

Danish Ministry of Foreign Affairs, Danida

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

Second Progress Report

March 2009

COWI



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- I) Minutes of the Steering Committee Meeting on October 21, 2008 (in English)
- II) Reports on each of the four pilot reports (both in English and in Russian, attachments however only in Russian))
- III) Programme for the visit to Vologda and Kirillov on March 11 and March 12 by the Danish Ambassador to Russia and by Project Representatives (both in English and in Russian)
- IV) Draft programme for the Final Project Seminar (in English).

1 Introduction

1.1 Summary

The project activities were 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, 2008 and the First Progress Report was submitted on October 2, 2008 covering the period from March 1, 2008 to September 30, 2008.

Consequently, this Second Progress Report covers the period of six months from October 1, 2008 to March 31, 2009.

Two Steering Committee meetings have been conducted, on April 9, 2008 and on October 21, 2008 respectively, see First Progress Report and Annex I to this report.

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

The project is in general developing 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 October 2008 – March 2008

2.1 General Remarks on the Project Activities

As you will recall, from the very beginning of the project the following thematic and organizational approach was agreed upon with all involved partners:

- Firstly, thematically the project should develop projects and work within areas which are of the highest priority and relevance to the involved Russian regions and involved Russian municipalities.

As a consequence of this, a common project for all the four regions/municipalities was not identified, but for each of the four pilot regions/municipalities one specific project was selected based on the concrete wishes and demands of the region and municipality in question:

- 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 Disabled People*
 - 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 including the Working out of a Municipal Strategic Development Plan.*
- Secondly, the **organizational set-up** should depict that we are dealing with an international **co-operation** project between Russia and Denmark. Consequently, and fully in accordance with Project Terms of Reference, it was decided that not only the management team of the project but also each expert team of each of the four above-mentioned pilot projects should include both Russian and Danish members in order to ensure a proper exchange of Danish and Russian experience..

The latter means that for each of the pilot projects you will have both Russian and Danish input/experts. In this respect it is important to emphasize that the responsibility of the Danish side is mainly to present Danish and international experience within the specific field of interest including presenting and showing cases of best practice, while the Russian side is responsible for the concrete models and concepts which are presented to the decision markers. This also means, that when it comes to concrete implementation of the models and concepts which are worked out during the project including the financing of the possible additional costs or needed investments, this is not a responsibility of the Danish-Russian Programme in general neither of the concrete pilot project. It is the Russian authorities that bear the full responsibility in this respect, while the Danish side can only make advice and recommendations as well as push for some development and concrete implementation, the latter totally depending on the relevant Russian decision-makers.

We find it relevant to mention that the world wide financial crisis which also is influencing Russian economy has led to many regional and municipal budgets to be cut rather dramatically, which of course cannot avoid affect the current regional and local possibility and wish for implementation of new plans. However, the Danish-Russian Programme is a **strategic** programme with more far-reaching perspectives than the ordinary day to day business, which means that whether a concept or a model is implemented today or tomorrow will not immediately influence the overall objective and the purposes of the programme..

Likewise it is worth mentioning that the final results which will be achieved and presented at the end of the project will be of a **general** character which make them applicable and usable not only in the specific pilot region and pilot municipality in question, but actually all over Russia. That is also why the Programme must ensure effective dissemination of the project results to all relevant partners including all Russian regions, the Russian National Congress of Municipalities (RCNM), Ministry of Economic Development and Trade and Ministry of Regional Development. Please see First Progress Report Paragraph 5.

2.2 Development within the Four Pilot Projects

Below you will find a short description on the development and the expected final results of the four pilot projects. For further information se Annex II with the relevant attachments. Attention should be drawn to the fact that Annex II is both in a Russian and English version, while the attachments are only in the Russian language.

I) Kaliningrad Oblast (Gusev Town): *Solid Household Waste Collection, Separation and Processing: Concept Development*. Danish Partner Municipality: Municipality of Odense including Odense Waste Management Company LTD.

The project is highly relevant not only in Gusev but in all Russian local governments. In general waste collection in Russia is not efficient, which every

citizen and visitor will be able to see with his or her own eyes when travelling around the country. And in accordance with the relevant legislation the issue of waste management, including the identification of numbers, types and locations of waste collection and recycling sites on the territory of the municipality lies within the competence of local self-government.

As outlined in Annex II the project has provided an important stimulus to improve and develop the situation in Gusev town and as it appears from Annex II a draft plan or a draft concept for this improvement and development is already in place. It is the goal of the project to finalize this plan and this concept before the finalization of the project. Consequently, at the end of the project a strategy for a town such as Gusev within this field of interest will be ready and can be used for the future. Some of the steps of this strategy have already been implemented. Others will be implemented in the future.

The strategy for Gusev and the experience of Gusev in this project is highly relevant to thousands of similar locations all over Russia.

II) 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: Municipality of Aalborg

Disability policy and services to the disabled is a high priority political field and this has several times been stated by the President and the Prime Minister. For many reasons Russia did not go through the same reforms within the disability area, which Denmark and most Western European countries implemented some 30 years ago and which included decentralization, abolishment of huge state institutions, the goal of “a life as close to normal as possible” etc.

In conclusion it can be said that this field of interest is highly relevant and that the establishment of a centre like the one in question is highly needed for, as it could form the basis for and push for a systematic development in the St. Petersburg disability policy including training of staff, systematic analyses on the current situation, methodological advice and recommendations for structural, organizational, and methodological development and improvement.

However, it is obvious (and was actually not foreseen) that the centre will not be established during the project period as the financial crisis has meant a severe cut in budgets and staff. In stead an organizational network set-up between existing institutions more or less with the same functions and tasks as the future centre is prepared, and it is expected that this network structure with the existing Centre for Technical Rehabilitation Aids, Urban Accessibility and Physical Education for Disabled People as the main player, organizer and initiator will be established before the end of the project.

The project has already prepared main background documents for the set-up of the centre, and at the end of the project a kind of concept for development of such a centre will be available. These documentations and recommendations can serve as background materials for other big cities or regions of Russia in

their attempt to establish a modern and adequate disability policy with adequate and efficient services to the disabled people.

III) 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 Municipality: Municipality of Aarhus.

After the federal law “On General Principles of Organization of Local Self-Government in the Russian Federation” (No 131-FZ) came fully into power on January 1, 2009 more than 20.000 local governments exist on the territory of Russia, most of these of course being very small and without any real possibility to grow into real independency economically and politically.

On this background the project in Leningrad Oblast is outmost relevant for the whole of Russia.

Referring to Annex II it can be informed that the project already has worked out very important and very comprehensive methodological materials for municipal amalgamations. These materials will be further developed and will, consequently at the end of the project be able to serve as basis for concrete - sooner or later inevitable - amalgamations not only in Leningrad Oblast, but all over Russia.

It should be noted that municipal elections took place in March this year. Whether the concrete results of the elections have influenced the decision taken by the Oblast not to carry through amalgamations in Kingisepp Municipal District, is not to say. Anyhow concrete preparations for amalgamation in another municipal district in Leningrad Oblast, Vyborg Municipal District, have taken place including the working out of the necessary legal acts (see Annex II). The amalgamation in question includes the settlements of Svetogorsk and Lesogorsky.

For project purposes and project goals it does play any role whether amalgamations are carried through in this or that municipal district. What is important is that the project provides adequate background analyses, methodological and legal advice and recommendations for the process of amalgamations and that the process has actually already started in Leningrad Oblast.

IV) Vologda Oblast (Kirillov Municipal District): *Improving Municipal Government including the Working out of a Municipal Strategic Development Plan*. Danish Partner Municipality: Bornholm Regional Municipality

This project contains two directions:

- a) To carry out a functional analysis of performance of the Kirillov Municipal District Administration
- b) To assist the Kirillov Municipal District Administration in the elaboration of a long-term strategic development plan for Kirillov

Under a) a functional analysis was carried through in September 2008 and preliminary results were presented in October 2008. However, due to the financial crisis during which new priorities have come up and due to the fact that the development plan in its implementation phase will call for changes in the functional structure of the municipal administration the process was temporarily stopped. In stead all efforts were concentrated on goal number 2 (development plan).

Under b) the project has succeeded in working out a draft long-term strategic development plan for Kirillov Municipal District (see Annex II). The plan was presented on a seminar in Kirillov on March 12 in which also the Danish Ambassador to Russia, Mr. Per Carlsen participated together with the Deputy Governor of Vologda Oblast, Mr. Nikolay Vinogradov and experts from Bornholm and COWI. This drew a lot of attention both from the public and from the press (TV, radio and newspapers). For your information we attach as Annex III the programme for the visit of the Danish Ambassador and the project experts.

The development plan, which has been worked out with participation of all interested partners (NGOs, press, business, tourism, local administration etc etc) will be developed further and finalized before the end of the project. Furthermore recommendations for the **implementation of the plan and for establishment of an implementation structure** will be worked out.

This pilot project has developed extremely successfully and it is very positive that the project has been able to organize the process of working out the development plan and to assist in its concrete implementation.

It should be mentioned that the project in Vologda Oblast (Kirillov Municipal District) from all sides is considered a big success and that the governor of Vologda Oblast clearly has expressed a sincere wish for its prolongation in order to get assistance in the implementation of the strategic development plan including in creation of the necessary implementation structures and instruments.

2.3 Main project activities

The reporting period has been very active among others with the following visits from Russian delegations to Denmark and Danish delegations to Russia:

- On October 20 to October 24, 2008 a delegation from Leningrad Oblast and Kingisepp Municipal District visited Aarhus and Copenhagen
- On October 27 to October 31, 2008 a delegation from Kirillov Municipal District visited Bornholm and Copenhagen
- On November 12 to November 16, 2008 a delegation from Bornholm visited Vologda Oblast and Kirillov Municipal District
- On November 13 to November 15, 2008 a delegation from Aarhus visited Leningrad Oblast and Kingisepp Municipal District
- On November 17 to November 21, 2008 a delegation from Gusev Municipality (Kaliningrad Oblast) visited Odense and Copenhagen

- On January 20 to January 22, 2009 a delegation from Aalborg visited St. Petersburg
- On March 11 to March 13, 2009 a delegation from Bornholm visited Vologda Oblast and Kirillov Municipal District (see above)
- On March 30 to April 2, 2009 a delegation from Odense visited Kaliningrad Oblast and Gusev municipality.

Concrete programmes for the visits were worked out in accordance with wishes and needs from the participants.

During these project events the participants visited and studied in more detail Russian and Danish institutions, structures and organizations within the concrete theme of interest, learnt about Danish and Russian experience and discussed proposals for development and improvement. The visits were followed by round table events, seminars etc. In this way the project has ensured an extensive and effective transfer of knowledge within the concrete themes of interest (see First Progress Report) and has constituted an effective basis for a lot of presentations and discussions within the different spheres of interest.

It should be mentioned that these visits also have been basis for discussions of other co-operation possibilities and business development without the direct frames of the concrete projects. As an example we can mention that currently investigations are going on about co-operation between sawmills on Bornholm and in Kirillov with the purpose of delivering high quality timber to the producers on Bornholm.

Finally, we should also mention that during the reporting period a Steering Committee meeting was held on October 21, 2008 (see Annex I).

3 Budget issues

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

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

Below you will find information on how much of this input has been used up to March 31, 2009 and how much remains for the rest of the project period (to August 31, 2009):

<u>International Specialists:</u>	<u>MM spent</u>	<u>MM remain</u>
Team Leader	6	1
Experts from Danish municipalities	4.5	1.5
Other Danish experts	6	2
Altogether spent	16.5 MM	altogether remains 4.5 MM

<u>Local Personnel</u>	<u>MM spent</u>	<u>MM remain</u>
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Deputy Team Leader	10	3
Local experts	20	4
Altogether spent	30 MM	altogether remain 7 MM

3.2 Budget for other reimbursable costs

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

I) As agreed upon during the Steering Committee Meeting on June 9, 2009 (point 5 on the Agenda), Cowi has prepared an updated and more detailed budget for other reimbursable costs, which was subsequently approved by the Ministry of Foreign Affairs after a meeting between Cowi representatives and representatives of the Ministry of Foreign Affairs in June 2008.

As agreed upon during the Steering Committee meeting on April 9 (point 5 on the agenda) interpretation and translation costs are included in the budget.

II) 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.

III) 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. However, this was moderated at the Steering Committee meeting on October 21, 2008 where it was approved that the project management in concrete cases could spend contingencies on flight tickets for Russians.

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- tivity																			
0.1	Identifiing 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 Russain partner municipalities							■	■	■	■								
0.8	Training sessions in Russia								■	■	■	■	■						
0.9	One week study tours to Denmark including training session										■	■	■	■	■				
0.10	Final project seminar																■		

4.1 Planning for the next/final reporting period (April 1, 2009 to August 31, 2009)

The overall planning schedule outlined in the table above has not been changed and is in general similar to the one proposed in the Inception Period and in the First Progress Report..

All the planning and all the project activities are directed towards the expected final goal and final result of each pilot project, which are supposed to be ready at the end of the programme (see above under Paragraph 2.2).

The activities during the next/final reporting period will be focused on finalizing the draft concepts which already exist and to present the final documents.

The period will include the following main activities:

- 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 30, 2009
- Steering Committee meeting in Copenhagen (Cowi) on April 14, 2009
- Both Russian and Danish experts submitting final reports and final concepts on June 1, 2009
- Final project conference in Russia (preliminary date July 3, 2009 – proposal to take place in Vologda Oblast). A draft programme is attached for your information (see Annex IV).
- Submission of final overall project report on August 31, 2009.

5 Conclusion

The programme is in general developing successfully. The expected results will all be achieved and the objectives and purposes met.

The wish for prolongation of the project in Vologda Oblast (Kirillov Municipal District) (see above Paragraph 2.2) has been expressed and must orderly be processed.

**I) Minutes of the Steering Committee Meeting
on October 21, 2008 (in English)**

**II) Reports on each of the four pilot reports
(both in English and in Russian,
attachments however only in Russian))**

III) Programme for the visit to Vologda and Kirillov on March 11 and March 12 by the Danish Ambassador to Russia and by Project Representatives (both in English and in Russian)