

**QUARTERLY TASK
ORDER PROGRESS
AND COST REPORT**

**JANUARY TO MARCH
2001**

**IMPROVING SOCIAL
SERVICES DELIVERY
SYSTEMS, RUSSIA**

Prepared for



Improving Social Services Delivery Systems, Russia
U.S. Agency for International Development
Contract No. EEU-I-99-00015-00, Task Order 803

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**QUARTERLY TASK ORDER PROGRESS
AND COST REPORT**

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IMPROVING SOCIAL SERVICES DELIVERY SYSTEMS, RUSSIA

Task Order No.: EEU-I-99-00015-00, TO 803

Date of Issuance: September 30, 1999

Task Order Description

Improving Social Service Delivery systems is a two-year activity to assist Russian municipalities improve the efficiency and effectiveness of their social support services. Technical assistance will be provided to help selected municipal administrations assess the current conditions of their social service delivery structure, to introduce means-testing as a way to improve the transparency and targeting of social subsidy programs, and to improve the effectiveness of locally provided social services. The program will assist municipalities to modernize and increase transparency in their budget processes by implementing, to the extent allowable under current federal legislation, the most cost effective policies for allocation of locally derived budget resources.

Amount obligated under Task Order:	\$1,250,000
Total potential Task Order amount:	\$1,550,000
Dollars expended to-date:	\$851,341

Progress of Major Activities

As required by Section F.5 of the Local Government Contract, below is a description of progress during the last quarter under Task Order 803.

Better Targeted Social Assistance Programs—The project team traveled to Perm to meet with city administration officials on the status of the of the new targeted assistance program for families. We discussed with them alternatives to the benefit structure presented in November to which we had provided objections and comments. The city proposed a new benefit structure closer to what had been previously recommended by the project team. We also discussed the purpose of the Commission that was being used to determine eligibility for the program. The city stated that they had decided to eliminate the Commission from the eligibility process and to use them only for conflict resolution.



The project team returned to Perm in March after providing the city with additional alternatives to their proposed benefit structure. The team ran a micro-simulation of each alternative so that the city could see how each would affect the status of current recipients and what the cost of each alternative would be to the city. The new benefit structure will be selected by the city administration and put into place for the recertifications that will be done in May.

The project team traveled to Arzamas, January 26, 2001, to discuss the implementation of the targeted assistance pilot project. In February 2001, the team learned that the city administration had decided not to implement a consolidated food assistance program as originally planned. Instead was implementing a revised school lunch program, wherein all students would pay four rubles per meal. Low-income households would receive cash assistance equal to either half the cost of the meals, or the full cost of the meals, depending on their income. The new program also provides additional food vendors from whom schools can purchase food for the program and allows for parents' committees to monitor the menus and quality of the food served.

Social Services Delivery—The project team traveled to Perm in January to review with city officials the contracts and services to be provided by the three non-government organizations (NGOs) that won the competitive procurement.

The project team traveled to *Novgorod* to discuss the reinstatement of the competitive procurement of in home services for the elderly and disabled. The RFP was issued in January 2001, and the competition was held and the winner selected on March 5, 2001. The winner of the competition was Novgorodki. The contract for services was signed the last week of March 2001 and delivery of services will begin in April 2001 and will continue until the end of 2001. The contract provides for the NGO to provide in-home services to 25 elderly residents with cancer. The services to be provided under the contract include:

- Purchase of food and preparation of hot dinners
- Purchase and delivery of other necessities
- Feeding of individuals who cannot feed themselves
- Delivery of up to 40 liters a day of water
- Taking clothes to be laundered and repaired
- Assistance in the cleaning and repair of the apartment
- Assistance in physically making payments for housing and communal services
- Providing emergency medical assistance
- Providing assistance in writing letters and completing necessary documents
- Assistance in getting clients to the hospital if necessary
- Visiting clients in hospitals



- Assistance in taking medications and giving injections
- For non-ambulatory clients, bathing and assistance in changing clothes
- Assistance in the organization and planning of funerals

While in Novgorod the project team attended the first quarterly meeting between NGO directors and the vice-mayor for social protection. The agenda for this first meeting covered topics such as how the city plans to work with NGOs in the future and a presentation by the NGO support center on the kinds of services and assistance they can provide to NGOs in Novgorod. The city plans to conduct these meetings every three months so that issues relevant to both NGOs and the city administration can be discussed.

See the following *Summary Table of City Proposals and Actual Projects Implemented* at the end of this report for an update showing the original proposal for each city and the actual programs implemented in each city.

Strengthening Administrative Procedures—The project team traveled to Arzamas twice during the reporting period to meet with city officials and the designated work team on the implementation of the single application for city services and benefits and the implementation of the pilot project for the single point of entry for applications. During the first visit the team talked to social workers that were actually using the application for comments on ways that the application could be improved. During the second visit the team finalized their comments on the application with the work team and negotiated additional changes to the application with the city. The final comments were also submitted to the city in writing. See the section on Monitoring and Evaluation for additional activities on strengthening administrative procedures.

Summary Table of City Proposals and Actual Projects Implemented

Area of Reform	City Proposed	City Implemented
Better Targeting of Social Assistance	Arzamas: A food assistance program for all low-income individuals and families that would replace all current food programs in the city with the exception of the Kindergarten Meal Program.	Arzamas: School Lunch Program: — All families must pay four rubles per child per day for school lunch. — Provides cash assistance to low income families to pay for either 100 percent or 50 percent of the cost of school lunches depending on the



Area of Reform	City Proposed	City Implemented
		<p>family's income level.</p> <ul style="list-style-type: none"> — Allows schools to purchase food from private vendors as well as municipal enterprises. — Permits parent committees for each school to monitor quality of school lunch menu and food.
	<p>Novgorod:</p> <p>To redesign the Social Support of Low Income Families Program to:</p> <ul style="list-style-type: none"> — Eliminate categorical eligibility. — Base eligibility solely on income. — Use the subsistence level as the standard for eligibility and benefit level. — Use only one set of eligibility rules and income calculation methodology. 	<p>Novgorod:</p> <p>Proposal withdrawn.</p>
	<p>Perm:</p> <p>Create a new program to provide cash assistance to low income families while simultaneously providing services to the family so they can become self-sufficient through new or better paying employment.</p>	<p>Perm:</p> <p>Implemented November 2000 as proposed.</p>



Area of Reform	City Proposed	City Implemented
	Tomsk: — Create a sliding scale for tuition fees for extra-curricular activities and kindergarten based on an income calculation. — Redesign Infant Milk Program to eliminate the required doctor's certification and to replace in-kind benefits with cash or vouchers.	Tomsk: Proposal withdrawn.
Competitive Procurement	Arzamas: Services to veteran of recent conflicts with a desired outcome of gainful employment.	Arzamas: Competition held and contracts signed with three NGOs to provide services to veterans of recent conflicts and their families to promote family stability provide employment counseling and training.
	Novgorod: Expansion of the municipal program for in-home services to the elderly and disabled for 120 additional individuals to be provided by NGOs.	Novgorod: The same, only budget appropriation for the purchase of services was reduced from 100,000 rubles to 50,000 rubles. The selection of winners of the competition will be announced on March 1, 2001.
	Perm: Services for disabled children.	Perm: The competition was held and contracts were signed with three NGOs to provide services to 20 disabled children each in three different geographic areas of the city.
	Tomsk: Services for disabled teenagers.	Tomsk: The competition was held and contracts were signed with nine NGOs to provide a variety of services to disabled teenagers across the city.



Area of Reform	City Proposed	City Implemented
Administrative Reform	Arzamas:	Arzamas:
	<ul style="list-style-type: none"> — Single Application form for all city benefits and services provided by the Committee for Social Protection and for Housing Allowances. — Single Point of Entry to file applications for all city social services and housing allowances with one application, one interview, and providing only one set of verifications or required documents. 	<ul style="list-style-type: none"> — Implemented as a pilot project in two micro-raions. — Implemented as a pilot project in two micro-raions.
	Novgorod:	Novgorod:
	<p>Single application form for all city benefits and services provided by the Committee for Social Questions and the Housing Allowance Program.</p>	Proposal withdrawn.
	Perm:	
	No proposal made.	
	Tomsk:	Tomsk:
	Implementation of a social passport and single data base for all programs including those administered by other departments, e.g., education.	Proposal withdrawn.

Monitoring and Evaluation—The project team traveled to *Perm* in January to begin the monitoring process for the new targeted assistance program for families in the Motovhiliky District. The team read case records and interviewed both front line staff and District and Municipal managers as part of this monitoring visit. Front line social



workers that were hired especially for the implementation of this project were also interviewed. The team returned to Perm at the end of March to complete its monitoring activities including additional interviews with city officials and officials of the Employment Office where pilot project clients are required to register and conduct a job search as part of their participation in the program. The project team also conducted focus groups with a total of ten program participants, to discuss their understanding of the program and their satisfaction with the benefits and services provided.

The project team traveled to *Arzamas* to conduct its first visit to monitor the single application and single point of entry for applications, as well as, the implementation of the new city School Lunch Program. City officials and social workers at all levels were interviewed and team members reviewed case records from the School Lunch Program.

Dissemination—A contract was signed with Garant-Park Internet Services for the development and implementation of a web site for the project. The team received a draft of the entry page to the site and a first cut at the development of an on-line administrative cost calculator which the team began testing.

The project team participated in two conferences where information about the project was shared with conference participants. These are described below.

The Ministry of Finance held a conference in January 2001 entitled, "Review of Public Expenditures on Social Assistance." The conference had approximately 120 participants from the Ministry of Finance, the Ministry of the Economy, the Ministry of Labor and Social Development, the State Duma, as well as regional officials from across the Russian Federation. The agenda for the conference included items such as a presentation by the Leontieff Center that reviewed the social expenditures in four regions; presentations by regional administrators on their reform strategies, a session on the RF Government Strategy for Social Reforms, and a round table discussion on federal policy and social sector reform. Project team member, M. Liborakina participated in the round table and presented findings of the ISSDS project in the area of social budgets and unfunded federal mandates. She also discussed strategies for more transparent sharing of expenditures for social responsibilities among federal, regional and local governments.

The Leontieff Center in cooperation with the Carnegie Foundation held their annual meeting, which provided an open forum for researchers and politicians to discuss a variety of issues. There were more than 70 participants at the meeting, which included representatives from the Federal Ministry of the Economy, regional administrators from the northwest of Russia, and guests from Sweden and the U.S. The conference included a session on social policy and a round table on regional strategies



for social reform. Project team member M. Liborakina made a presentation on the legal basis for the sharing of responsibilities among federal, regional, and local level governments for social protection expenditures.

Volga Federal District Initiative—The project team organized a seminar “Social Initiatives in Volga Federal District” upon request of Mr. Zarubin, Deputy to Mr. Sergei Kirienko. It was held on January 16-17 in Moscow. Twenty participants from Perm, Nizhni Novgorod, Tolyatty, Samara and Moscow took part in this event. Among them there were representatives of the Volga Federal District administration, local and regional administrations, NGO Support Centers and the legal consultant from the Charity Aid Foundation. The primary topics of the seminar were to summarize the experience of the competition of social and cultural projects “Social Partnership” that were held in conjunction with the Perm Fair and to define the strategy for the monitoring and evaluation of these projects. The project team facilitated the discussions and provided technical assistance on several issues including model contracts, calculation of in-kind contributions that could be used as NGO matching funds, and the objectives, major types, components and methods of monitoring and evaluation.

The project team also participated in a seminar on federalism held in Perm in February 2001. The seminar dealt with federal mandates and inter-budgetary relations in other federal states such as Germany. Approximately 50 administrators from Perm Oblast, including the mayors of many small cities and representatives of Mr. Kirienko attended the seminar. The project team provided participants with information about unfunded federal mandates in the city of Perm.

The project team also participated in a planning session conducted by the Kirienko team in Nizhny Novgorod in February 2001, to assist in the development of a long term action plan on sharing responsibilities between different levels of government.

National Social Policy Development—During the reporting period, the Ministry of the Economy coordinated the drafting of a new version of both the Long Term Strategy of Social and Economic Development and the mid-term Action Plan of the Russian Federation. Project team members attended meetings where discussions of the issues took place and the following issues of concern and amendments made by the project team were incorporated into the draft documents:

Long Term Strategy—The federal government is responsible for the implementation of a social safety net targeted not only to citizens who are unable to work, but to other low-income households as well, with special measures to be included to increase a family's self-sufficiency.



Mid-Term Strategy

- Moratorium on new category-based privileges.
- Decrease the number of social benefits while simultaneously increasing the value of those remaining.
- Support an increase in administrative efficiency through the monitoring of administrative costs.
- Decrease welfare dependency through the introduction of systemic changes designed to increase clients responsibilities for their own well being, including participation in public works, active job search, and participation in drug rehabilitation programs as a condition of eligibility for poverty benefits.
- More active competitive procurement of social services.

Final Report

There was no activity in this workplan area during this reporting period.

Capacity Building of Russian Staff

During the reporting period seminars were held for the Russian project team staff on:

- Factors associated with successful program implementation
- Principles and techniques for being a consultant providing technical assistance to cities in the Russian Federation

Additionally, planning was completed for a study tour for Russian staff to the United States to be held early in the next reporting period. They will include visits to local departments of social services in Anne Arundel County, Maryland and Alexandria, Virginia to learn about how social protection is administered on the local level. As well, visits to the U.S. Department of Agriculture's (USDA'S) Food and Nutrition Service to learn about the Food Stamp Program and to the Urban Institute for seminars on block grant funding and the federal waiver process.



Significant Findings and Delays

- **Better Targeted Social Assistance Programs**

None

- **Social Services Delivery**

None

- **Strengthening Administrative Procedures**

None

- **Monitoring and Evaluation**

None

- **Dissemination**

Because of delays in getting the contract for the web site signed, the site was not implemented during that last reporting period.

- **Volga Federal District Initiative**

None

- **National Social Policy Development**

None

- **Final Report**

None

Work Planned for Next Reporting Period

Better Targeted Social Assistance Programs—The project team will continue to work with the City of Perm on the implementation of a new benefit structure for the pilot project in the Motovhlikhy District. Additional activities will be conducted in Perm and Arzamas as part of the Monitoring and Evaluation section of the work plan.



Social Services Delivery—Activities to be conducted with the four cities in the area of competitive procurement will be part of the Monitoring and Evaluation section of the work plan.

Strengthening Administrative Procedures—The team will work with the city of Arzamas to finalize the single application form for city benefits and services. Other activities will be conducted in Arzamas indicated below in the Monitoring and Evaluation section.

Monitoring and Evaluation—During the next reporting period the project team will complete its monitoring of the targeted assistance project in the city of Perm and an evaluation report will be completed.

The team will also make an additional visit to the city of Arzamas to conduct additional interviews with staff, as well as, focus groups with clients and parents' groups as part of the project monitoring of the School Lunch Program, single application and single point of entry projects.

The team will make visits to Novgorod and Tomsk during the next reporting period to meet with city officials and NGO contractors in order to assess the implementation of competitive procurement of social services in those cities.

Dissemination—The web site for the project will be implemented during the next reporting period. The design of the web page will be completed. Documents for the web page will be completed, summaries written, and the formatted for inclusion on the site. The on-line calculator for administrative costs and the interactive simulation will also be completed for inclusion on the site.

Volga Federal District Initiative—The project team has been asked by the Kirienko team to participate in at least two meetings during the next reporting period, including a meeting of regional administrators on competitive funding in the social sector and a seminar and skill building session on effective poverty reduction strategies.

- **National Social Policy Development**

None

- **Final Report**

None



Capacity Building of Russian Staff—Three Russian members of the project team will travel to the United States for ten days during April 2001, to participate in a study tour. The tour will include visits to two local departments of social services for a series of seminars and presentations on administrative practices for social protection programs as the local level. The tour will also include a day of seminars on the Food Stamp Program at USDA's Food and Nutrition Service National Office in Alexandria, VA and a day of seminars on block grant funding and the federal waiver process at the Urban Institute in Washington, DC.

Specific Action Requested

No action is requested in any area.

Up-To-Date Schedule of Work

Unchanged from approved workplan.

Key Personnel

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