

IPP Technical Evaluation

US Partner(s): University of Massachusetts, School of Regional Planning and Landscape Architecture.

NIS Partner(s): Pskov Polytechnic Institute (PPI)

Location of site visit(s): Pskov

Date of visit(s): November 14-15, 1996

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A) Discuss the strongest aspects of the technical and professional work being done by this partnership.

- The partnership

This is an excellent, very successful example of a partnership. The Russian and US partners have an exceptional working relationship supported by on-going open communication. The grant was originally conceived and written with equal participation of both partners.

- Communication

The partners communicate frequently by e-mail, phone, and face-to-face meetings during site visits. This has facilitated the smooth progress of the partnership. On the technical side, the partnership has established an excellent e-mail communications system.

- Dedicated staff and local government support

Both partners employ a number of dedicated staff members that act as catalysts and controllers, ensuring a collaborative relationship. On the US side, most efforts are led by Dr. Meir and Dr. Taupier, who are dedicated, hard working professionals and excellent trainers. On the Russian side, the leaders are Mr. Zadontsev, Head of the newly established Department of Regional Planning, and Mr. Ranishevski, Head of the Economic Forecasting and Market Development Department of the Pskov Oblast Administration. Support from the local government has been beneficial and important to the success of this grant.

- An integrated program

This grant is composed of a number of activities related to regional economic planning and development. These activities are well integrated, supportive, and enhance each other.

- The development of local academic capacity

The best work done by this partnership has been the cultivation of an academic capacity within the Pskov Polytechnic Institute to train new specialists in regional and municipal economic planning and development. A new academic department recently opened, and a new curriculum is now being taught by Russian and US trainers to the first group of students seeking a degree in this field. The partnership has made an effort to invest time and funds into trainers. This partnership has done excellent work in developing Russian trainers, which should ensure the sustainability of the new department.

- Exchange of government officials

Another strong element of this partnership is the exchange program between Russian and US government officials. This exchange program led bureaucrats from the older generation to rethink their approach to the development of their region. Further, the exchanges have resulted in a number of signed agreements and in strengthened ties between the regions.

Discuss the weakest aspects of technical and professional work being done by this partnership.

- Pskov Trade and Investment Center

The Pskov Trade and Investment Center is a government department; its purpose is to encourage international trade and investment in the Pskov region. It is not a business support center and it is prohibited from charging fees for services. This means that clients are chosen from medium-sized businesses rather than from the newly emerging private sector. The Pskov Center works closely with the Trade Center in Massachusetts. However, the International Trade and Investment Center is not interested in most forms of technical assistance.

- US MBA interns

The Pskov Trade Center was supposed to receive two US interns to help provide consulting services to clients, however both of the interns ended up working for the Center for Regional Planning. The intern that is presently in Pskov is underutilized. He spends most of his time teaching English to the staff, and helps to review and translate business plans.

Recommendations for Improvement:

- Pskov Trade and Investment Center

Work with the Pskov Trade and Investment Center within the framework of this grant should be reassessed, and a new work-plan should be drawn up. The work-plan should reflect that the Center is a government department that promotes trade and investment in the region. The plan should discuss if and how US interns will be utilized, and what additional training the staff will receive on the promotion of trade and investment.

- US MBA interns

When US interns are utilized, the terms and scope of work must be designed with input from the intern, the Russian partner, and the US partner. If possible, the US intern should be utilized as part of a Russian-US consulting team. This would ensure skill transfer from the US intern and would provide a Russian perspective during consulting assignments.

B) What do the Russian or Ukrainian partners see as the "criteria for success" for their partnership project activities? How close are they to attaining them?

The Russian partners are most interested in the success of three aspects of this grant:

- Creation of the Department of Regional Planning and Municipal Management

A new department within the PPI to teach Regional Planning and Municipal Management has been established and has an approved curriculum. Trainers and courses have been prepared, and a new group of students has begun their studies in this new field. This objective has been attained.

- Creation of the Pskov International Trade and Investment Center

The Pskov Trade and Investment Center has been established and is operating energetically. The Center is poised to produce good results in the near future. The government support the Center receives and the energy of its staff will help to ensure the sustainability of this new organization. The Center is not a business and cannot accept

payment, which means that not all businesses will have access to the services of this Center.

- Creation of a Center for Regional Planning

The Center for Regional Planning has been created and is operating out of the PPI. It is headed by Mr. Zadontsev. The center provides business consulting services such as business plan writing, provides trade facilitation services, and works with the local government on issues of regional planning. The center has a price list, marketing materials, and charges fees for its services. It is difficult to tell if enough companies will be willing to pay for these services to make the center self sustaining.

Recommendations for Improvement:

- Creation of the Department of Regional Planning and Municipal Management

Mr. Zadontsev is still considered to be the Acting Head of the newly formed department, but is slated to officially become the Head. He is an energetic, bright, and able professional who has already accomplished a great deal. However, there is a lack of open communications between him and the Rector. It is therefore very important that Mr. Zadontsev be assigned a trained deputy to allow work to continue uninterrupted. It should also be noted that Mr. Zadontsev serves double duty, is very hard working, but is reluctant to delegate.

- Creation of the Pskov International Trade and Investment Center

As was previously mentioned, the Pskov Trade and Investment Center is not a business center but a government department. The work that it is attempting to do is very important. However, if work is to continue within this grant, a new work-plan should be established to better serve the goals of this organization.

- Creation of a Center for Regional Planning

The Center for Regional Planning is intending to sustain itself in the future on fees charged to the local government and local clients. The center would do well to write a business plan for itself, with special emphasis on marketing plans.

C) Describe the technical merit and appropriateness of the following program components:

It should be noted that most components of the grant's programs are interwoven in terms of function, staff, space, and the like.

1. Training

- Establishment of a new department of Regional Planning and Municipal Management

The new department officially opened in November 1996. It is probably the most successful aspect of this partnership. It has a dedicated staff, an approved curriculum, and a good computer laboratory (financed through the grant). The department offers a second degree, somewhat similar to a US Masters degree. This degree is offered to students that complete their studies through a combination of on-campus and distance education. The department computers are equipped with the proper GIS software. The software and the training manual have been translated into Russian and the department offers a good computer class. In fact, from observing the class, it was evident that the handouts distributed to the students have also been translated into Russian. In addition, the class was co-taught by a Russian faculty member, who acted not simply as an interpreter for his US counterpart, but also taught part of the course. The Russian co-teachers were very impressive and they greatly benefited from the long period (of at least 3 months) they spent studying in the US. The Russian interns arrived in the US with a study plan, which they then implemented in their home institution. The department already employs five staff members; two are presently in the US studying at UMass.

This aspect of the program meshes well with other aspects of this partnership, especially with the Center for Regional Planning. The case studies that the students are using are from material about Pskov that has been inputted into the GIS program about Pskov by the PPI and the University of Massachusetts. It is very beneficial that the new department is not simply adopting American materials, but that it is adapting them for their own use. In addition, the materials will also be useful to the Center for Regional Planning.

The new department has the support of the Oblast Government, the Institute (Mr. Verteshev), and the St. Petersburg Polytechnic Institute. In addition, a system to system agreement between the University of Massachusetts and the St. Petersburg Polytechnic Institute is in the process of being signed, along with an agreement between UMass-Amherst and the Institute at Pskov.

- Short Courses

It was evident from interviews that the short courses were well received, but not considered central to this grant by either U Mass or PPI. Generally, reports from the short courses have been positive. However, it does appear that some of the subject matter could have been better taught by trainers in St. Petersburg and that some of the material developed will not be as beneficial as was originally anticipated. For example, the Corporate Accounting and Finance Course has been taught for over three years in St.

Petersburg by Duke Fuqua University and others. It would have been cheaper to bring their trainers from St. Petersburg to Pskov, or to send Pskov faculty members to St. Petersburg for training. There is also quite a bit of material already developed in Russian on the subject.

- Exchanges amongst local government officials

This program was given high marks by Russian participants. They expressed a desire to continue such programs in the future. Participants gave examples of how these partnerships might continue. For example, the Massachusetts official responsible for Human Resources and Employment has identified another grant possibility. He returned to Pskov this November to deliver a series of lectures and to work with his counterpart.

Recommendations for Improvement

- Establishment of a new department of Regional Planning and Municipal Management

(Some of these recommendations are discussed in more detail elsewhere in this report.)

It would be beneficial for additional training to be provided for another person who will act as Mr. Zadontsev's deputy. Since the program of building local training capacity has been successful, the new department would benefit if staff members were trained on additional relevant courses.

The new department would also benefit from a small library being developed in English and, preferably, in Russian. The books and publications compiled should concern the subjects of economics, economic development, business, accounting, and the like. Many recognized textbooks in these fields have been translated by USIS. USIS can provide information on how those materials can be acquired. In addition, many USAID grantees have developed additional business and economics training materials, which could be acquired for a small fee.

- Short Courses

The US partners experienced difficulties in devoting the time that this aspect of the program required because of their commitments to other parts of the program. For example, not all course materials were translated into Russian. Also, not all courses were co-taught with a Russian trainer who could then continue to teach the course. This aspect of the program is not essential to the survival of other aspects of the program. The partnership should either discontinue this aspect and focus their energies on the remaining parts of their grants, or continue offering short courses and assign a coordinator at each partner organization to oversee the program. In addition, since these courses are meant to

be offered to paying customers in the future, the Pskov partner should conduct some rudimentary market research to determine the needs of their market. They should work with the University of Massachusetts to adapt these courses to Pskov. Accounting and finance courses especially must be revised to suit the local environment.

- Exchange of government officials

The Russian participants were generally satisfied with this aspect of the grant. The only improvement would be to reduce the number of lectures and to increase the amount of practical work involved, such as sitting in on actual meetings, shadowing counterparts, and the like.

2. Products

- Four short courses

"Environmental Economics" is a useful course; well written and well presented. However, it is not fully translated into Russian, and contains no information or example concerning Pskov or Russia.

"The Role of Government in Fiscal Policy" is very well written and uses relevant Russian examples and discussions. The Russian version could have benefited from being more attractively presented. Overall, the course is very good.

"Corporate Accounting and Finance" is a useful course. However, it was not translated or adapted to Russia. In addition, there are already courses that have been developed in Russia for a Russian audience using Russian examples which may have been cheaper and more efficient to use. It should be noted that it is difficult to teach this course in Russia exactly as it would have been taught in the US. Russia is still reeling from de-stabilizing influences such as hyper-inflation, restructuring of large industries, and the primitive nature of Russian financial structures.

"Financial Management" is also a useful course, but no allowance has been made for the special economic conditions occurring in Russia and no use made of Russian examples.

- Curriculum of the new Department of Regional Planning and Municipal Management

Two programs have been developed for the new department. One is for a concentration in Regional Planning and the second is for a concentration in Business Management. They are very similar, except for a couple of courses. These curricula have been accepted by PPI, the St. Petersburg Polytechnic Institute, and the Russian Department of Education. The curriculum is partially composed of longer courses that will be taught by Russian

faculty members who have been and are being trained by the University of Massachusetts. It is also beneficial that the curriculum has some Russian components, such as the History of State Management in Russia.

Recommendations for Improvement

- Four short courses

These courses are not as useful as the academic aspects of this partnership. Materials for short courses that the Russian partner plans to conduct for paying audiences should be translated into Russian, and the material should be presented in an attractive manner (not in a small font, single spaced.) Every effort should be made to incorporate Russian examples. This could be done with the assistance of a Russian co-trainer.

Corporate Accounting and Finance have been taught in Russia for a number of years. These courses are most likely superior to the ones developed in Pskov, as they have been adapted to the Russian environment and are already translated. Perhaps trainers could be brought to Pskov to teach these courses, or trainers from Pskov could be trained under these programs. Either might be cheaper and more effective than continuing to independently develop the courses.

- Curriculum of the new Department of Regional Planning and Municipal Management

An improvement in this area would be to expand what the partnership is already doing. For example, training additional Pskov faculty members in Massachusetts would be useful, and additional information about Pskov could be entered into GIS so that more case studies and relevant examples could be used by trainers and students.

4. Consulting Services

- Pskov International Trade and Investment Center

The Pskov Trade and Investment Center was officially established in August 1996 by the Pskov Oblast Administration Economic Committee. It is housed in the Administration building in a 15 sq. meter office furnished with three desks, two computers, a photocopier, a printer and a fax. It has a staff of three people: Ms. Rak, who has been trained in the US; another consultant, who is now undergoing training in the US; and Mr. Fedulov, the Head of the Department, who is officially the deputy of Mr. Ranishevski and an employee of the government. The grant provides for the salary of Mr. Fedulov and for most of the equipment. The Center is being promoted through the media mostly by granting interviews.

As has been previously noted, this is not a business center providing consulting to local business, but more a government department concerned with increasing international trade and investment in the region. The center focuses on a number of key industries, such as food processing, forestry, and machinery. It works closely with the University of Massachusetts Trade Center and has made some positive steps toward establishing trade links. For example, the Center recently facilitated a contract for shipping \$100,000 worth of local wrought iron items to the US, and has also conducted a number of exhibitions. The working relationship between the Pskov Center and the US center is satisfactory and shows every sign of continuing.

It was difficult to judge the consulting abilities of the Center's staff, mostly because there was no one in the office, with the exception of Mr. Fedulov, during the time of the interview. It was intended for two US interns to work at the center as consultants, but unfortunately Mr. Fedulov is resistant to the idea. His reasons are likely because the Center is located in a government building where "one can not just have Americans working" (his statement) and because the US consultant was a business consultant, not an economic development consultant. Mr. Fedulov and Mr. Zadontsev of the Center for Regional Planning consider their organizations one and the same. As they said: "We are one organization, we are only separated by space." The Trade and Investment Center cannot accept money for its services since it is a government department; however, it can funnel some projects through the Center for Regional Planning, which can charge for its services and can retain Mr. Fedulov and his staff as consultants.

- Center for Regional Planning

The Center for Regional Planning, headed by Mr. Zadontsev, is located in a large 35 sq. m. room in PPI in the same building as the newly opened department. The Center is working with the local government on issues of regional planning, is providing trade facilitation services, and is selling its expertise in writing business plans. A number of agreements have been signed, including one, which could possibly bring in revenue in the future, with MassPort to act as their official liaison in the region. The center is also working with the local telephone company to plan its expansion in the city.

The staff of the center is composed of people that have undergone training in the US; some of them are also faculty staff of the new department. There is one US trainee working there (the one that was originally supposed to work in the trade center). Unfortunately, he acts mainly as a glorified interpreter, teaching English and helping to review and translate business plans. The Center has not been successful at securing any credit yet from its business plans.

A very positive aspect of the Center's work has been the compilation of a special GIS database on Pskov, which is also being used by the newly formed department as a teaching tool.

Recommendations for Improvement

- Pskov Trade and Investment Center

Most recommendations regarding the Pskov Trade and Investment Center have been previously discussed. If it is decided that the partnership will continue to support the activities of this center, then a new work-plan should be drawn up between the two partner organizations, and Mr. Fedulov should receive additional training in the area of regional economic development.

Although the Center could greatly benefit from the work of a US intern, such a person should be sent to work with the Center only if the Center has a plan on how such a specialist would be used, and understands what the benefits of the situation would be.

It is difficult to comment on the marketing efforts the Center has undertaken, since the center is not required to do much marketing in Russia since it does not charge for its services and it chooses its clients with the Oblast Administration's blessing.

The Center needs to acquire some resource books, such as a directory of the consulates in Moscow, a directory of US firms in Moscow, and such. Perhaps IREX in Moscow could help in the acquisition of such books.

Ms. Rak, one of the two consultants at the Center, may leave soon due to personal reasons; the Center might need to replace her.

- Center for Regional Planning

The brochure for the center is well written, but it should be typeset and printed in a manner similar to its US counterpart. This could easily be done on the equipment the center has at its disposal.

The quality of the consulting services could be enhanced if the US intern were used as part of a Russian-US consulting team. This would facilitate a skills transfer and provide for a more complete consulting picture for the client.

D) What additional technical assistance do you believe the Russian or Ukrainian side could use to improve their work in general?

- Internet access

An Internet connection would be beneficial for improved communication flow, and would also provide trainers and students from the new department and from the two centers with relevant information in their fields.

- Training of PPI faculty

US training of additional PPI faculty members belonging to the Department of Regional Planning and Municipal Management would develop additional local capacity.

- Acquisition of information materials

The Center for Regional Planning, the newly formed department at IPP, and the Trade and Investment Center could greatly benefit from the acquisition of training and resource books and materials, most of which are already available in Russian in Russia.

E) What new directions, do you see as a natural follow-on for this project? Are there others working in the sector that this group might contact and/or collaborate with?

- Expanding the program

As was mentioned previously, the academic aspect of this partnership is very good. Therefore, it would make sense to continue and possibly expand that aspect, perhaps to include more faculty members in more disciplines within PPI. It can also be expanded to include the St. Petersburg Polytechnic Institute. The St. Petersburg organization and the University of Massachusetts have developed a good working relationship. In addition, the partnership found it difficult to enlist US faculty members to come to Pskov, but might find it easier to convince them to come to St. Petersburg. Another way in which the academic program can be expanded is to begin to focus more on environmentally sustainable development, which is a natural direction for expansion which was cited by both partners as important and viable.

- Development of tourism capacity

The technical evaluator had an opportunity to attend a meeting between PPI, U of Mass, and the Deputy Mayor of Pskov in charge of Education and Culture. From his trip to the US as part of this grant, the Deputy Mayor learned that the promotion of tourism is a viable economic development initiative. Pskov has the historic and cultural potential to be a tourist city; however, its infrastructure is greatly lacking, and the Deputy Mayor asked the University's assistance. Apparently, the University of Massachusetts has one of the

best tourism departments in the US. The partnership agreed that when the next batch of faculty from PPI is sent for training in the US, one of them will be sent to the Tourism Faculty. Additional assistance would be helpful, perhaps a visit of a US tourism specialist from the University of Massachusetts who could work with PPI to study the tourism potential of the region and how it could best be developed.

- Additional organizations to contact

This partnership should consider working with the New York based NGO, Environmentally Sustainable Development, which has experience in working on economic development issues in Russia. In addition, the Business Support Center in Smolensk has been heavily involved in regional and municipal planning in the Smolensk Oblast; it would be beneficial for these organizations to contact each other.

F) How do you assess the partnership's sustainability plan? What is your sense of how close the partners will be to meeting these goals?

This partnership is on track with their sustainability plan and all goals to date have been accomplished. Most of the goals that they plan to accomplish over the next year are realistic. It is difficult, however, to judge how successful the Center for Regional Planning will be in charging fees for business people to attend their courses, to buy their training materials, or to purchase their services. The uncertainty is compounded by Pskov's proximity to St. Petersburg, where there is more established competition. Unfortunately, it is also difficult to attract good US trainers to Pskov; they prefer instead to go to St. Petersburg.

The new academic department and the two Centers that have been formed as a result of this partnership already have office space, equipment, and well trained personnel. Furthermore, the new department and the Center for Regional Planning have begun to charge for their services. The Center for Regional Planning has been especially capitalizing on their business plan writing expertise and has begun to work with the city on development issues. Most importantly, a number of strategic agreements are in place that should enhance the sustainability of these organizations. The newly formed department has a curriculum in place that has been approved by the Russian Ministry of Education and by the University of Massachusetts. It will also continue to receive support through a system to system agreement signed between the University of Massachusetts and the St. Petersburg Polytechnic Institute and through a second agreement signed between the Pskov campus and the Amherst campus. The Pskov Center for Investment and Trade has a cooperative agreement with the Trade and Investment Center based at the University of Massachusetts, while the Center for Regional Planning has an agreement with MassPort to act as their regional liaison.

If the following goals are accomplished, they will be of particular benefit to the Russian partner: installing Internet access to improve the flow of up-to-date information, and an agreement with the manufacturer of the GIS software to allow PPI to collect royalties for translating the GIS training manual into Russian.

Finally, it is difficult to predict how successful the Center for Regional Planning will be in selling their products and services. Therefore, it would be beneficial for the partnership to use the remaining time of the grant to investigate the local market for their services and to write a business plan for themselves.

G) Other comments:

In November, a new governor was elected in Pskov. He belongs to LDPR, Zhirinovsky's Party. A new governor, regardless of his affiliation, traditionally tries to replace the upper echelons of the administration with his own people. This might have a de-stabilizing effect on aspects of the partnership which depend on local government support, especially on the Pskov Center for Trade and Investment. Mr. Zadontsev recently met in passing the new governor at the administration building. The governor told Mr. Zadontsev that he has been familiarizing himself with this institutional partnership, and thus far finds it very interesting. It should also be noted that during the campaign, one of the new governor's campaign advertisements aimed at the incumbent said: "Even your friends from Massachusetts can't help you now."

Events attended, people met, sites visited

Short course on GIS taught by Richard Taupier

Computer lab (while class in progress)

Accounting class taught by Department of Regional Planning and Municipal Management

New Department of Department of Regional Planning and Municipal Management

Center for Regional Planning and Municipal Management

International Trade and Investment Office

Pskov Chamber of Commerce and Industry

Vladimir A. Zubov, General Director, Chamber of Commerce and Industry of the Pskov Region

Sergei M. Verteshev, Director, Pskov Politechnic Institute

Dmitriy A. Ranishevski, Head of Department Administration of Pskov Region,
Department of Economics

Richard Taupier, Project Coordinator, University of Massachusetts at Amherst

Meir Gross, Principal Investigator, University of Massachusetts at Amherst

Vladimir N. Andreyev, Vice Director, Pskov Polytechnic Institute

Alexander Zadontsev, Director of Center and Department Head of Regional Planning and
Municipal Management

Vladimir G. Fedulov, Director of the Pskov Trade and Investment Center