

Danish Ministry of Foreign Affairs

**Consultancy Services for
the Russian-Danish Local
Government Programme**

Final report

August 2009

COWI



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- Annex II Programme and list of participants for the final seminar on July 2, 2009 in St. Petersburg – both in Russian and English
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1 Introduction

1.1 Summary

The project activities started in December 2007. An Inception Report was submitted on March 26, 2008 covering the period from the start of the project and up to March 1, 2009; the First Progress report was submitted on October 2, 2008 covering the period from March 1, 2008 to September 30, 2008; and a Second Progress Report was submitted on March 31, 2009 covering the period from October 1, 2008 to March 31, 2009.

This final report covers the period from April 1, 2009 to August 31, 2009, which is the final reporting period for the original project. The report gives an overview of the overall results of the project and on the activities undertaken in the last five months of the project.

Three Steering Committee Meetings have been conducted: On April 9, 2008; on October 21, 2008 and on April 14, 2009.

The project has in general developed very successfully in accordance with the original goals and expected results as these are outlined in the project Terms of Reference, in the Project Proposal as revised in the Inception Report.

The results have been achieved because of a very active participation and cooperation between the four Russian pilot municipalities and pilot regions as well as from the four Danish municipalities.

A flexible approach by the Danish Ministry of Foreign Affairs in all administrative and practical issues as well as the cooperation with the Embassy of the Russian Federation has made it possible to organize and implement the work smoothly.

The Danida Fellowship Centre has provided very professional and forthcoming assistance in organizing study tours to Denmark.

2 Project activities April-September 2009

2.1 Study tours

Two study tours to Denmark took place during the reporting period:

- A delegation from St. Petersburg visiting Aalborg and Copenhagen from May 25 to May 30, 2009
- A delegation from Vologda Oblast and Kirillov Municipal District visiting Bornholm and Copenhagen from May 25 to May 31, 2009.

Both study tours were highly appreciated by the participants.

2.2 Steering Committee Meeting

The third Steering Committee Meeting was held on April 14, 2009 in COWI. Please see Annex I for further information.

The Steering Committee mainly discussed the development of the project and the plans for the remaining project period, and expressed satisfaction with the achieved results and the upcoming plans. Three issues merit special mention:

- How to realize and implement the strategies and concepts for development which have been worked out during the project, and
- How to ensure the dissemination of project results.
- An extension of one of the Bornholm- Kirillov component upon a request from the governor of Vologda region.

For further elaboration on these aspects of the project see below Paragraph 2.3 and Paragraph 3, respectively.

2.3 Completion of the four pilot projects

During the reporting period the project team of Russian and Danish experts has focused on wrapping up and completing the main project results including the presentation and discussion of these results.

Thus concerning all the four pilot projects a final report with final analyses and recommendations was drafted and presented by the Russian experts and stakeholders as well as by the Danish experts and municipal representatives.

The final documents/reports (eight in all) with their attachments are presented in Annex II both in Russian and in English. They can also be found on the programme web-page: www.cowiprojects.com/rdc/.

2.4 Final (Concluding) Project Seminar

The concluding Project Seminar took place on July 2, 2009 in St. Petersburg.

At the seminar, representatives from the Russian pilot regions and pilot municipalities and from the Danish municipalities presented their final results and recommendations.

In general the presentations were very well received. It was jointly agreed that

- All the four pilot projects have led to realistic and sustainable results (see para. 3 below);
- the involved regions and municipalities want access to information on the results of all the four pilot projects - not only their own; and hence
- it is considered very important to ensure a proper and efficient dissemination of the final results of the programme and of each of the four pilot projects (see para. 4 below)

Several participants expressed a wish for continuing the co-operation beyond the framework of the Danish-Russian Local Government Programme, and informed about their planned activities for applying for funds for such a future co-operation.

The agenda and list of participants for the seminar is enclosed as Annex III.

3 Main results of the four pilot projects

3.1 Kaliningrad Oblast (Gusev Town): Solid Household Waste Collection, Separation and Processing: Concept Development

Danish Partner: Municipality of Odense including Odense Waste Management Company LTD.

In general there is a lack of coherent federal policies, requirements and standards in this field and there seems even so far to be no real federal strategies on waste management. The responsibility is left to the regional level (subjects of the Russian Federation).

This means that in most Russian regions and in most Russian municipalities the design and operation of dump sites do not meet environmental and hygienic guidelines. In this respect the pilot project in Gusev Town (Kaliningrad Oblast) was highly relevant and urgent.

The situation in Gusev Town was described in the following way by the Danish experts:

“A modern approach to solid household waste management has not yet been introduced to Gusev Urban District in Kaliningrad Oblast. Lack of waste treatment and recycling facilities in Kaliningrad Oblast has resulted in an increasing number of dump sites used for the disposal of solid household waste. With waste volumes growing, each disposal dump extends steadily every year. Forests and protected nature reserves along the rivers and lakes are also getting affected by hazardous waste. Rivers flow into the Baltic Sea, which makes their eventual pollution an issue of cross-border and international significance” (see Paragraph 1.1 in the final report from the Danish experts Annex II).

The pilot project in Gusev Town succeeded in

- 1 Presenting clear analyses of the actual situation in Gusev Town concerning solid household waste collection, separation and processing;
- 2 Presenting a number of concrete recommendations on how to organise the collection and sorting of recyclable solid waste fractions in the town;

- 3 Drawing attention to the fact that effective waste management calls for an active involvement and understanding from the side of the population (ordinary citizens), which again calls for a radical change of behaviour of the majority of the population which finally calls for launching of targeted and effective raising awareness campaigns; and
- 4 Presenting concrete recommendations for such raising awareness activities and campaigns.

Implementing these recommendations will mean the introduction of an adequate modern system of solid household waste management, where the use of recycled materials will help cut expenses on collection and processing of solid household waste. This will mean a reduction of the harmful effect of waste on the environment and on human health.

Given its very practical nature, there is a very great likelihood that the majority of the presented recommendations will be realized. The question is however when Gusev Town and other towns in Russia will be able to implement such a modern waste management system, as this calls for some serious investments, which is very difficult in the current financial crisis.

3.2 City of St. Petersburg: Development of an Operational Model of an Information and Analytical Centre for Social Support and Rehabilitation of Disabled People

Danish Partner: Municipality of Aalborg.

The development of a modern policy towards disabled persons is a high priority area for the Russian government. This is mentioned continuously by the President; the Prime Minister and the Minister of Health and Social Development and this is underlined by the fact that Russia has signed the UN Convention on Rights of Disabled People. The ratification is by government decision planned to take place in 2010.¹

Russia has more than 13 million disabled people, which makes disability policy not a marginal policy or a policy for a marginal group of citizens, but a very important part of the overall national policy and all policy areas of the country. During the time of the Soviet Union most disabled people were literally isolated from society living in big far away and isolated institutions. Decentralization reforms, which we know from many EU-countries including Denmark and which abolished the big central institutions have not yet been implemented in Russia on any big scale. Likewise realization of slogans like “A life as near to normal as possible” has not yet come through in Russia.

¹In comparison the Danish Parliament on May 28, 2009 in full agreement decided that Denmark should ratify the Convention, which then actually took place on July 24, 2009.

Thus although a lot has been achieved during the last 20 years there is still a lot to do in order for Russia to be able to compare with e.g. EU-countries in the field of disability policy, services for the disabled people and integration of disabled people in society.

St. Petersburg, which has some 780,000 disabled people (almost 17% of the total population of the city) has embarked on a new social policy including a new disability policy and approach.

As part of a new disability policy the Committee for Social Policy has decided to upgrade the following activities in relation to the provision of services to disabled people:

- 1 Information-analytical activities
- 2 Coordination-methodological activities
- 3 Educational-methodological activities.

The purpose is to establish an “Information and Analytical Centre for Social Support and Rehabilitation of the Disabled People in St. Petersburg”. The centre will be responsible for the above-mentioned three main activities in relation to services to the disabled.

The Danish-Russian Local Government Project in St. Petersburg has focused on assisting in designing and developing an operational model for such a centre based on analysis of the Russian situation and Danish experiences.

This main project objective was reached and the model is now being tested as a network co-operation between the Methodological Department of the Committee for Social Policy of the Government and the relevant institutions which are rendering services to the disabled people in St. Petersburg. Hence, the project has laid a solid ground for a more effective and adequate disability policy and for more targeted and efficient services to the disabled people. The model can be disseminated to other big centers of the Russian Federation.

However, it is still too early to assess whether the project will eventually lead to the establishment of an independent “Information and Analytical Centre for Social Support and Rehabilitation of the Disabled People in St. Petersburg” or the work will continue as the already established network co-operation.

For the success of the project this is not important. What is important, however, is that there will be allocated enough time and resources to the activities, so that the disability policy and services to the disabled continuously can be improved.

3.3 Leningrad Oblast (Kingisepp Municipal District): Developing Local Self-Government in Leningrad Oblast – the Issue of Amalgamation of Local Government Units on the Territory of Leningrad Oblast

Danish Partner: Aarhus Municipality.

After the Yeltsin-era, Russia embarked on an urgently needed large-scale reform of the public administration. As part of this reform package a Presidential Commission (the so-called Kozak Commission) was established in 2001, which in 2002 presented its “Concept of Distribution of Responsibilities between Federal Authorities, Authorities of Subjects of the Russian Federation and Municipal Authorities on General Issues of Organization and Structure of Government and Municipal Authorities”.

On the basis of this concept a new local government law was adopted in 2003 (“On General Principles of Organization of Local Self-Government in the Russian Federation” (NO 131-FZ).

However, this law is constantly being changed and has up till now been amended and changed 37 times. Its entering into force was postponed from January 2006 to January 2009.

Any public administration system in the Russian Federation has to take the following facts into consideration:

- The great vastness of Russia’s territory covering eleven different time zones, most of the territory actually being very sparsely populated
- The economic, climatic and geographical diversity
- The great numbers of indigenous people with different languages, which comprise Russia’s multi-ethnic nature.

When designing a local government system, the vast territory and many very sparsely populated regions constitutes a real **dilemma**: How do you create a real decentralized local democracy where the decision makers are not far away from the population, and where you have easy access to your elected local deputies, and at the same time a system where the local governments are independent (from the regional and national level), strong and sustainable?

The conclusion in the new law on local self-government was that Russia ended up with more than 20.000 local governments many of which are so small (e.g. many with less than 1000 inhabitants) that they are unlikely to grow into real independency, economically and politically.

This spurred a discussion in many regions on whether to create fewer, but bigger, stronger and more sustainable local government units. This focus on sustainable size also lay behind the recent Danish local government reform.

Consequently, many regions of the Russian Federation have embarked upon discussions on amalgamation of municipalities and in some, including Leningrad Oblast, the process of actual amalgamations has been started. The pilot project of the Danish-Russian Local Government Programme between Leningrad Oblast and Aarhus Municipality shall be seen in this context.

Based on presentation and discussion of the Danish experiences with municipal amalgamations (the local government reforms of 1970 and 2007) and with inter-municipal co-operation (which is another solution to the problems listed above) and based on analyses of the concrete situation in Leningrad Oblast the project reached the following main conclusions:

- Preparation and presentation of a concrete and comprehensive “Methodology for Reorganization/Amalgamation of Municipal Units in Leningrad Oblast” based on the federal and regional legal framework which existed on June 1, 2009.
- A draft law “On Reorganization/Amalgamation of the Municipalities of Svetogorsk City of Vyborg Municipal District in Leningrad Oblast and Lesogorsk City of Vyborg Municipal District in Leningrad Oblast” (see Attachment 2 to the Russian expert’s final report in Annex II)
- The adoption of this law on May 20, 2009 by the Legislative Assembly of Leningrad Oblast
- Presentations of experience and examples of inter-municipal co-operation.

In this way, the project has established the basis for concrete amalgamations in Leningrad Oblast, as well as provided a methodological tool which can be used all over the Russian Federation.

As mentioned in the Second Progress Report (Paragraph 2.2) Leningrad Oblast changed priority on municipal amalgamations in the Oblast from Kingisepp Municipal District to Vyborg Municipal District.

From a project perspective it is not important which concrete amalgamations have taken place. What is important is that the project has provided a concrete basis for such amalgamations now and in the future, and that this basis has proved to be functioning in concrete legislation and in a concrete example or model of amalgamation.

3.4 Vologda Oblast (Kirillov Municipal District): Improving Municipal Government including the Working out of a Municipal Strategic Development Plan

Danish Partner: Bornholm Regional Municipality.

Every local government must strive to be as efficient as possible in order to be able to provide the best service for the least resources to the citizens. Also, it should facilitate the best social and economic development of its territory.

The pilot project in Kirillov Municipal District formulated these objectives as follows:

- To assist in carrying out a functional analysis of performance of the Administration of Kirillov Municipal District
- To assist in the elaboration of a Long-Term Strategic Plan for Kirillov Municipal District.

A functional analysis of the administration was carried through in September 2008 and preliminary results and recommendations were presented and discussed in October 2008.

During the process - and in the light of the financial crisis - new political priorities appeared and it was realized that the Strategic Development Plan would require reorganization of the municipal administration. Hence the work with the functional analysis was gradually directed more towards the elaboration of the Long-Term Strategic Development Plan. This included

- Creation of a Coordination Council represented by government officials, representatives from business and from the local community including NGOs. The Council is headed by the Mayor of Kirillov Municipal District
- Creation of a Strategic planning group of government officials
- An opinion poll/survey among the population of the municipality
- An analysis of the socio-economic situation in the municipality. This included a SWOT analysis
- Organization of 22 panel discussions
- Presentation of Danish experience continuously throughout the process
- An essay contest on “My vision of my municipality” in the local schools
- Five training sessions carried through for the involved people

- A youth panel discussion was organized
- In total more than 320 people participated in seminars and conferences during the process of working out and agreeing on the plan

On the basis of the above, recommendations for a strategy was worked out and presented to the Coordination Council, who then defined the mission of the future strategic plan, its main target and 5 concrete priority development directions/priorities:

- 1 Development of tourism;
- 2 Development of the social field and of youth policy;
- 3 Creation of a favorable and friendly climate for investment and for business development;
- 4 Modernization of the housing area; and
- 5 Development of agriculture and the processing industry

Consequently five working groups were established – one for each of the approved priority areas; a leaflet was published and disseminated with the purpose of getting proposals and remarks from the population on the draft Strategic Development Plan.

In conclusion the project has succeeded in assisting in establishing a very fruitful and open process for the working out of the strategy, in which NGOs, business, and all interested organizations and people have participated extensively and presented proposals and suggestions.

Last, but not least the project has assisted in working out a comprehensive and concrete Strategic Development Plan for Kirillov Municipal District. The plan has subsequently been approved by all involved parties (see Attachment 1 to the Russian expert's report in Annex II).

The experience of the pilot project in Kirillov could provide important guidance not only to other municipalities in Vologda Oblast but for municipalities all over Russia. The relevance and importance include how to organize the process and especially how to ensure involvement from all interested organizations and people, as well as the concrete result, the Strategic Development Plan itself as a valuable example and model for others.

As an indirect result of the pilot project in Kirillov Municipal District, initial initiatives for commercial cooperation are emerging within the timber business and within tourism. It is too early hours to assess what these initiatives more concretely will lead to.

At the request of the Governor of Vologda Oblast, supported by the Danish Ambassador to Russia, the Danish Ministry of Foreign Affairs has approved a

prolongation of the period for this project up to December 31, 2010 with the purpose of assisting in an effective implementation of the adopted Long-Term Strategic Development Plan.

4 Dissemination of information on project results

The following steps have been taken during the programme lifetime to ensure dissemination of information on the project results.

- a) A project web page has been created with all the relevant project documents including the final reports with their analyses of the state of the art and with recommendations within the specific field of interest in Russia. These documents are as a general rule both in English and Russian. Please see www.cowiprojects.com/rdc/
- b) All the final project documents with their analyses and recommendations have been forwarded to all the four Russian pilot regions and municipalities with a request to further distribute the project results and with a reference to the web page
- c) Likewise, all the final project documents have been forwarded to the four Danish pilot municipalities with a reference to the project web page
- d) Local Government Denmark has informed other Danish municipalities about the project among others through an article in “Danske Kommuner” (No 15, 2009)
- e) All the final project documents have been forwarded to the Russian umbrella organization for Russian municipalities “The Congress of Municipalities of the Russian Federation (KMO) together with a letter explaining about the background and objectives of the programme and the web page
- f) The Russian Ministry of Economic Development and Trade and the Ministry of Regional Development have both received all the final project documents together with a letter explaining about the background and objectives of the Danish-Russian programme.

We believe that in this way we have ensured a proper dissemination which allows all interested parties to get information about the Danish-Russian Local Government Programme.

5 BUDGET ISSUES

The budget is divided into two main parts: a) The Fee-budget and b) The Budget for other reimbursable costs

5.1 Fee-budget

The Fee-budget covers costs for input of international specialists and for Russian/Local specialists. The approved revised fee budget covers costs for the following input:

International specialists

Team Leader	7 mm
Experts from Danish municipalities	7.5 mm
<u>Other (COWI) experts</u>	<u>6.5 mm</u>
Altogether	21 mm

Local personnel

Deputy Team Leader	13 mm
<u>Local Experts</u>	<u>24 mm</u>
Altogether	37 mm

Upon finalization of the Programme the above-mentioned resources have been used in accordance with the objectives of the Terms of Reference.

5.2 Reimbursable costs

The approved revised budget for other reimbursable costs has a provision of DKK 750,000, covering costs for seminars, travel costs to Denmark for Russian participants, travel costs to Russia for Danish participants, costs for hotel and accommodation in Russia etc.

Out of this total budget of DKK 750,000, a sum of about DKK 200,000 was unspent at the time of the project conclusion. The money has been transferred in order to allow for the extension of the pilot project in Vologda. In addition,

the MFA has allocated a sum of 360,000 DKK from programme contingencies to fund this extension.

6 Concluding remarks

The Danish-Russian Local Government Programme is coming to an end, although it has been decided to extend the pilot project in Vologda Oblast (Kirillov Municipal District) until December 31, 2010 on a modest scale.

In conclusion, we will take the opportunity to thank the involved Russian pilot regions and municipalities, the Danish pilot municipalities, the Embassy of the Russian Federation in Denmark and the Danish Ministry of Foreign Affairs including the Danida Fellowship Centre for their involvement and co-operation in the project. All parties have shown enthusiasm and interest in the individual pilot projects, and contributed actively and conclusively to the success of the Danish-Russian Local Development Programme.

Annex I Minutes of the Steering Committee Meeting on April 14, 2009 - in English

**Annex II Programme and list of participants
for the final seminar on July 2, 2009
in St. Petersburg – both in Russian
and English**

Annex III Final Reports on each of the four pilot projects from the Russian side and from the Danish side – all eight reports are both in English and Russian, attachments to the reports are in the original language, in which they have been written (English or Russian)