

Danish Ministry of Foreign Affairs, Danida
Consultancy Services for
the Danish Russian Local
Government Development
Programme

First Progress Report

October 2008

COWI



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1 Introduction

1.1 Summary

The project activities were started in December 2007 and an Inception Report was submitted on March 26, 2008 covering the period from the start of the project and up to March 1, 2008.

Consequently, this First Progress Report covers the period of seven months from March 1, 2008 to September 30, 2008.

The present report presents the progress of the project and the project work and project activities undertaken during these seven months.

The project seems in general to develop in accordance with the original goals and expected results as these were outlined in the project Terms of Reference, in the Project Proposal and in the worked out working plans.

2 Project Activities March 2008 – September 2008

2.1 Project Approach on which the project activities are based

From the very beginning of the project it was agreed with all partners that the project should develop projects and work within areas which are of the highest relevance for the involved Russian regions and Russian municipalities. Consequently, four different local government projects (one in each of the four pilot regions) were selected based on the Russian wishes. These projects are the following ones for each of the pilot regions and the pilot municipalities:

- A) Kaliningrad Oblast (Gusev Town): *Solid Household Waste Collection, Separation and Processing: Concept Development*
- B) City of St. Petersburg: *Development of an Operational Model of an Information and Analytical Centre for Social Support and Rehabilitation of the Disabled*
- C) Leningrad Oblast (Kingisepp Municipal District): *Developing of Local Self-Government in Leningrad Oblast – The Issue of Amalgamation of Local Government Units on the Territory of Leningrad Oblast*
- D) Vologda Oblast (Kirillov Municipal District): *Improving Municipal Government.*

In this sense the project has ensured to work on issues which are of the highest relevance to Russian local governance and which can be concretely used by Russian local governments. We have in this way focused on and supported project sustainability.

The project succeeded in the beginning of this reporting period to define these projects in more detail and to select and agree with Danish partner municipalities on their involvement in the projects.

The Danish pilot municipalities are the following ones – listed in accordance with their involvement in the four above-mentioned projects:

- A) The Municipality of Odense
- B) The Municipality of Aalborg

- C) The Municipality of Aarhus
- D) The Regional Municipality of Bornholm.

2.2 Contacts to the selected Russian oblasts and Russian municipalities and selection of Russian project experts

During the reporting period the Team Leader and the Deputy Team Leader have had regular contact with the Russian pilot regions and municipalities and have likewise paid visits to these authorities. The main goal has been to develop the descriptions and the working plans for the concrete pilot projects and furthermore to agree on the organizational structure of each of the pilot projects, setting up of working groups etc. For each project the organizational structure and division of responsibility at the regional and local level are now fully in place. This goal has been achieved so that we now have fully developed descriptions and plans for the four pilot projects.

Likewise we have identified the **four Russian experts** who all started their work and involvement in the project as from June 1, 2008. Working contracts have been made between COWI and the Russian experts through COWI's subsidiary company in Moscow.

The Russian experts are listed below together with the official regional and municipal contact persons.

- A) Kaliningrad Oblast (Gusev Town):
Regional Contact Person: Ms. Liana O. Maksimova (tel: (4012)599 086; e-mail: maximova@gov39.ru).
Municipal Contact Person: Alexander S. Bogdanov (tel: 84014332404, mob. +79062130702, e-mail: admgusev@balnet.ru).
Expert: Mr. Alexander D. Tkachuk (mob: +79097751956; e-mail: aleks22tk66@yandex.ru)
- B) City of St. Petersburg:
Contact Person: Ms. Tatjana N. Shelomanova (tel: (812) 3153111; mob: +79213439279, e-mail: shelomanova@ktrud.gov.spb.ru).
Expert Ms. Irina E. Makedonova (tel: (812)469-25-23; mob: +7-921-777-38-32; e-mail: csr-p@yandex.ru).
- C) Leningrad Oblast (Kingisepp Municipal District):
Contact Person: Mr. Oleg L. Gorchakov (tel: (812)5764114, e-mail: gorchakoff@hotbox.ru).
Expert: Mr. Igor St. Mikolasjuk (tel: (812)7100032; e-mail: ismspb@gmail.com)
- D) Vologda Oblast (Kirillov Municipal District):
Regional Contact Person: Mr. Aleksej V. Evstafjev (tel: (8172)562341, mob: +79218300603, e-mail: org@vologda-oblast.ru).

Municipal Contact Person: Mr. Aleksej N. Ivanov (mob: +79218245595, e-mail: gorkir2008@mail.ru).

Expert: Mr. Alexander L. Kulikov (mob+79166944950, e-mail: kulikov@mail.ru).

The management of the project is regularly in contact with these Russian key-persons in order to support and discuss project development. During the reporting period, the management of the programme has contacted Pskov Oblast in order to learn about the oblast's interest in becoming involved in the programme (see further below Paragraph 2.4).

2.3 Contacts to the Danish partner municipalities and selection of Danish project experts

Contacts and working relations have likewise been developed with the four Danish partner municipalities, which all have assisted actively in finalizing the above-mentioned pilot project descriptions and working plans, which now are fully agreed between the involved partners.

The Danish municipalities have all appointed a contact person and a project expert, and furthermore COWI as the lead firm has appointed additional experts for the pilot projects in order to support project development:

- A) The Municipality of Odense:
Contact Person: Ms. Helle Glargaard Sehested (tel: 65512039; mob: 20196035; e-mail: HGS@Odense.dk).
Expert: Mr. Svend B. Poulsen (tel: 63138221; mob: 24477317; e-mail: sbp@odenserenovation.dk).
 COWI expert: To be appointed.
- B) The Municipality of Aalborg:
Contact Person: Mr. Niels Tikoeb (tel: 99315405; e-mail: nto-
 aeh@aalborg.dk).
Expert: Ms. Marie Elmgreen Nielsen (tel: 99317486; e-mail: mael-
 aeh@aalborg.dk). **COWI Expert: Mr. Flemming Hoejer** (tel:
 45971516; mob: 29162482; e-mail: FTTHO@cowi.dk).
- C) The Municipality of Aarhus:
Contact Person and Expert: Mr. Flemming Meyer (tel: 89402582;
 mob: 29208348; e-mail: flm@ama.aarhus.dk).
COWI Expert: Mr. Thomas Hausgaard (tel: 45971154; mob:
 20555298; e-mail: THHA@cowi.dk).
- D) The Regional Municipality of Bornholm:
Contact Person and Expert: Mr. David Hunt (tel: 56921304; mob:
 24220251; e-mail: David.Hunt@brk.dk).
Additional Contact Person: Mr. Henrik Eybye Nielsen (tel:
 56921309; e-mail: Henrik.Eybye.Nielsen@brk.dk).

COWI Expert: Mr. Henrik Sand (tel: 45971011; e-mail: HESA@cowi.dk).

The management of the project is likewise on a regular basis in contact with the representatives of the Danish pilot municipalities and with the Danish experts in order to discuss project activities and support project development.

The project has made contracts with each of the four Danish municipalities concerning their involvement in the project including the provision of expert input.

2.4 Steering Committee Meeting

The first Steering Committee meeting was held in Copenhagen on April 9, 2008. The minutes of the meeting are attached as Annex I.

It is of special interest to highlight that the Steering Committee discussed “the realism behind the expectations that the Russian side could and should cover all their own costs in Russia and travelling to Denmark themselves, whereas the Danish could have at least initial costs covered by the programme” (see Paragraph 5 of the Minutes).

This issue was also touched upon during the Kick Off Seminar on May 24, 2008 in The City of Svetlogorsk in Kaliningrad Oblast (see below), and it was later on several occasions discussed with the Russian partners, as there seems to be some discontent and dissatisfaction among the involved Russian regions and municipalities with this arrangement.

The first Study Tour of the programme is arranged for October 20-October 24, 2008 to Aarhus, Denmark by a group of six representatives from Leningrad Oblast including from the project pilot municipality of Kingisepp Municipal District on the basis of these rules. So far it seems that the authorities from Leningrad Region have accepted these conditions. However, at a very late stage the number of Russian participants has been reduced to four by the Oblast.

Likewise we are planning an internship to Bornholm in the week of October 27 – October 31, 2008 for the Russian expert working on the project in Vologda Oblast, Kirillov Municipal District, Mr. Kulikov and for the mayor of Kirillov Municipality District, Mr. Usov. Mr. Usov will pay for his travelling to Denmark. The Russian Deputy Team Leader Mr. Alexander Usenkov will also participate in this project event.

An internship in Odense Municipality is also planned for the Russian expert, Mr. Tkachuk from The Gusev Municipality of Kaliningrad Oblast, in the week of November 17-21 November 2008. Unfortunately, one or two participants from Gusev cancelled their participation in this internship, when they learned that the programme could not cover the costs for their airway tickets. Consequently, only Mr. Tkachuk is going to Odense for the internship.

We strongly recommend the Steering Committee to discuss this issue, because there is a risk that some of the planned study tours to Denmark will not take place due to the above-mentioned situation.

According to the working plans we shall carry through three more study tours to Denmark in winter/spring 2009

Another issue which was discussed at the first Steering Committee Meeting was the possible involvement of Krasnodar Krai and Pskov Oblast in the programme and in project activities. It was decided to leave out Krasnodar "for the time being", whereas the project should approach the Pskov oblast administration to learn about their interest and possibilities to participate.

The Project manager has contacted the Pskov oblast, but has not yet received any response, indicating their potential interest in participating in the project.

On the basis of this and the limited finances available for the project in general, we **recommend** that representatives from Pskov oblast are kept regularly informed about the four ongoing projects and the possibility to take part in some of the project events. This could first and foremost include the Final Project Seminar which is planned to take place in St. Petersburg in summer 2009 and in which the main results and the main experience of the programme in general and of the four pilot projects will be presented and discussed. This could be a good opportunity for other interested parties to join in and learn about the achievements of the four projects.

In this way the results of the programme will be disseminated to Pskov Oblast.

2.5 Kick off seminar

A Kick Off Seminar was arranged and carried through in Kaliningrad Oblast in the City of Svetlogorsk on May 24, 2008. The main purpose of the seminar was to bring together participants from the Russian pilot regions and pilot municipalities with representatives from the Danish pilot municipalities in order to discuss project content, project organization etc.

As Annex II we attach the programme of the kick off seminar as well as the list of participants.

During the Kick Off Seminar concrete agreements were made on how the programme in general will be run, how the individual pilot projects will be organized and developed, and who the main players will be.

Thus for each of the four pilot projects we now have a detailed project description and a working plan which have been agreed upon between the involved partners. These project descriptions and working plans are available both in English and in Russian.

We attach as Annex III the descriptions of the four pilot projects and the working plans.

2.6 Development of the four pilot projects

In general the four different pilot projects are developing in accordance with plans. During the reporting period two basic documents for each of the pilot projects have been developed:

- 1 An analytical note outlining the situation within the specific field of interest in Russia in general and more specifically in the Russian pilot region and pilot municipality.
- 2 An analytical note outlining relevant Danish experience within the specific field of interest.

For each of the four municipalities, these two documents constitute the basis for the further development of the pilot projects in accordance with the working plans. The analytical notes which are available both in the English language and in the Russian language, are attached for your information as Annex IV and Annex V, respectively.

Unfortunately, the Regional Municipality of Bornholm has been delayed in delivering its input, so this report will be distributed to Vologda Oblast and to Kirillov Municipal District as well as to the members of the Steering Committee expectedly around mid October 2008.

It should be mentioned that the pilot project in Vologda Oblast in Kirillov Municipal District, which is carried through with the assistance of Bornholm Regional Municipality has expanded with an additional activity and now contains two main directions (which however content wise are interlinked and interrelated):

- 1) The original idea about assisting in improving municipal government
- 2) An additional target on assistance in working out a development plan for the municipality among others focusing on the business and tourist potential of Kirillov Municipal District.

The latter appeared as an additional wish from the Russian partners during our initial meetings in the Vologda Oblast and in Kirillov Municipal district. All involved partners – including Bornholm Regional Municipality - have agreed upon this and support the development of these two directions of the pilot project. Bornholm Regional Municipality has a unique experience of working out such development plans.

3 Budget issues

The budget is divided into two main parts: a) Fee-budget and the b) Budget for other reimbursable costs. A revised budget was approved by Danish Ministry of Foreign Affairs in an e-mail dated 27 June upon a meeting in June 2008 between the MFA and COWI. The revised approved budget is attached as Annex VI.

3.1 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	6 mm
Other Danish experts	8 mm
Altogether	21 mm

Local Personnel

Deputy Team Leader	13 mm
Local experts	24 mm
Altogether	37 mm

By September 30, 2008, the balance in terms of inputs used and inputs remaining for the final 11 months stands as follows:

<u>International Specialists:</u>	<u>MM spent</u>	<u>MM remain</u>
Team Leader	3.5	3.5
Experts from Danish municipalities	2	4
Other Danish experts	3	5
Total	8.5 MM	12.5 MM

Russian specialists	MM spent	MM remain
Deputy Team Leader	6	7
Local experts	8	16
Total	14 MM	23 MM

3.2 Budget for other reimbursable costs

Concerning the budget for other reimbursable costs we have the following three remarks:

- 1) As agreed at the Inception Steering Committee meeting (point 5 on the agenda), interpretation and translation costs are included in the budget.
- 2) As described in the project Terms of Reference, the Danida Fellowship Centre (DFC) will provide some services related to visits in Denmark by the representatives from the Russian pilot regions and pilot municipalities. COWI has made a written agreement (contract) with the DFC on the provision of these services.
- 3) As mentioned in Paragraph 2.4 above, the Budget for reimbursable costs is based on the assumption that the Russian side will cover all their own costs in Russia and travelling to Denmark themselves.

4 Project Planning

		Time and Work Plan																	
		Implementation Exit																	
Month		2008												2009					
		3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8
Ac-																			
tiv-																			
ity																			
0.1	Identifying an agreement with Danish partner municipalities	■	■																
0.2	Identification of international and local experts		■	■	■														
0.3	Steering Committee meetings		■						■					■					
0.4	Kick-off seminar in Russia			■															
0.5	Concretisation of pilot projects, working plans etc			■	■	■	■	■											
0.6	Implementation of pilot projects							■	■	■	■	■	■	■	■	■	■	■	
0.7	Visits of Danish municipalities to Russian partner municipalities							■	■	■	■								
0.8	Training sessions in Russia							■	■	■	■	■							
0.9	One week study tours to Denmark including training session										■	■	■	■	■				
0.10	Final project seminar																■		
1.1	Reports								■	■					■			■	

4.1 Planning for the next reporting period

The overall planning schedule has not been changed and is in general similar to the one proposed in the Inception Period and as outlined in the table above. However, more detailed planning has taken place in relation to the four pilot projects. This planning is outlined in the pilot project descriptions and in the working plans. The most important project events and project activities for the next reporting period (October 1, 2008 to March 31, 2009) will be:

- Presentation, discussion, and round table events etc based on the two already submitted analytical notes (see Annex IV and Annex V)
- Further development of the analytical notes
- The working out of concrete proposals in the specific field
- Exchange of information and experience between the Russian and the Danish partners
- Visits by Danish experts to Russia
- Visits by Danish partner representatives to Russia
- Possible internships for the Russian experts in the Danish partner municipality
- Hopefully (see above) organizing and carrying through study tours to Denmark
- Testing and revising project proposals.

All planning and project activities are directed towards the expected final goal and final result of each pilot project namely

- **A concept and a concrete and detailed plan on what to do within the specific field of interest:** a) Improvement of waste collection, separation and processing; b) Provision of information and analyses for the support and rehabilitation of the disabled people; c) Amalgamation of local self-governments; and d) Increasing efficiency and quality of local self-governments including the working out of a municipal development plan.

This means that the final result of the programme will be such concepts and plans within the four different pilot projects.

We feel convinced that the project will achieve these goals. However, speaking about **implementation** of the plans including financing the possible additional costs and/or investments, it has to be emphasized that this is not the responsibility of the programme, but solely the responsibility of the involved Russian au-

thorities. The programme and the Danish participants can urge and argue for the implementation, but the division of responsibility is here 100% clear: It is the Russian authorities and the Russian participants who are in charge of the implementation and bear the full responsibility in this respect.

4.2 Training

The project Terms of Reference foresees a considerable amount of, so far unspecified training and process consultancy activities as part of the pilot projects. A three months intervention by an international training expert was hence an important part of the project document.

However, as the pilot projects develop, it appears that training and process consultancy activities are likely to predominantly take the form of round table discussions, seminars, internships, site visits, study tours etc within each of the four projects, whereas a need for more **traditional** training sessions have not yet been proposed and identified.

This may call for a change of staffing, especially concerning the international consultants, as some or all of the three man-months allocated for the trainer might more meaningfully be spent on increasing the specialist inputs - either from the participating Danish municipality or from COWI for each of the pilot projects. It will be an important task in the next months in connection with the planned study visits to examine the exact needs for traditional training and consultancy services with the aim of proposing a possible re-allocation of the experts input at the next Steering Committee meeting.

5 Conclusion

The programme is in general developing in accordance with plans and goals. We are convinced that it will achieve the expected results and that the four pilot projects ultimately will submit concrete and detailed plans of actions concerning the development and improvement in the specific field of interest of each pilot project by the end of the programme.

We propose that these final project results will be disseminated to a broader audience, involving the Russian National Congress of Municipalities (RNCM), the Ministry of Economic Development and Trade and the Ministry of Regional Development in this task.

6 Annex I - VI