

INTERNATIONAL ACTIVITIES

**TASK ORDER PROGRESS
AND COST REPORT:**

**RUSSIA SOCIAL SECTOR
REFORM**

**OCTOBER - DECEMBER
1999**



**The
Urban
Institute**

January 2000
UI Project 06901-006

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AND COST REPORT:**

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Prepared for



U.S. Agency for International Development, PPC/CDIE/DI
Local Government Assistance Initiative
Contract No. EEU-I-00-99-00015-00



THE URBAN INSTITUTE

2100 M Street, NW
Washington, DC 20037
(202) 833-7200
www.urban.org

January 2000
UI Project 06901-006

**QUARTERLY TASK ORDER REPORT (OCTOBER - DECEMBER 1999)
RUSSIA SOCIAL SECTOR REFORM
LOCAL GOVERNMENT ASSISTANCE INITIATIVE**

I. Progress Report

As required by Section F.5 of the Local Government Contract, below is a description of progress during the last quarter under the following task order:

Russia Social Sector Reform
Task Order No. 803
UI Project No. 06901-002-00

1. SELECTION OF PILOT CITIES

A. Work Performed During Previous Quarter: Eight cities across the Russian Federation were contacted by team members and invited to participate in this project. Cities contacted included 4 RII cities (Kharbarovsk, Novgorod, Samara, and Yuzhno-Sakalinsk), 2 non-RII cities (Arzamas and Omsk) and 2 RII candidates (Tomsk and Perm). Each city was sent an introductory letter explaining the goals, outcomes, and expected contributions of participating cities.

Samara and Yuzhno-Sakalinsk were not interested in pursuing this project. The other cities were visited by an IUE staff member who met with city and NGO officials. At the end of the visit each city was asked to send a letter of commitment. The visiting team then prepared a summary evaluating the city's strong and weak points based on detailed criteria. Copies of the city summaries and letters of commitment, as well as the criteria for selection were transmitted to USAID by letter from Burt Richman to Hugh Winn dated November 29, 1999.

City rankings and recommendations were forwarded to USAID on November 29, 1999 and project team staff met with USAID staff on November 30 to review the recommendations. USAID and team staff agreed to the selection of three cities, Arzamas, Novgorod, and Tomsk. A decision on the fourth city was deferred until IUE staff could complete their visit to Kharbarovsk, which was conducted the following week.

After the Kharbarovsk visit a recommendation was made to USAID to select Perm as the fourth city for the project. USAID approval was received on January 6, 2000.

B. Significant Findings and Delays: Because of the delay in getting approval for inclusion of Perm in the project, project deliverables for Perm may be later than stated in the work plan. It is hoped that the schedule for Perm can be brought into synch with the other cities within the next 120 days.

C. Work Planned for Next Reporting Period: None. City selection is complete.

D. Specific Action Requested: None.

E. Up-To-Date Schedule of Work: Unchanged from approved workplan.

2. ASSESSMENT OF CURRENT SYSTEM

2.1 Review of Social Assistance Reform in Countries of the Former Soviet Union

A. Work Performed During Previous Quarter: J. Gallagher conducted a literature review of available documents on targeting of social assistance in Russia and other countries of the former Soviet Union. The review focuses on the variety of means testing and alternative means testing procedures for determining eligibility for benefits. Programs included in the review include pilot projects in Voronezh, Volgograd and Komi in Russia, as well as social assistance programs in Ukraine and Kyrgyzstan, targeted humanitarian assistance in Armenia, and the Russian Housing and Child allowance programs.

B. Significant Findings and Delays: The review of targeting procedures of social assistance programs in countries of the former Soviet Union reveals a diverse set of options for consideration in developing targeted aid in Russia. The use of income, assets, and social/demographic characteristics of households in the various targeting procedures were assessed regarding their effectiveness and applicability to targeted aid in Russia. Conclusions are forthcoming.

C. Work Planned for Next Reporting Period: The literature review will be concluded in early January 2000 and will result in an internal memorandum that will be used by the team in further work on this project. Week of January 3-7 - complete draft of literature review - J. Gallagher. Week of January 10-14 - review of paper by project team with comments to Gallagher. Week of January 17-21 - completion of memorandum

D. Specific Action Requested: None

E. Up-to-date Schedule of Work: Unchanged from approved workplan.

2.2 Analysis of System of Federal and Regional Mandates

A. Work Performed During Previous Quarter: In December 1999, Alexi Novikov provided staff with an overview of research conducted under a Ford Foundation Grant to determine the impact of unfunded federal mandates on Russian municipalities. During this period, protocols were developed by the team for data collection from the cities on their responses to the mandates, i.e. how they are funding and providing assistance under these mandates. All cities have received the protocols and are in the process of collecting and submitting the information. As part of the visits to the pilot cities (see 2.3, below) the team began to collect information on federal mandates in social programs that affect the cities ability to control their own social budgets.

B. Significant Findings and Delays: We believe that the compilation of all laws and privileges specified on this topic, once completed, will be unique in this country. We anticipate some delay in receiving the completed protocols from Perm because of the delay their approval as a pilot city for this project.

C. Work Planned for Next Reporting Period: All data to be received from Arzamas, Novgorod, and Tomsk by mid-January. Deadline to be established with Perm for completion of data collection by first week in February. The team will analyze the data for completion of an internal memorandum to be ready by the end of January 2000.

D. Specific Action Requested: None

E. Up-To-Date Schedule of Work: With the exception of completion of this task for Perm, this is

unchanged from approved workplan.

2.3 City Action Plans

A. Work Performed During Previous Quarter: City visits to Tomsk, December 2 and 3, Novgorod, December 14 and 15, and Arzamas, December 27, 28 and 29, were conducted by the project team. The team met with city political leaders and social services administrators to collect data regarding program administration and social budgets, as well as to set up the city's working group for this project and to outline for them the goals of the project. Work was also begun on the action plan draft for the city. They also discussed current city regulations regarding competitive procurement of services from nongovernmental entities. Visits were made to social services agencies in each city. On December 30, draft action plans for the three cities were completed and distributed to team members for review and comment.

B. Significant Findings and Delays: Because permission to include Perm in the project was not received until January 6, 2000, the city visit has not yet been conducted. Once the city visit has been completed the action plan for Perm will be completed.

C. Work Planned for Next Reporting Period: Week of January 10 - 14 - Revision of plans for Arzamas, Novgorod, and Tomsk based on team input. Week of February 1, 2000 - City visit to Perm. Week of February 14, 2000 - draft action plan for Perm. Week of February 28, 2000 - revision to Perm Action Plan based on team input. During February 2000, technical seminars will be held in Arzamas, Novgorod and Tomsk. Revisions to the city action plans will be developed based on the discussions held in each city at that time. We plan to schedule the technical seminar for Perm for sometime in mid-March, 2000 and have a revised plan for them by the end of March 2000. March 31, 2000 - Finalize Action Plans for next 6 months based on outcomes of the technical seminars and comments from city officials.

D. Specific Action Requested: None

E. Up-To-Date Schedule of Work: With the exception of the delays in the schedule for Perm's Action Plan, this is unchanged from the approved work plan.

2.4 Description of Existing Social Programs

A. Work Performed During Previous Quarter: As part of the city visits cited above, the team collected all pertinent city rules and regulations on social programs for each city visited.

B. Significant Findings and Delays: The visit to Perm will not be conducted until early February 2000 at which time, the data collection needs will be reviewed with the workgroup. A deadline will be established for Perm to return the needed information to the team.

C. Work Planned for Next Reporting Period: By the end of January 2000 - collate data collected for internal memorandum on subject. By mid-March 2000 - collect data from Perm and collate for internal memorandum

D. Specific Action Requested: None

E. Up-To-Date Schedule of Work: With the exception of the delays in the visit and data collection

from Perm, this is unchanged from the approved work plan.

2.5 Assessment of Social Sector Budget

A. Work Performed During Previous Quarter: The project team used a standardized format that city budget directors were familiar with to collect city social sector budget information. All data from Arzamas, Novgorod and Tomsk was received in December 1999.

B. Significant Findings and Delays: Perm has the format and the information will be received no later than the city visit planned for the first week in February 2000.

C. Work Planned for Next Reporting Period: By the end of January 2000 - collate and analyze data collected for Arzamas, Novgorod and Tomsk for internal memorandum. By mid-March 2000 - collect data from Perm; collate and analyze for internal memorandum

D. Specific Action Requested: None

E. Up-To-Date Schedule of Work: With the exception of the delays in the visit and data collection from Perm, this is unchanged from the approved work plan.

2.6 Assessment of the Operations of Social Assistance Offices

A. Work Performed During Previous Quarter: The project team developed a review document for use in visit to local social assistance offices. Visits were made to two social assistance offices in Arzamas (Family and Children's Center, and Senior Assistance Center) as well as the Housing Assistance Office. Two offices were visited in Novgorod. These were exploratory visits and were used for the development of a final review format for the other cities.

B. Significant Findings and Delays: Preliminary evaluation of the Arzamas visits indicates that current office operations may work for current programs but will need to be altered as the office implements a targeted means tested program. As the evaluations continue, focus will be placed on future changes in office operations that may be needed as the programs that office administer change.

C. Work Planned for Next Reporting Period: First week in February 2000 - visit to Perm: Two assistance offices and the Housing Assistance Office February 2000 - follow-up in Novgorod to at least one subsidy or cash assistance office.

D. Specific Action Requested: None

E. Up-To-Date Schedule of Work: Unchanged from the approved work plan.

2.7 Description of Social Services Actually Delivered

A. Work Performed During Previous Quarter: The project team developed a data collection protocol, which was reviewed with each city's workgroup during the city visits in December. Arzamas has returned a portion of the protocol as of December 31, 1999.

B. Significant Findings and Delays: The visit to Perm will not be conducted until the first week in February 2000 at which time the protocol will be reviewed with the workgroup. A deadline will be

established for Perm to return the completed protocol to the team.

C. Work Planned for Next Reporting Period: By mid-January, 2000 - receive completed protocols from Arzamas, Novgorod, and Tomsk. By January 31, 2000 - collate data collected for internal memorandum on subject. By early March 2000 - collect data from Perm and collate for internal memorandum

D. Specific Action Requested: None

E. Up-To-Date Schedule of Work: With the exception of Perm, unchanged from the approved workplan.

2.8 Optional In-depth Analysis of Transportation or Communal Service Subsidies

A. Work Performed During Previous Quarter: Requests were received from Arzamas and Novgorod for an analysis of transportation. Tomsk has requested an analysis of transportation and housing. The memo for Arzamas has been drafted.

B. Significant Findings and Delays: Significant findings will be described after evaluation is finalized.

C. Work Planned for Next Reporting Period: End of January 2000 - finalization of Arzamas evaluation and memo. March 2000 - analysis to be completed for Novgorod and Tomsk and internal memo prepared.

D. Specific Action Requested: None.

E. Up-To-Date Schedule of Work: Unchanged from approved workplan.

3. BETTER TARGETED SOCIAL ASSISTANCE PROGRAMS

3.1 First Technical Seminar

A. Work Performed During Previous Quarter: The technical seminars are planned for February 2000.

B. Significant Findings and Delays: The first technical seminar for Perm has been tentatively scheduled for the middle of March 2000.

C. Work Planned for Next Reporting Period: Week of January 10 - set up agenda for each seminar including who from the city will need to attend each session and who on the project team will be responsible for each part of the seminar.

D. Specific Action Requested: None

E. Up-To-Date Schedule of Work: With the exception of Perm, unchanged from approved workplan.

3.2 Interactive Simulation Model of Current Programs

A. Work Performed During Previous Quarter: Work has begun on both a spreadsheet model and microsimulation model. A working description of the model's structure and data requirements has been developed and is being revised. Data from the RLMS has been retrieved and is currently being analyzed in order to construct prototypical families and as a potential source of input data for the microsimulation model. Other data sources are also being evaluated. For the spreadsheet model, input formats were constructed and program parameters for the national child allowance program have been entered.

B. Significant Findings and Delays: None

C. Work Planned for Next Reporting Period: As data on program parameters become available from the pilot cities, such information will be assessed and entered into the spreadsheet model. Output formats for the spreadsheet model are currently being developed in order to show interaction effects of local programs. A decision regarding the input data source for the microsimulation model will be made in the next quarter.

D. Specific Action Requested: None

E. Up-To-Date Schedule of Work: Unchanged from approved workplan.

3.3 Recommendations on Introducing Means Testing

A. Work Performed During Previous Quarter: This action will begin during the first technical seminar for each city in February 2000.

B. Significant Findings and Delays: We anticipate that the schedule for Perm will be delayed approximately 30 days beyond the other three cities.

C. Work Planned for Next Reporting Period: February 2000 - planned discussions with each city's workgroup as part of the technical seminar. March 2000 - based on the discussions cited above, and the analysis of all other data, the team will make recommendations to each city on programs that are the best candidates for introducing means-testing eligibility criteria.

D. Specific Action Requested: None

E. Up-To-Date Schedule of Work: With the exception of Perm, unchanged from approved workplan.

4. SOCIAL SERVICES DELIVERY

4.1 Model Normative Acts for Competitive Procurement of Services

A. Work Performed During Previous Quarter: During city visits in December staff determined the specific needs of each city. Novgorod: already has a city proposal on municipal grants. Tomsk:

prepared a package of basic documents, which are being reviewed by team members for comments. We will advise them of the strong and weak points of their proposed language. Arzamas: The team has provided Arzamas with draft language they can use in establishing a regulation for competitive procurement.

B. Significant Findings and Delays: It will be necessary to establish with Perm what is required in this area at the city visit in February 2000.

C. Work Planned for Next Reporting Period: During January 2000, staff will review the documents and acts that each city already has in place and provide comments to the city with recommendations for possible changes.

D. Specific Action Requested: None

E. Up-To-Date Schedule of Work: With the exception of Perm, unchanged from approved workplan.

4.2 Model Operational Documents for Competitive Procurement of Service Delivery

A. Work Performed During Previous Quarter: None in this quarter

B. Significant Findings and Delays: None

C. Work Planned for Next Reporting Period: The team will begin drafting operational documents that will describe the rights, duties, and responsibilities of the municipality and the contractor for municipal services. The documents will also contain a detailed description of competition procedures, requirements as to the composition and functions of the procurement committee, requirements for the contract, including liability of the non-fulfillment or improper fulfillment of the social order, as well as, dispute settlement procedures. March 2000 - documents will be drafted, reviewed by the team for completeness and delivered to the cities.

D. Specific Action Requested: None

E. Up-To-Date Schedule of Work: Unchanged from approved work plan.

4.3 Recommendations on Introducing Competitive Procurement of Service Delivery

A. Work Performed During Previous Quarter: During the city visits in December 1999, discussions were held with local authorities about the types of services they would like to see included in the planned competition.

B. Significant Findings and Delays: Arzamas has chosen as its theme: "Better Yards for Kids" a program to upgrade playgrounds. Neighborhood Committees, NGO's and private businesses will be able to compete, though it is expected that Neighborhood Committees will take the lead. It will be required that Neighborhood Committee proposals must include plans for collaboration with NGO's and volunteer groups. The Neighborhood Committee will also have to include in their proposal public jobs for the unemployed and include participation of recipients of social aid. In Novgorod that city officials have placed a high priority on creating a cross departmental data base which would incorporate the seven separate data bases currently being used by social assistance

agencies in the city at this time. Mostly private companies and research institutions are expected to participate. In Tomsk the focus of the city is the engagement and use of NGO's to provide services. Suggestions include meal provision for homeless individuals and families and services for handicapped children.

C. Work Planned for Next Reporting Period: During the city visit to Perm in February 2000, discussions on this area will be held.

D. Specific Action Requested: None

E. Up-To-Date Schedule of Work: With the exception of Perm, unchanged from approved workplan.

5. CAPACITY BUILDING OF RUSSIAN INSTITUTIONS

5.1 Social Service Administrator and Provider Training Plan

A. Work Performed During Previous Quarter: None this quarter.

B. Significant Findings and Delays: None

C. Work Planned for Next Reporting Period: None. This item will be included in the second six-month work plan.

D. Specific Action Requested: None

E. Up-To-Date Schedule of Work: Unchanged from approved workplan.

5.2 Future Capacity Building Activities

A. Work Performed During Previous Quarter: None

B. Significant Findings and Delays: None

C. Work Planned for Next Reporting Period: None

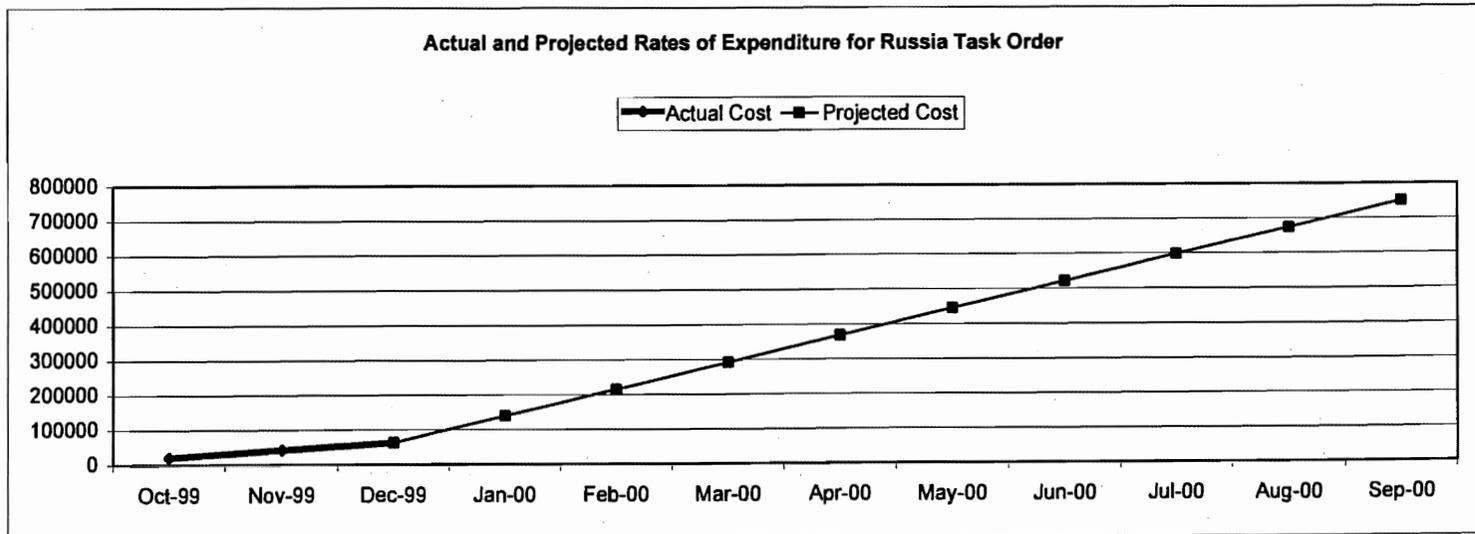
D. Specific Action Requested: None

E. Up-To-Date Schedule of Work: The seminars are not planned to occur until the second calendar quarter of 2000.

II Quarterly Task Order Cost Report
USAID Contract No. EEU-I-00-99-00015-00
Title: Local Government Assistance Initiative
Improving Social Service Delivery Systems
Time Frame: 9/30/99 - 9/29/00
For the Quarter Ended: 12/31/99

Country	Task Order	U.S. HOURS			COSTS													(1) Total Actual Cost	(1) Budgeted	Available Balance (\$)
		(1) Actual Hours	Budgeted Hours	Available Balance Hours	Direct Labor	Fringe Benefits	Indirect Costs	Consultants	Travel	Allowances	Equipments	Other Direct Costs	Subcontract	G & A	Fee					
Russia	06901-006	512.0	4,160.0	3,648.0	13,436	5,643	4,568		10,418	6,107	5,297	5,908	-	7,501	3,533	62,411	750,000	687,589		

(1) Actual hours and costs reflect data recorded by the Urban Institute's reporting system through 12/31/99; accrued expenditures (such as subcontractor and consultant invoices, travel expenses, and other direct costs not yet received by UI) are not included.



ANNEX A

**List of City Contacts in the
Russian Social Sector Reform Project**

city	name	surname	position	address	tel.	fax	e-mail
Novgorod	Galina S.	Matveeva	Deputy Head Novgorod The Great City Government	Bolshaya Vlasievskaya St., 4, Novgorod, 173007, Russia	(81622)74273	(8162)132599	mayor@adm.nov.ru
Novgorod	Tamara L.	Ilyna	Chief of finance-economic department Novgorod City Administration Housing Committee	Bolshaya Vlasievskaya St., 4, Novgorod, 173007, Russia	(81622)74529 (81622)76171	(8162)132599	itl@adm.nov.ru
Novgorod	Ekaterina N.	Sidelnikova	Deputy chief committee Novgorod City Administration Housing Committee	Bolshaya Vlasievskaya St., 4, Novgorod, 173007, Russia	(81622)74529 (81622)76171	(8162)132599	sen@adm.nov.ru
Novgorod	Pavel V.	Timofeev	Chairman of the committee on social questions Novgorod the Great City Administration	B. Dvortsovaja St., 5, Novgorod, 173000, Russia	(81622)33960 (81622)31286	(81622)31286	tnv@adm.nov.ru

Novgorod	Evgeniy I.	Kusikov	Director of "Information-analytical Centre on Housing and Utility Services"	Ludogoschaya St., 6, Novgorod, 173000, Russia	(81622)73335	(81622)75368	
Novgorod	Ekaterina V.	Krasnovidova	Head of finance and economic committee Novgorod City Administration	Bolshaya Vlasievskaya St., 4, Novgorod, 173007, Russia	(81622)74510 (81622)74782	(81622)78158	
Tomsk	Vladimir I.	Podkatov	Deputy Mayor of Tomsk on social questions	Prospect Lenina, 73, Tomsk, 634050, Russia	(3822)526852	(3822)526869	
Tomsk	Ekaterina	Siryamkina	Director of Department on NGO and Neighborhood Committee		(3822)526932 (3822)412522		
Tomsk	Vasiliy F.	Homchenko			(3822)526894		
Tomsk	Marina V.	Tomilova	Deputy Head on social questions United Administration of Kirovskiy and Sovetskiy Districts of Tomsk	Prospect Kirova, 11a, Tomsk, 634034, Russia	(3822)410087 (3822)410095 ?????? 202028		
Tomsk	Tatyana D.	Pshenichnikova	Head of Siberian Department of Public Service Academy in Tomsk	Prospect Lenina, 99, Tomsk, 634000, Russia	(3822)222211 (3822)225417	(3822)222211	

Tomsk	Andrey	Beloglazov	Head of Tomsk Region Charity Fund "Siberia AIDS Aid"	box 3318, Tomsk, 634029, Russia (Elizarovih St., 70a, Hobby-centre)	(3822)244459		root@aidsaid.tomsk .ru
Tomsk	Albert T.	Adamyant	Head of Health Service Department, Tomsk Administration	Krilova St., 8, Tomsk, 634050, Russia	(3822)231059	(3822)231059	adam@post.medics .tomica.ru
Tomsk	Ekaterina D.	Vasilevskaya	Deputy Head of Finance Department				
Tomsk	T.V.	Kopilova	Chairman of House Owners Fellowship Association				
Tomsk	A.M.	Ratner	Head of Culture Department				
Perm	Olga M.	Ziryantova	Executive Director, NGO Support Ural Centre	Office 607, Popova St., 9, Perm, 614600, Russia	(3422)330850 (3422)904140	(3422)904140	ngoural@gmx.net
Perm	Vasiliy N.	Vjuzhanin	Head, NGO Support Ural Centre	Office 607, 611, Popova St., 9, Perm, 614600, Russia	(3422)332850 (3422)333006	(3422)904140	vasiliy@gmx.net
Perm	Oleg M.	Zhdanov	Deputy Mayor		(3422)343337		
Perm	Nikolay A.	Yashin					
Perm	Tanyana I.	Margolina					
Perm	Yuriy P.	Trutnev	Head of Perm City Administration		(3422)343302	(3422)349491	root@adm.perm.ru

Perm	Vladimir S.	Tafincev				(3422)349491	
Novgorod	Alexander V.	Korsunov	Mayor of Novgorod the Great	Bolshaya Vlasievskaya St., 4, Novgorod, 173007, Russia	(81622)72540	(8162)132599	
Arzamas	Natalya V.	Mumladze	Head of Social Security Department, Arzamas				
Arzamas	Nina	Kosova	Deputy director of social- psychological family centre		(83147)33690		family@nts.nnov.ru
Arzamas	Raisa I.	Beloguzova	Chairman of Selfgovernment Committee N 13				
Arzamas	S.A.	Bazhnov	Specialist				
Arzamas	I.V.	Filileeva	Chief of Committee on Family Questions				
Arzamas	Igor B.	Mozzhalov	Chairman of Selfgovernment Committee N 5				
Arzamas	E.I.	Kocheshkova	Specialist				
Arzamas	A.V.	Dubov	Chairman of Selfgovernment Committee N 11				
Arzamas	L.N.	Novikov	Chairman of Selfgovernment Committee N 9				

Arzamas	T.V.	Karaulova	Head of finance department				
Arzamas	Galina D.	Fedorenko	Head of Social Aid Municipal Centre				
Arzamas	Natalya V.	Barinova	Deputy Head of Social Aid Municipal Centre				
Arzamas	Evgeniy Sh.	Gostev	Chairman of Selfgovernment Committee N 1				
Arzamas	Boris A.	Smirnov	Chairman of Selfgovernment Committee N 6				
Arzamas	Ivan I.	Bilinkin	Chairman of Selfgovernment Committee N 14				
Arzamas	Vitaliy G.	Litvinov	Chairman of Selfgovernment Committee N 2				
Arzamas	Vladimir D.	Dmitriev	Chairman of Selfgovernment Committee N 3				
Arzamas	Sergey T.	Metla	Mayor of Arzamas		(83147)41400	(83147)41400	
Arzamas	Ivan L.	Sverlov	Head of Housing and Utility Service		(83147)41412 (83147)41413	(83147)41400	
Arzamas	Sergey V.	Stulov	Deputy Mayor on economic questions		(83147)43030	(83147)41400	



International Activities Center

The Urban Institute

2100 M Street, N.W.

Washington, D.C. 20037

Telephone: (202) 833-7200

Website: www.urban.org