may participate. Their candidacy is presented by a nominating committee composed of a minimum number of signatory voters. Seats are distributed in proportion to the results obtained using the Hondt method. The term of the municipal council and the ward council is four years as laid down in the Constitution.

STRUCTURE

Local self-government and state administration



The municipal council as a local authority defines the policy of the municipality in relation to the typical activities of that municipality: its heritage, its undertakings, its finances, taxes and fees and charges, its administration; the organisation and development of its territory and the settlements of which it is composed, public health, education in the municipality, culture, public works and municipality, culture, public works and municipal services on its territory, social assistance and social activities, the environment and protection of natural resources, maintenance of the municipality's cultural, historic and architectural monuments along with the promotion of sport, recreation and tourism.

The municipal council also performs other tasks that are of local importance and do not come within the sole competence of other bodies, as well as other activities which are assigned to it by law.

The municipal council adopts and controls the budget of the municipality, determines the level of municipal taxes, takes decisions on the acquisition, management and disposal of municipal assets, adopts strategies, programmes and action plans, approves decisions relating to associations within the municipality, street names, various administrative territorial changes, municipal referendums, etc. The decisions of the municipal council are binding on the executive body. However, they can be challenged under the Law on Local Self-Government and Local Administration and particular legislation.

The ward council assists the municipal council by finding solutions to the problems of the population living in the ward in the following field: administrative services for legal or natural bodies and works of improvement and urban development on the territory of the ward. It also performs functions assigned to it by the regulations on the organisation and functioning of the municipal council and the municipal administration.

At present there is no elected body of local self-government at the regional level.

3.2. Executive body

In the municipality the mayor is the executive body. Mayor of municipalities, like the mayors of wards and mayoralties, are elected by direct universal suffrage by the inhabitants of municipalities for a term of four years according to the Municipal Elections Act. Mayors of municipalities, wards or mayoralties are elected by the majority system in two rounds. For this purpose the territory of the municipality, ward or mayoralty constitutes an electoral district with a single mandate. The candidates are selected and nominated by the leadership of political parties and electoral coalitions registered with the State Municipal Elections Commission and with the Municipal Elections Commission.

Nominating committees that meet the requirements of the act may also nominate and put forward independent candidates. The election results are obtained as follows: a candidate is elected mayor in the first ballot if he has obtained more than half the votes actually cast. A second ballot is organised if none of the candidates has been elected in the first one. In the second ballot the candidate obtains who wins the largest number of actual votes cast. The elected representatives take the oath at the first sitting of the new municipal council.

Upon the mayor's motion, the municipal council elects one or more deputy mayors by secret ballot.

As the executive body of the municipality the mayor:

- directs the overall functioning of the municipality;
- guides and co-ordinates the activities of the specialised executive bodies;
- is responsible for maintaining public order;
- appoints and dismisses officials and employees of the municipal administration except for those of the wards and mayoralties;
- organises the implementation of municipal council decisions and accounts for it before the council;
- delegates some of his functions to the mayors of wards and mayoralties; co-ordinates their implementation and exercises control over the appropriateness and legality of their performance;
- organises the implementation of the municipal budget;
- maintains contacts with political parties, public organisations and movements as well as with other bodies of local self-government in the country and abroad;
- represents the municipality before natural and legal entities and before the courts.

The mayor of the municipality also acts in certain circumstances as an organ of decentralised public administration (see point 6.4).

The powers of the mayor of the municipality, as determined by law, are defined as powers to manage, co-ordinate, organise, execute and represent.

The mayor of a ward or a mayoralty:

- implements the budget of the municipality in the part referring to the ward or mayoralty;
- is responsible for the management of certain municipal property which the municipal council has entrusted to him and organises public works, municipal services and other activities;
- takes measures to improve and protect the environment and organises the security of rural assets;
- keeps up to date the population and civil status registers and ensures the delivery of administrative services to natural and legal bodies;
- appoints and dismisses the personnel of the municipal administration under his authority;
- represents the ward or mayoralty before the community, political and social organisations, etc.

Other functions may be delegated to mayors by virtue of acts or other regulations as well as by the rules of procedure on the organisation and functioning of the municipal council and the municipal administration. These rules are adopted by the municipal council.

At the regional level the regional governor heads the region assisted by deputy governors and a regional administration. The regional governor is appointed by the Council of Ministers. The deputy governors are appointed by the Prime Minister.

The regional governor:

- is responsible for implementing national policy in his region and is responsible for seeing through the administrative territorial reform; he co-ordinates the operation of state agencies and their relations with local authorities;
- is responsible for harmonising national interests with local interests, organises the development and implementation of strategies and programmes for regional development; interacts with local self-government bodies and the local administration;
- is responsible for the protection of the national heritage on the territory of the region;
- ensures observance of the laws on the territory of the region; exercises administrative control over and ensures the execution of decisions of the President of the Republic and the Council of Ministers;
- exercises control over the legality of the acts of local and regional self-government bodies and administration;
- exercises control over the legality of the acts of agencies, organisations and undertakings on the territory of the region;
- prepares the population for mobilisation and defence, is in charge of its protection in cases of disasters and accidents in general and is responsible for maintaining public order.

In performing his functions the regional governor may suspend the execution of unlawful acts of municipal councils and refer them to the courts. The regional governor may repeal unlawful acts of mayors of municipalities, for the repeal of which no special procedures are provided. His decision may be appealed against in the courts.

The regional governor convenes the first meeting of municipal councils and ward councils.

3.3. Political and administrative head of the local/regional authority

The mayor is the political and administrative head of the municipality. He is the administrative body in the sense of the Local Self-Government and Local Administration Act, the Administrative Procedure Act and the Administrative Offences and Sanctions Act.

The mayor is assisted in his work by deputy mayors (elected upon his motion by the municipal council), by a secretary and by the members of the municipal administration who are all part of the municipal personnel. In the cities where there are wards and mayoralties the mayor of the ward or the mayor of the mayoralty is the administrative head.

He is assisted by employees who are part of the municipal administration.

The mayor of the municipality is responsible for the entire executive activity of the municipal administration. In accordance with the structure approved by the municipal council, the mayor appoints and removes from office the municipal staff, except for those of wards and mayoralties. The employer of these latter is the mayor of the ward or the mayor of the mayoralty. The mayor of the municipality may delegate the performance of some of his tasks to mayors of wards and mayors of mayoralties and exercises control over the appropriateness and legality of their performance. As regards the powers assigned by law to the mayors of wards and mayoralties the mayor of the municipality only exercises control over the legality over their actions.

The secretary of the municipality, who is appointed by the mayor for an indeterminate term, plays a key role in the municipal administration. The secretary assists the mayor in the administrative management of staff. By the terms of the act the responsibilities of the secretary of the municipality are to:

- organise the work of the municipal administration;
- be responsible for the working conditions of staff, the organisation and technical supply of services;
- keep up to date the registers as well as the documentation and the archives of the municipality, and ensure the functioning of administrative services;
- be responsible for the maintaining the municipality's electoral register in an up-to-date form;
- ensure the preparation and promulgation of municipal legislation;
- handle citizens' complaints and suggestions;
- prepare and organise local referendums.

3.4. Division of powers and responsibilities between the different organs of local authorities

The distribution of powers between the municipal council and the mayor is traditionally based on their very nature. As the deliberative assembly, the municipal council defines the development policy of the activities of the municipality, its property and its finances. Its prerogatives include the adoption of the most important decisions for implementing that policy.

The mayor of the municipality is the executive body of the authority. In addition to the competences given to him by statute he may in cases envisaged by statute fulfil functions assigned to him by the state authorities. Under the Local Self-Government and Local Administration Act the municipal council may delegate further powers to the mayors of municipalities, wards and mayoralties. The mayor of a municipality may delegate certain of his powers to mayors of wards or mayoralties.

Mayors of municipalities or wards take part in sessions of the mayoral or ward council in a consultative role. The mayors of wards and mayoralties may also take part in sessions of the municipal council in a consultative role. They have the right to be heard on matters affecting their wards or mayoralties. The ward council may be convened at the request of the mayor of the municipality.

The mayor of the municipality organises the implementation of the decisions of the municipal council and accounts for it before the council. The municipal council may repeal those acts of a mayor which are in contravention of its decisions. But this refers only to decisions within the sole competence of the municipal council granted it by the act.

Any decision of the municipal council which is contrary to the interest of the municipality or the law, as well as decisions repealing an act of the mayor of the municipality, may be challenged by him in the courts and their execution is postponed.

There is no deliberative body at the regional level and there is no question of any horizontal distribution of powers and responsibilities.

3.5. Legal provisions concerning the internal structures of local/regional authorities

According to the act the local authorities have the essential powers to specify their internal structure and the organisation of their work.

Under the Local Self-Government and Local Administration Act the municipal council alone specifies its structure, elects its chairman by secret ballot from among its members, sets up standing and *ad hoc* committees and elects the members of these latter.

The standing committees of the municipal council:

- assess the community's needs in a given area and make proposals designed to solve the problems identified;
- assist the municipal council in drafting decisions on issues submitted to it;
- receive, on the subject of issues submitted, proposals and recommendations which they pass on to the municipal council and concerned individuals.

The chairman of the municipal or ward council:

- convenes and chairs council sessions;
- ensures preparation for council sessions;
- co-ordinates the work of standing committees;
- assists councillors;
- represents the council before outside persons and bodies.

As regards the internal structure of the municipal administration it is the municipal council which holds the main powers, and it is the council which decides on that rules, the share of the budget to be devoted to municipal staff salaries and the amount of remuneration of mayors. At the time of the adoption of the internal organisation of the administration the municipal council may decide to leave greater or lesser powers in this area to the mayor.

The internal structure approved by the municipal council are the basic text that governs the structure and organisation of work of the municipal council and the municipal administration.

All members of municipal administration staff are appointed by the mayor of the municipality; or by the mayor of the ward or the mayor of the mayoralty respectively.

A decision of the Council of Ministers establishes a national standard classification of posts in the local administration and their corresponding basic salaries.

The structure of the regional administration is established by a decision of the Council of Ministers. With the exception of the deputy regional governors the staff of the regional administration are appointed by the regional governor.

4. DIRECT CITIZEN PARTICIPATION IN DECISION-MAKING

The Constitution provides for the holding of referendums on the basis of the right to direct universal suffrage by secret ballot (Article 10). Along with electoral rights it gives citizens aged eighteen and over, unless disfranchised or imprisoned, the right to take part in other popular consultations. It is important to note that the constitutional provisions give citizens the right to take part in the management of the municipality not only by electing the deliberative bodies of local authorities but also directly through referendums or general meetings of the inhabitants. According to the Constitution the borders of municipalities are established following a consultation of public opinion. The direct participation of citizens of the Republic of Bulgaria in local self-government is thus guaranteed by the Constitution.

The constitutional principles are developed in recent legislation: the Local Self-Government and Local Administration Act, the Territorial Organisation Act and the Popular Consultations Act (State Gazette, No. 100/1996). The later establishes the conditions and types of popular consultation on issues of national or local relevance. Direct participation of citizens on the management of public matters is ensured by means of national or local referendums, general assemblies of citizens and consultations.

4.1. Local/regional referendums

Local referendums can only be organised on local issues within the competence of the local authority as defined by law. They can take place in a commune, district, borough or municipality.

It should be noted that the new legislation grants a right to hold local referendums on any issue falling within the sphere of activity of municipal policy. The legislation also provides for a compulsory local referendum on issues related to the creation, amalgamation or splitting of municipalities and in the event of the mayor ceasing to hold his office before the end of his term. A consultation with the population is also provided for in the event of a change in the borders of the municipality or of its administrative centre.

Thus citizens are given the possibility of directly influencing the making of decisions to do with the heritage of the municipality, its finances, the territorial organisation of the municipality, the structure of the municipal territory, public works, social activities, health, education, social welfare, culture, environmental protection and other activities of the municipality.

It is the municipal council which decides on the holding of a local referendum by a qualified majority vote. The expenses are covered by the municipal budget. The right of initiative in this respect also belongs to the electorate. According to statute, the person responsible for the technical organisation of local referendums and their conduct is the secretary of the municipality.

Issues concerning the municipal budget and taxes cannot be the subject of a local referendum; they are regulated by the Local Taxes Act; neither can be the subject of a referendum the issues for which the Law establishes special procedures.

The decision to organize a local referendum is taken by the municipal council and financed by the municipal budget. The initiative to organize a local referendum at municipal level (and similarly at district, borough or municipality level) corresponds to: at least one fourth of voters, at least one fourth of municipal councillors, the mayor and the governor of the region. Referendums are a tool of direct democracy and allow for voters approval of certain municipal council decisions concerning borrowing, sale and renting of municipal property, building and modernisation of public infrastructures which cannot be financed through municipal ordinary revenues. In these cases a referendum proposal should be submitted to the mayor for approval by the municipal council by at least one fourth of the voters. Within two months since the proposal was made, the mayor will fix a date for holding the referendum as well as the technical aspects connected with it.

4.2. Other forms of direct participation

Decisions on issues of importance to a commune, district, borough or municipality may also be taken through general meetings of their residents. These are usually matters to do with town planning, public infrastructures, health, protection of rural areas and municipal forests, security and other issues established by Law.

The "subscription" allows for citizens to make proposals to the municipal council about issues which are relevant to the commune. For the subscription to be valid, it should be signed by at least one fourth of voters. After deliberation, in conformity with the Self-government and Local Administration Act, the municipal council will take a decision on the items indicated in the subscription.

At the local level there are public discussions on projects, programmes and plans for buildings and developing the municipality. The discussion is held at meetings in the affected settlements, in the media or through other appropriate means. The organisation of the discussion requires a compulsory notice of the announcement of a discussion, an address to which opinions and proposals are communicated and adequate information on the procedures for processing these opinions and their publication.

There are legal regulations on the subject of the citizens' right of initiative as regards recourse to one of the forms of direct citizen participation through the expression of their opinion on the solution of very important local problems.

5. STATUS OF LOCAL ELECTED REPRESENTATIVES

5.1. Conditions for standing in local elections and duration of the term of office

Pursuant to the Municipal Elections Act local elected representatives are the municipal and ward councillors and mayors of municipalities, wards and mayoralties. All Bulgarian citizens aged eighteen and over, without dual nationality, who are not disfranchised and are registered as being domiciled in the municipality, ward or mayoralty concerned before the date on which the date of the election was announced, are eligible. Individuals who are disfranchised or imprisoned are not eligible.

There is some restriction on the electoral rights of military personnel, policemen, judges, procurators and examining magistrates who may not be registered as candidates for local elections in the name of a political party or coalition. Individuals belonging to these categories may only stand as independent candidates.

In accordance with the Local Self-Government and Local Administration Act candidates who do not have at least secondary education may not be elected mayor or deputy mayor.

The Constitution fixes the term of office of municipal councillors and mayors of municipalities at four years. The term of office of ward and mayoralty councillors is also four years.

5.2. Activities incompatible with the performance of a local elected representative's duties

The Local Self-Government and Local Administration Act provides that a municipal or ward councillor may not also be mayor of a municipality, ward or mayoralty, deputy mayor or the holder of any salaried position in the municipal administration. In the event of election or appointment of to one of these posts, his powers as councillor are terminated as required by the act. The termination of his powers is noted by the chairman of the municipal council and announced by him to the councillors. Conversely, a mayor may not at the same time be a municipal or ward councillor.

By the same act, for the duration of their term of office the mayor of a municipality and his deputies may not belong to the leading bodies of political parties or engage in commercial activities.

For this reason, the law guarantees local councillors the possibility of taking leave for the time in which they serve as elected representatives. Their employers are so informed with due notice by the chairman of the municipal council.

In addition, Bulgarian law absolutely rules out holding several elected offices simultaneously.

- According to the Constitution deputies/members of parliament may not simultaneously be members of the government. Nor may they be members of an elected municipal or ward council.

- The Local Self-Government and Local Administration Act allows an individual to stand for both mayor and councillor. But once elected mayor, that individual is automatically removed from the list of councillors.

In every case the law adheres to the principles of the separation of powers and of the relative autonomy of local authority from central government.

5.3. Regulations governing the financing of election campaigns

The afore-mentioned act lays down that the candidates' election campaigns for local elections may be financed by political parties and coalitions, gifts from legal or natural bodies that have no state, municipal or foreign participation. There is a limit on the maximum amount that may be spent in an election campaign.

Where it is established that a councillor or elected mayor has used funds whose origin is other than those allowed by statute, the procurator or a party or coalition participating in the election may initiate court proceedings and the court may annul the election. Funds fraudulently obtained must be paid into the state treasury.

In order to guarantee the effective application of the afore-cited provisions the Elections Act requires all newly elected representatives to declare to the council, within a month after the election, the source of finance of his campaign and the expenses incurred by his campaign.

The Elections Act does not allow public authorities to grant financial support to parties, coalitions or other social groups that have put up their candidates in local elections. The resources destined for the organisational and technical preparation of elections are paid out of the national budget. All the papers, requests, certificates and other documents in relation to the local elections are exempt from tax.

5.4. Duties and responsibilities of local elected representatives

Municipal and ward councillors have the duty to:

- attend meetings of the municipal or ward council. The act provides that the council must meet no less than six times a year in ordinary or extraordinary session. The spacing and duration of ordinary sessions are regulated by the councils in their standing orders and depend generally on the size of the municipality and the specific features of its problems. The standing orders also determine the conditions under which extraordinary meetings are called.
- attend the work of standing or *ad hoc* committees of the council. Matters to do with the procedure for the convening and functioning of the committees are dealt with in detail in the standing orders of councils;
- take part in the controls and collection of information for the council's needs;
- maintain contacts with their electors, give them information on the activities and decisions of the municipal council.

Municipal councillors do not participate in decisions on matters affecting their personal interests, or those of his/her spouse or relatives in the direct line to the fourth degree inclusive. Before a question is put to the vote, councillors are therefore required to declare whether there are such interests and not to take part in the vote. Apart from this prohibition, the law does not impose the obligation on councillors to declare their private or financial interests.

By the terms of the law there is a possibility of the cessation before the end of the term of office of a councillor if he does not perform his duties for more than six months. The decision to terminate is made by a resolution of the municipal council adopted by absolute majority. The application of such a possibility would amount to an extreme sanction against a councillor not performing his duty.

The standing orders on the organisation and functioning of the municipal council and municipal administration may provide for the imposition of further obligations and responsibilities on councillors essentially in relation to the maintenance of order and the proper running of work in meetings of the council and committees, as well as further sanctions for failing to perform their duties.

As regards the mayor it should be noted that his election makes him the executive body of the municipality; that fact affects the way in which his acts and activities are supervised and sanctioned. There is on the one hand the possibility of terminating his term of office if the municipal council notices that he has not been performing his duties for more than six months. The decision of the council to that end must be taken by a two-thirds majority of the total number of councillors. Should it not be possible to take a decision through this procedure, the municipal council can decide (by a majority of more than half the total number of councillors) to hold a referendum on terminating the powers of the mayor.

On the other hand, all the acts of the mayor in his position as administrative head are subject to control as to their legality according to the procedure laid down by statute.

5.5. Resignation

Elected representatives have the right to resign from their positions. By the Local Self-Government and Local Administration Act the term of office of councillors and mayors ceases ahead of term if they offer their resignation. The right to resign is regarded as part of the inalienable rights of elected representatives. The request by the individual concerned is not subject to a discussion or vote by the council, which has simply to take note of the resignation.

Termination ahead of term of a councillor or a mayor is announced to the municipal council by its chairman. The act regulates in great detail and comprehensively all the consequences of the resignation. The regulation does not lay down any special conditions on such an occasion nevertheless the request by the individual concerned must be in writing. This requirement is provided for, along with others, in the rules of procedure of the municipal council and municipal administration of many municipalities.

There are no duties or activities that an elected representative may not exercise after the end of his term of office.

5.6. Elected representatives' working conditions

It is the mayor of the municipality whom the law designates to implement the necessary organisational and technical working conditions for the work of the municipal council.

For the normal functioning of the municipal council suitable premises are provided for its meetings and for the meetings of standing committees. The chairman of the council and other councillors are also provided with offices in which to work.

Municipal and ward councillors are assisted and ensured by the municipal administration. As a general rule, municipal officers are especially assigned to the service of these councils.

In its rules of procedure each municipal council fixes the working hours and dates of council meetings with due reference to the requirement to hold six annual meetings. The rules of procedure also specify the organisation of the work of the standing committees.

5.7. Training for elected representatives

In Bulgaria there is at present no national structure or system providing training or information for elected representatives. This activity is carried on by a large number of organisations, both public and private, foundations, non-profit associations and non-governmental organisations, as well as political parties supporting candidates.

One of the best known organisations with annual training programmes given by highly qualified lecturers is the National Territorial Organisation and Housing Policy Centre in which a management training school exists. This school focuses all its activity on the training of local authorities. The national centre belongs to the European Network of Training Organisations for Local and Regional Authorities (ENTO). It prepares, publishes and distributes numerous collections of annotated laws, textbooks and various aids designed to be of direct help in their work to elected representatives and municipal administrations. Similar collections of laws and regulations are also published by private publishers.

In practice, it is the municipal councils and the mayors of municipalities who choose the type of training and the organisation that gives it.

5.8. Remuneration of elective office

In ratifying the European Charter of Local Self-Government the Republic of Bulgaria excluded Article 7 paragraph 2 from its field of application.

In principle elected representative are not remunerated and they are not entitled to get a salary. Councillors who have an occupation receive their full remuneration for their job for the period of their absence for performing their duties as elected representatives, and their employers are reimbursed from the municipal budget. A councillor who has no occupation receives payment in a form and amount determined by the municipal council. All councils have adopted in their rules of procedure provisions as to the amounts, form and periodicity of payments. These amounts depend on the time devoted to council and committee meetings. Travelling and other expenses incurred by councillors in connection with their activities in the council are covered by the municipal budget.

The mayors, as officials included on the salary scale, receive an allowance the amount of which is determined by the municipal council within limits set out by a decision of the Council of Ministers. The regulations classify posts into several groups of categories according to the size of the municipality, ward or mayoralty concerned.

By the terms of the Local Self-Government and Local Administration Act the municipal council may grant remuneration to its chairman or not depending on the size of the municipality and the work load.

In accordance with the legislation in force all the income of Bulgarian citizens is liable to income tax. This provision also applies to the incomes of local elected representatives.

Deductions for health insurance and retirement pensions schemes are compulsorily made from the remuneration paid to elected representatives who do not have an occupation. The remuneration of mayors is also subject to such deductions.

6. DISTRIBUTION OF POWERS BETWEEN THE VARIOUS CATEGORIES OF LOCAL AND REGIONAL AUTHORITIES

6.1. Principles governing the distribution of powers

The fundamental principles of the distribution of powers between local authorities and the central authorities rest on:

- the right to self-government and freedom for local authorities to exercise the powers granted to them. In accordance with the Local Self-Government and Local Administration Act citizens and local bodies that they have elected have the right, within the terms of their competence, to resolve any issue that falls within the sphere of action of local self-government. That sphere of action is defined by the act. The municipal councillors also have the right to decide on other issues of local importance that do not fall within the exclusive competence of other bodies;

- the right to defend their powers before the courts. By the terms of the Constitution and the Local Self-Government and Local Administration Act the municipal councils may challenge acts and actions infringing upon their rights in the courts. The Constitutional Court has competence to decide on disputes concerning the share of competence between local authorities and the central power.

6.2. Competencies of local authorities

The sphere of activity of local authorities is regulated by the Local Self-Government and Local Administration Act (Article 11) and embraces the powers and regulations on issues mainly to do with:

- municipal property, municipal undertakings, municipal finance, taxes and fees and charges, (local) municipal administration;
- the planning and development of the territory of the municipality and its constituent settlements;
- education and schooling – pre-school, primary, and secondary;
- public health: treatment in a dispensary, polyclinic, hospitalisation, prevention and prophylaxis, medical and social care, sanitary and hygiene activities;
- culture – cultural centres, theatres, orchestras, libraries, museums and museum collections, amateur groups, local rituals, traditions and customs, heritage;
- public utilities and facilities and services: water supply, sewage, drainage, electricity and electrification, central heating, telephones, streets and squares, parks, gardens, street lighting, creation of open spaces, adjusting waterways, household waste treatment, municipal transport, municipal baths, laundries, hotels, garages and cemeteries;
- social welfare: social care and social assistance, social housing and other social activities of municipal importance;
- environmental protection, control and rational utilisation of natural resources of municipal importance;
- protection and conservation (maintenance) of cultural, historical and architectural monuments of municipal importance;
- promotion of sport, leisure activities and tourism at the level of the municipality.

It should be observed that the marking out of the particular sphere of action and the distribution of powers in the areas of shared competence happens as part of an ongoing process of legislative reform in every area of activity. The current state of problems in the Republic of Bulgaria results from these changes and the application of legislative provisions that are out of date but still in force.

Analysis of the data in the table of competencies at the end of this chapter suggests the following conclusions:

Firstly, the local authorities hold totally or primarily powers in such areas as: kindergartens and day nurseries, public transport, household waste collection and disposal, cemeteries and crematoria, parks and open spaces. In addition to this group there are also powers concerning the management of the municipal administration, municipal theatres, museums and libraries, municipal sports facilities and municipal roads. The state also has its theatres, museums, etc. for whose management it alone is responsible.

Secondly, the sphere of shared competences includes essentially: education and pre-school education, primary and secondary education, hospitals and other medical establishments and social welfare. In these spheres of activity the local authorities are responsible not only for the facilities but also for the remuneration of the staff. The competences of the central authorities concern mainly the introduction of universally applicable regulations and service standards, overall management and the appointment of senior officials (school heads, hospital heads, etc.). Given that these powers of the central authorities are generally to be found in the decisions of the Council of Ministers, it happens that restrictions are placed on the powers of local authorities – openly or tacitly. It would, however, be fair to point out that the opposite is not excluded – the taking of decisions by the local authorities on matters within the competence of the central authorities.

A special case of shared competences is to be observed in the area of the supply of running water, drainage, sewage and central heating, in which the services are in the domain of both the state and municipal or mixed structures.

It must be said too that in the sphere of shared competences an imbalance can be observed between rights and responsibilities: the rights are rather reserved to the central authorities and the responsibilities (including the expense and the remuneration) on local authorities. For these reasons, the problem of the equitable division of powers in the sphere of shared competences has still to be settled.

Thirdly, the local authorities exercise their powers directly – through their administrative agencies or the municipal undertakings – or indirectly – by setting up commercial companies managing municipal assets (municipal property), by signing contracts with private companies or by granting concessions.

By the terms of the Municipal Property Act, municipal undertakings which exercise the competences of local authorities directly may be formed for:

- municipal development and activity – construction, building and maintenance of municipal facilities;
- the management and maintenance of municipal fairs and markets;
- social services and civil registration (rituals);
- the management and maintenance of municipal facilities for cultural activities, education, public health, sport and social activities;
- leisure and holiday activities, meals in schools and undertakings;
- transport.

For the regulation of indirect forms of the exercise of powers, the general provisions of commercial legislation and other specialised legislation is taken into consideration (as to schools, hospitals, cultural centres, cultural activities, etc.). Special regulations have been adopted for municipal concessions (Chapter 8 of the Municipal Property Act). By the terms of these provisions, concessions are authorised for the following activities:

- water supply, drainage and sewage;
- heating and gas supply;
- public transport and transport services;
- maintenance of streets, squares, parks and creation of open spaces;
- urban cleansing services and the treatment of household waste;
- commercial activities conducted on public municipal property;
- the upkeep of cemeteries and their gardens and related spaces.

The choice of the form for the direct or indirect exercise of powers depends entirely on the decisions of the municipal council.

Fourthly, the powers of other authorities (apart from the central and local authorities) for the performance of competences in the spheres of the above-mentioned activity relate above all to the right of private companies to propose of their own initiative (and not following an administrative authorisation) services in the area concerned, as well as in the area of judicial power and the church.

6.3. Participation of local/regional authorities in national economic and regional planning

In current legislation there are no rules for national economic planning (except for forecasts and budgetary planning).

The reform of the law in the area of planning and territorial development is well advanced. A wide discussion of the Territorial Development Bill has been launched which seeks to remove the various regulatory and administrative barriers in force which hamper the protection of the rights of owners and the interests of society. Development plans constitute the basis of many activities on the use and planning of the territory as well as for land use.

In accordance with legislation in force, questions on the territorial development of the territory of the municipality and settlements that are part of it are within the competence of local authorities. The municipal councils define the development policy and take decisions for the creation and approval of general and detailed development plans on the territory of the municipality or certain parts of it, the mayor of the municipality organising their implementation and approving amendments and supplements.

At the request of the Government the preparation of the territorial development strategy of the Republic of Bulgaria is currently being organised. The draft law concerning this document has been submitted to the Parliament as well as to local authorities and has been made available to interested parties.

6.4. Powers delegated to local or regional authorities acting as agents of the central authority

The Local Self-Government and Local Administration Act assigns powers to the mayor (or secretary) of the municipality as delegated tasks of local authorities in the following cases:

- maintenance of public order and, to this end, the individual (official) in question may issue written orders, which are binding on the respective police departments;
- ensuring the implementation of the acts and orders of the President of the Republic and the Council of Ministers;
- performing the functions of a state civil servant, functions that he may delegate with a written order to employees of the local administration;
- regular updating of electoral registers in the municipality;
- organisation, management and supervision of the protection of agricultural assets and property on the territory of the municipality.

Pursuant to other laws, public state functions are delegated to local authorities:

- in the area of territorial development;
- administrative departments for natural and legal bodies;
- defence and mobilisation measures;
- for the organisation and running of elections, referendums, etc.

6.5. Envisaged or current reforms in the distribution of powers between the local authorities and central government

The powers of local authorities and central government in the field of shared responsibilities for the interaction and equality of rights and responsibilities will shortly be redistributed.

Changes are expected in the distribution of powers, essentially with a view to reducing and limiting the current powers of the central authorities after the eventual transformation of the regions into territorial authorities with a level of self-government.

Function	Competent authority			Type of competence				Exercise of the competence				Remarks *
	State	Intermediate	Municipality	Exclusive	Shared	Compulsory	Discretionary	Direct	Indirect	In own right	For another authority	
General administration	•		•	•				•				
Security, police	•			•				•				
Fire protection	•							•				
Civil protection	•		•	•				•				
Justice	•										•	
Civil status register	•		•					•				
Statistical office	•			•					•		•	
Electoral register	•		•	•								
Education												
Pre-school education	•		•		•				•		•	
Primary education	•		•		•				•		•	
Secondary education	•		•		•				•		•	
Vocational and technical	•			•					•		•	
Higher education	•			•					•		•	
Adult education	•		•		•				•		•	
Other												
Public health												
Hospitals	•		•		•				•			
Health protection	•		•		•				•			

Function	Competent authority			Type of competence				Exercise of the competence				Remarks *
	State	Intermediate	Municipality	Exclusive	Shared	Compulsory	Discretionary	Direct	Indirect	In own right	For another authority	
Social welfare												
Kindergarten and nursery			•	•					•		•	
Family welfare services	•		•		•			•	•			
Welfare homes			•					•	•			
Social security	•		•		•							
Other												
Housing and town planning												
Housing	•		•		•			•	•			
Town planning	•		•		•			•	•			
Regional/spatial planning	•							•	•			
Environment, public sanitation	•		•		•			•				
Water & sewage	•		•		•			•	•			
Refuse collection & disposal			•	•				•	•			
Cemeteries & crematoria			•	•				•	•			
Slaughterhouses	•								•			
Environmental protection	•		•		•			•				
Consumer protection	•								•			
Culture, leisure & sports	•		•	•				•	•			
Theatres & concerts	•		•	•					•			
Museums & libraries	•		•	•					•			
Parks & open spaces	•		•	•				•	•			
Sports & leisure	•		•	•				•	•			

7. CO-OPERATION AND OTHER TYPES OF LINKAGE BETWEEN LOCAL/REGIONAL AUTHORITIES

7.1. Institutionalised co-operation

7.1.1. Legal framework

The legal basis which regulates co-operation among local and regional authorities appears in the Constitution and the Local Self-Government and Local Administration Act.

The constitutional provisions guarantee the legal possibility of:

- co-operation and other forms of association of citizens and bodies corporate in the pursuit of economic and social progress;
- self-governing territorial authorities forming associations for the purpose of settling common issues;
- the provision, through an act, of conditions for the association of municipalities.

The Local Self-Government and Local Administration Act enshrines the right for administrative territorial units to associate voluntarily for the purpose of settling common issues and tasks. This relates to joint co-operation and actions in the exercise of the inherent competences of local authorities, for example, the building of facilities for joint use, etc.

The amendment of the said act in 1995 widened the right of municipalities to associate to defend their interests and to promote and support local self-government, by creating national and regional associations. This right is only guaranteed to municipalities since at the present time they are the only administrative territorial units in which the principles of self-government operate. These provisions of the said act have their counterpart in Article 10 paragraph 1 and 2, of the European Charter of Local Self-Government.

7.1.2. Types of associations

The association between administrative territorial units is on a voluntary basis and respects the principle of equality. Bulgarian law contains no provisions specifying the forms or conditions for the compulsory association of municipalities.

As a general rule municipal associations are multi-purpose. The number and nature of the purposes are set out in the articles adopted by the association.

There are no legal constraints on the participation of a municipality in more than one association.

A national association of municipalities is clearly provided for in the act; currently over two-thirds of the municipalities in the country are members of it.

7.1.3. Association purposes

The most common cases of association between municipalities are for the purpose of accomplishing the following tasks of common interest:

- joint construction and use of facilities – roads, water supply facilities, social projects, etc.;
- promotion of activities in town planning – both within and outside built-up areas, civil engineering activities and building within the urban areas themselves;
- control and rational use of local resources;
- joint initiatives for environmental protection.

7.1.4. Organisational forms

The law sets out a framework for and the limits on the purpose, manner of formation and management of the various forms of intermunicipal co-operation.

The decision for the municipality to participate in associations of local authorities must be taken by the municipal council. The municipal councils also adopt their articles of association and appoint representatives.

Given that Bulgarian law lacks any specific regulations on the association of local authorities, these associations are formed and function as non-commercial organisations. The association acquires the status of a body corporate after its registration in the relevant register of the tribunal. The management of associations follows the rules established by their articles of association adopted by the general meeting of the founder members. The Persons and Families Act state requirements as to the content of the articles of association which must include the name, purpose, funds, structure, term of existence (where relevant), manner of representation, terms and procedures for convening the general meeting, making known the agenda, admitting new members, terminating membership of the association and determining membership dues.

The highest authority of an association is the general assembly of members. Therefore, a significant part of the main problems of associations between local authorities is left to free bargaining and definition in the respective articles of association.

The management of associations of municipalities is conducted in accordance with the rules adopted in the articles of association.

The management of associations is in the hands of the general assembly consisting of the authorised representatives of the member municipalities. At the general meeting every member is entitled to one vote. The special tasks of the general meeting are:

- to adopt and amend the articles of association; elect managerial and supervisory bodies; define the association structure and managerial staff; determine the membership dues; adopt the budget and adopt the report on the activities of the association; annul decisions of the managerial bodies which contradict the articles of association, etc.

Differences can be observed in how associations organise the implementation of the decisions of the general meeting.

In some cases, the general meeting elects a board of management and a supervisory board which implements the decisions of the general assembly and manages the association between one general assembly and the next. In other cases the association does not elect executive or managerial bodies and delegates almost all functions to the general meeting, electing a chairman and a secretary of the association.

Some associations have a fixed term of existence. There are fewer changes in the composition of such associations. Changes most often occur in the composition of associations formed to accomplish permanent tasks, such as environmental protection, town planning or seeing through infrastructure projects.

Relations between the associations and their members and the working methods are set out in the articles of association and in the Act of Application and the organisation of its activity with due respect for the fundamental principles of association – its voluntary character and legal equality.

7.2. Legislative provisions exist concerning associations of local authorities at national or regional level

Amendments to the Local Self-Government and Local Administration Act in 1995 introduced the following legal possibilities:

- municipalities may set up a national association and regional associations to defend their interests and sustain and promote local self-government.

The national association:

- represents its members in dealings with the state;
- formulates proposals for amending and improving the legal framework of local self-government;
- formulates proposals concerning the budget of the municipalities;
- liaises and interacts with similar organisations in other countries and makes approaches to become a member of international associations;
- carries out many other functions, set out in its articles of association.

These powers may be exercised provided that more than two-thirds of the municipalities in the country belong to the national association.

7.3. Co-operation between local/regional authorities in different countries

Bulgarian law allows recognition of a given municipality's decision to participate in associations abroad and to delegate representatives there. The national association also has the right to make contacts with similar organisations in other countries and to become a member of international organisations.

8. FINANCE

8.1. Taxes

8.1.1. Own taxes collected by local authorities (i.e. those in which no other authorities have a share)

The own taxes collected by local authorities are:

- tax on buildings;
- inheritance tax;
- gift tax;
- tax on the conveyances of property.

In the law on local taxes and fees and charges the last two taxes are treated as taxes although by their legal nature they represent a charge. The amendment to that law already laid before parliament corrects this wording, these "taxes" being described as "charges".

In 1996 the scale of payment for the building tax was updated.

In the structure of income for municipalities in 1995, the proportion arising from the building tax was some 0.7%, the inheritance tax, 0.2% and the tax on obtaining an asset through a gift and by purchase, 2.3%.

8.1.2. Powers of local authorities to fix the amount and rates of local taxes and to raise new taxes

According to Article 84 [3] of the Constitution, the amount and rates of taxes are determined and defined by law. Local authorities do not have the power to determine the amount and rates of local taxes nor to raise new taxes. The provision in the Local Self-Government and Local Administration Act that municipal councils may determine the amount of taxes and charges and fees within limits set by law, at present only applies to taxes.

8.1.3. General taxes of which municipalities receive a fixed proportion

Municipalities receive a proportion of the general taxes paid on their territory, as follows:

- 50% of income tax. The actual amount of the municipal share in this tax is determined in the annual national budget;
- 6.5% of the profits tax. The municipal share is governed by the Profits Act (State Gazette, No. 59 of 1996). Furthermore, the same act indicates the total amount of profits tax due from commercial companies with a municipal participation in excess of 50%, which may be paid to the budget of the municipality;

- the indirect taxes, collected from unincorporated legal entities, producing wine and alcohol above a certain quantity. This is provided for in the Indirect Taxes Act (State Gazette, No. 19 of 1994) which provides that these indirect taxes should be paid into the municipal budget.

About 40% of the total revenue of the budgets of municipalities arises from this sort of income from municipalities' share in the above-mentioned taxes.

8.2. Grants from higher authorities

The municipalities receive annual grants in the State Budget Act. These grants represent a major financial contribution to the structure of municipal revenue – 46% of all receipts in 1995.

8.2.1. Grants allocated by higher authorities

Each year every municipality receives from the state three sorts of grants: general grants and two earmarked grants:

The general grant is essentially designed to cover current expenditure. In making up their budget, municipal councils are free to distribute these sums as they wish, provided they respect the priorities defined by statute. Since 1993 the sum allocated as general grants is distributed according to the Methodology on budgetary relationships between the budget of the Republic and municipal budgets. It includes twenty-two objective criteria, the most important of which have to do with the number of inhabitants and rates of activity in public health, education and social welfare and assistance. These criteria determine almost 70% of the total amount of the grant.

An earmarked grant is reserved for the purchase of fixed assets. Each year the Ministry of Finance approves the list of projects submitted by municipalities including construction proposals and other expenditure in the nature of investment. The earmarked grant is paid from the state budget in accordance with the State Budget Act.

An earmarked efficiency grant for civil engineering – for the maintenance and reconstruction of municipal roads (fourth class) and minor drainage works. These funds are approved each year in the State Budget Act, in addition to the funds allocated in point 2.

The total of these transfers from the state budget to the municipalities in 1995 was distributed as follows: general grant – 82%, earmarked grant for fixed assets – 10%, earmarked grant (public works) – 8%.

For the time being, there are no grants conditional upon financial participation by the municipalities but the Local Finance Bill provides for the introduction of criteria for such grants.

The system of grants is governed each year by the State Budget Act. The executive has only limited possibilities of amending them by orders. The executive can influence the rate at which the respective share of the annual grant is disbursed, in the light of state budget receipts.

8.3. Equalisation arrangements

The Methodology on budgetary relationships between the budget of the Republic and municipal budgets contains mechanisms for ensuring horizontal financial equalisation with a view to guaranteeing actual equality between the various local authorities taking into account their tax base. This is achieved by including in the accounts an equalisation fund that works with a threshold revenue level (lower and upper limits). Improved mechanisms are being developed to provide horizontal financial balance and to enhance financial equality among the various municipalities.

8.4. Other sources of income

8.4.1. Fees and charges paid by users of local authority services

According to the Local Fees and Charges Act and the table of local fees and charges rates which is adopted by an order of the Council of Ministers, municipalities collect fees for the services that they offer. Depending on the authority that sets the amount, local fees and charges can be arranged in three groups:

Firstly, local charges and fees whose amount is fixed by the municipal councils at their own discretion: for the removal of household waste; for the use of summer camps, play areas, stadia and for the use of the water system – drainage and sewage.

Secondly, local charges of which the only limits (upper and lower) are fixed by the table of rates approved by the Council of Ministers. The municipal councils determine the actual amount of the charges within those limits. These include the bulk of local fees and charges for: the use of day nurseries and kindergartens; technical services; the use of markets and fairs, highways and pavements; the licensing of dogs; the use of quarry material; small ads and advertising; holiday charges; rents for land for graves in cemeteries; admission of old people to old people's homes, etc.

Thirdly, local fees and charges whose amount is determined by the Council of Ministers. These are charges particularly for: the use of vehicles; services of an administrative nature; notarised legalisation and certificates of veterinary services.

In 1995 local fees and charges accounted for 7.1% of the global income of municipalities.

8.4.2. Rents and other receipts from municipal property

According to the Immovable Property Act, the fixed assets of municipalities ? municipal private property intended for the needs of production or for economic purposes ? may be hired out by the mayor following a tender according to a procedure and on conditions which are incorporated in an ordinance of the municipal council.

Municipalities also have housing stock that can be rented out. The renting of this housing is done pursuant to a written instruction from the mayor of the municipality following a procedure and on conditions set out in the Act and the regulation implementing it as well as pursuant to an ordinance of the Municipal Council. The municipal councils fix the basic rents for the municipality's property.

The municipality also collects other revenues by using municipal property ? sales, exchanges, leases, etc.

These receipts account for about 6 or 7% of all receipts.

In accordance with the law other funds may be constituted outside the budget of municipalities: the municipal privatisation fund, the "Housing construction" fund, the "Ecology fund", the "Thirteen centuries of Bulgaria" fund, etc. The financing of these funds is governed by regulations. In principle, these funds are earmarked and are used essentially for investment.

8.5. Borrowing

Municipalities have the right to raise loans to cover "insufficiencies" in the municipal budget, but cannot use them for general purposes (paying salaries, operating expenses, etc.). To raise a loan local authorities do not require authorisation from higher authorities.

Institutions giving loans to local authorities are mainly:

- **the budget of the Republic.** Such loans are interest-free and must be repaid before the end of the financial year;
- **financial and credit institutions.** Because of the actual situation of the country (very high inflation and interest rates) municipalities only resort to this type of loan in exceptional circumstances.

There are no clear regulations for the problems associated with requests for loans from municipalities to financial and credit institutions. At present, only the government may raise loans abroad, directing some of its resources to the municipalities (for water supply projects, the road network). In future, it is hoped to be possible to allow municipalities to use loans in foreign currency from foreign financial institutions, with the state giving a guarantee.

8.6. Financial control by the higher authorities

The expert authorities of the Ministry of Finance and the Court of Auditors exercise economic control of the activity of municipalities. The authorities of the Court of Auditors verify and control the legality and appropriateness of the implementation of the budgets of the municipalities. The results of supervisory activity are entered in the acts, proceedings, decisions and reports. In the event of damage caused in the implementation of budgets, those concerned are held to financial account, in accordance with the provisions of the Financial Control Act.

The system of local financing is in need of overall reform. A local finance bill has already been tabled in the National Assembly and a local tax and fees and charges bill is being drafted, and should be tabled before the National Assembly by the end of 1996.

9. CONTROLS OVER LOCAL/REGIONAL AUTHORITIES

9.1. General administrative supervision of the acts of local/regional authorities

In the Republic of Bulgaria there is no specialist body at the national level to exercise general administrative supervision and control over the activity of local and regional authorities.

The Constitution provides for the establishment of a supreme administrative tribunal which, in combination with the administrative divisions of courts of first instance and appeal courts will be able to exercise control over the legality of the acts of local and regional authorities. It would also have to exercise supervision to ensure the strict, rigorous and fair application of the laws in the administrative domain and decide on disputes as to the legality of the acts of the Council of Ministers and ministers and other acts referred to in the act.

At present administrative control over the acts of local authorities is based on the Local Self-Government and Local Administration Act and the Administrative Procedure Act.

The law gives the main responsibility for control of the legality of the acts and actions of local authorities to the regional governor.

By the terms of the Constitution (Article 144) the central authorities of the state and their representatives may only exercise control over the legality of the acts of local authorities when that is envisaged by law. Therefore, the main supervisory agent, the regional governor, only controls the legality, the formal aspect. He has no power to exercise control over the appropriateness.

The control measures set out by the law and reserved to the regional governor against illegal acts are of a different kind, given the body that formulated them.

The regional governor may suspend unlawful acts of municipal councils and refer them to the relevant court in case of formal illegality. He does not have the power to annul or amend the acts of a municipal council. The court alone is the authority competent to pronounce on the facts.

The illegal acts of the mayor of a municipality may be annulled by the regional governor. However, that does not apply to acts which can only be annulled following a special procedure.

The central authorities may also exercise control over the activities and decisions of local authorities in the implementation of special laws, when powers in the relevant area have been delegated to local authorities.

9.2. Remedies for local authorities against abusive exercise of administrative controls

In the event of the abusive exercise of control, the rights of local authorities may be defended before a court. The local authorities may appeal before a competent court against all the decisions of a regional governor to halt the illegal acts of municipal councils.

9.3. Audit of the accounts of local authorities

Pursuant to the Public Financial Control Act (State Gazette, No. 12 of 1996) financial controls (reviews) of the activity of local authorities are made at least once every three years. The controls are carried out by the financial control authorities under the responsibility of the Minister of Finance. The aims of financial control are verification of the legality and the authenticity of the documentation and accounting reports, the collection, conservation, management, expenditure and property titles, etc.

The normal review is guaranteed by regulations giving access to the documentation of statements and accounts. The results of controls are entered in review acts or protocols. In the event of proven malfeasance for which financial responsibility is demanded, a repayment order is drawn up.

The local authorities have the right to seize the control authority which has carried out the review or the body which is superior to it and also to appeal to the courts and ask for a judicial review.

9.4. Other forms of control

In addition to the administrative control (point 9.3) to which local authorities are liable, they are also subject to judicial and civil control.

The legality of the acts of municipal authorities may be appealed against before a court. Apart from the general procedure pursuant to the Administrative Procedure Act and the Civil Procedure Code, that may also be done following the procedure laid down in special legislation.

Thus, if all other possibilities have been exhausted or if the deadline for recourse through administrative channels has passed, legal and natural bodies whose rights have been harmed and the procurator may lodge a complaint.

For requests against administrative acts issued by the municipal authorities the relevant county court pronounces. For the acts of regional governors and the municipality of Sofia, the Supreme Court.

The requests for an administrative act to be nullified may be introduced without any time-limit.

The court may annul an administrative act in full or in part or may amend it or it may dismiss the request.

In the case of an illegal refusal to issue an act, the court compels the administrative authority to perform it without pronouncing on the content.

The inhabitants of a municipality have the right to participate directly in the settlement of

important municipal issues through local referendums, general meetings and other forms. This is in fact a sort of civil control over the activities of the authorities of the municipality (see chapter 4).

10. REMEDIES AGAINST DECISIONS OF LOCAL AUTHORITIES

Individuals who feel that their rights and interests have been infringed by the decisions of local authorities may defend themselves in several ways:

- In cases where it involves the act of the mayor of the municipality, which is infringing the interests of the citizen and is at variance with a decision of the municipal council, the individual may have recourse to the local authority. The municipal council has the right to annul an act of the mayor at its first meeting but no later than two months after the act has been issued.
- In the case of an act of the municipal council or the mayor of the municipality for the annulment of which no special procedure is laid down, the individual may seize the regional governor of it. He may halt implementation of the illegal act of the local authority. For the same reason the regional governor may annul the illegal act by the mayor of a municipality. The governor may perform his control functions within a month of receipt of the acts by the regional administration.
- In cases where local authorities have issued an administrative act which infringes on the rights and interests of the individual, the latter may lodge an appeal against that act (within a specified time) to the administrative tribunal, which has the right to annul it if it is in breach of the law.
- In cases where, following a transaction made by the local authorities, the rights of individuals have been infringed because of a breach of the law, any individual may ask for a declaration of the nullity of that transaction by a civil court which applies the rules of civil legislation in general.
- Individuals whose rights and interests have been infringed by the acts of the regional governor may appeal against those acts within fourteen days to the Supreme Administrative Court which may annul them if in they are at variance with the law.
- In addition to the cases mentioned, individuals may defend their rights against unlawful acts of local authorities by approaching the public prosecutor's department which is responsible for general control of legality in the country.

11. LOCAL/REGIONAL ADMINISTRATIVE PERSONNEL

11.1. Definition of categories of personnel

The staff of local administration includes:

- elected representatives: mayors of municipalities, wards and mayoralties, directly elected by the inhabitants and the deputy mayors of municipalities, elected by the municipal council upon the proposal of the mayor;
- employees with a salaried post – the secretary of the municipality and other employees of the municipality.

Issues relating to the categories of officials of the municipality have not yet been wholly settled. By an order, the Council of Ministers has adopted a classification system of posts in the public and local administrations. The classification in force takes account of the size of municipalities, wards and mayoralties, as well as the special situation of the municipality of Sofia. Given the size of the population, the posts are separated out: for municipalities into six groups, for mayoralties into four groups and for wards into two groups.

11.2. Authority responsible for administrative status

The mayor of the municipality manages all the executive activities of the municipality, directing and co-ordinating the activity of the specialist executive services of the local administration. Heading the local administration, the mayor is assisted by the secretary of the municipality who according to the act organises the activity of the municipal administration and is responsible for the working conditions of municipal staff in the municipality. The new wording of the Local Self-Government and Local Administration Act grants mayors of wards and mayoralties enhanced powers over the local administration working in the wards and mayoralties. As regards staff, the mayors of wards and mayoralties have almost all the rights of an employer, in accordance with the Labour Code.

The powers of a municipal council differ solely as regards the adoption of the structure of local administration.

11.3. Authority responsible for financial status

The municipal council has the power to determine the size of the remuneration of mayors in the framework of legal provisions in force and to determine the funds allocated for the salaries of staff from the municipal budget.

The mayors determine the amount of the individual remuneration of each employee and in so doing exercise their role as employers. They are obliged to do so within the funds allocated by the municipal council and in accordance with the scale for beginning salaries approved by the government which they cannot exceed by more than 75%.

11.4. Relationship between local authorities' conditions of service and those of public servants in the national civil service

A government employees bill will soon be adopted which will regulate in detail the status and conditions of work of all employees and public officials including the staff of local administrations. By the terms of that act, the officials of municipalities will acquire the status of government employees. For that reason, at present, the provisions of the Labour Code and other laws in the area of pensions and social security are applied in the same way for all categories of public and municipal servants.

11.5. Authority responsible for recruitment

The mayor of the municipality appoints and dismisses the heads of departments and officials in the local administration, with the exception of those working in wards and mayoralties. In their case the rights of employer are exercised by the mayors of the respective wards and mayoralties. All the acts of the mayors of wards and mayoralties, as employers, are subject to a preliminary control of legality by the mayor of the municipality.

In the various municipalities the practice of appointing staff may vary considerably. For highly trained staff in senior positions competitions are organised for which advertisements are placed which set out the precise qualifications sought in applicants. The procedure for the holding of the competition is, as a general rule, governed by the Labour Code whose binding requirements are elaborated in the detailed acts of the various municipalities.

11.6. Numbers

Some 20 000 individuals work in the local administration of whom 48% form a delegated local administration in the wards and mayoralties.

It must be remembered that the Local Self-Government and Local Administration Act regards as "local administration" employees and officials who work not only in the municipality but also in the regional administration. Given that the region is not yet a territorial entity but solely a state structure, the problems of regional administration have not been examined in the responses given. In general, the following may be said about this staff:

- for categorisation and status – they are appointed public officials who work in an organisation and a category of post approved by the Council of Ministers;
- as regards appointment – all the employees and officials in the regional administration are appointed by the regional governor, while he is appointed by the Council of Ministers and his deputies by the Prime Minister;
- as regards numbers – they are determined by the Council of Ministers and they are currently about 400.

12. REFORMS ENVISAGED OR IN PROGRESS

The administrative and territorial reform in the country is continuing in accordance with the principles adopted and in the steps set out for its achievement.

The reform that has been launched is being carried out on the basis of a continuing widening of law making which in 1996 includes:

- the Constitution of the Republic of Bulgaria, adopted in 1991;
- the European Charter of Local Self-Government, ratified in 1995;
- the Local Self-Government and Local Administration Act, adopted in 1991 and significantly amended in 1995;
- the Administrative and Territorial Organisation of the Republic of Bulgaria Act, adopted in 1995;
- the Territorial Division of the Municipality of the Capital and Large Cities Act, adopted in 1995;
- the Municipal Elections Act, adopted in 1995;
- the Municipal Property Act, adopted in 1996;
- the Consultation of Public Opinion Act, adopted in 1996.

Currently, the National Assembly is examining a local finance bill and a local taxes, fees and charges bill. The aim of these two bills and the act already adopted on municipal property is to guarantee the conditions for the financial and material self-government of municipalities.

Similarly, a bill has been circulated to those concerned on regional development so as to provide a new way of regulating social relations in the regional development and town planning area, in accordance with the constitutionally defined status of private property and the spirit of free enterprise.

A government employees bill is being drafted which will, among other things, regulate the status, rights and duties of employees in local authorities.

Issues to do with making the regions into territorial communities as a sort of regional level of self-government will be the subject of studies and discussions during the next stages of reform which will take place between 1998 and 2000.