



Regional Development Ministry
Of Russian Federation

Federal target program concept

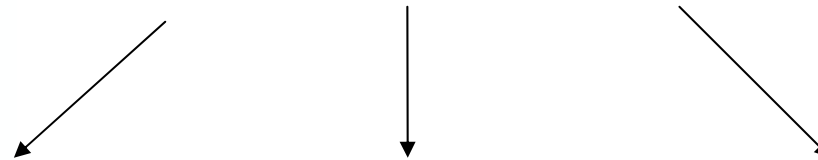
"Complex program of the housing and communal services reforming and modernization for the period of 2010-2020"

February, 2010

Complex program of the housing and communal services reforming and modernization for the period of 2010-2020

Program objectives:

Provision of dwellings owners with standard quality communal services and reasonable prices with reliable and effective operation of communal infrastructure



Goals:

Achievement of complete improvement of multiple dwellings by 2020 (provision with all kinds of municipal services);

Provision of reliability and efficiency of municipal services supply due to considerable reconstruction and modernization of municipal infrastructure systems;

Provision of affordability of housing-and-municipal services for the population



Role of Regional Development Ministry in the Program



Regional Development
Ministry of
Russian Federation

- The governmental customer of the Program
- The developer of the Program
- implements the Program
- controls the Program implementation

REGIONAL DEVELOPMENT MINISTRY
cooperates with subjects of Russian Federation



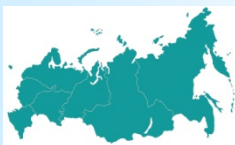
Regional Development Ministry - subjects of Russian Federation

According to the Order of federal and international target programs development and implementation with participation of Russian Federation adopted by the order N 594 of 26/06/1995 issued by Russian Federation Government,



Regional Development Ministry of RF

and



Subjects of Russian Federation

- concludes agreements on intent, specifying possible dates of measures fulfillment as well as volumes and sources of the resources provision prior to the Program approval;

- conclude agreements with the higher executive bodies of RF subjects governments on the subsidies granting for the similar projects implementation, being realized for the account of funds from the RF subjects budgets(local budgets), on the objects and measures to be paid according the target program after the Program approval .



Principles of Federal Target Program formation

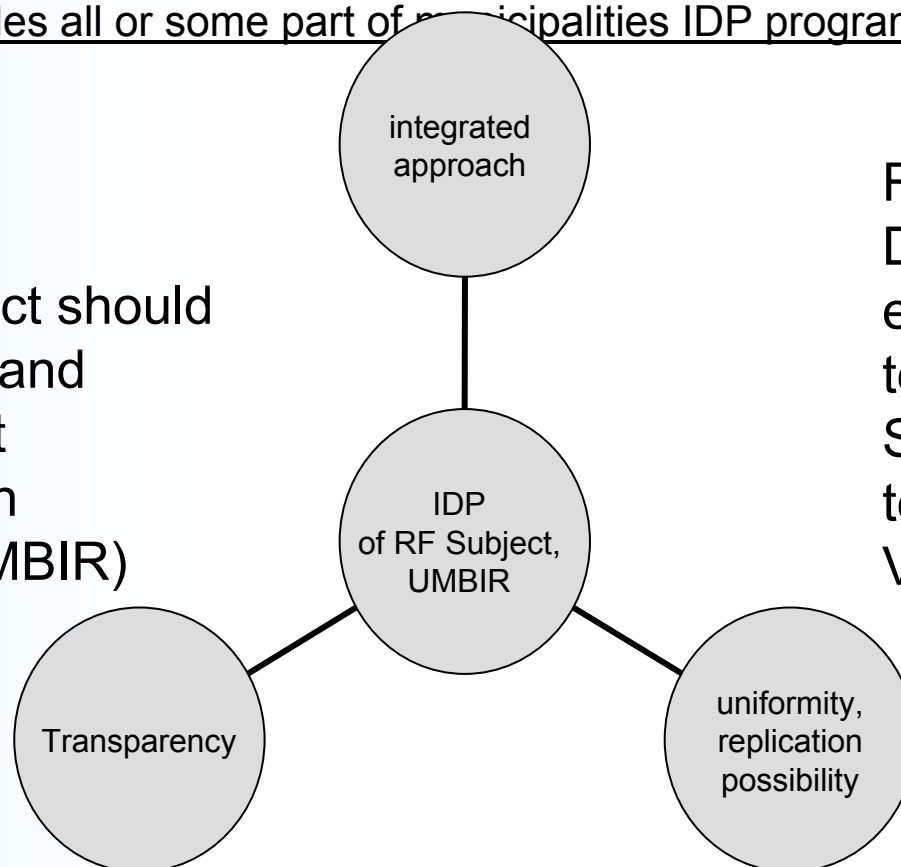
- Complex support of municipal entities and RF Subjects at all stages (from predesign stage to the project implementation)
- Bank project financing,
- Attraction of private means multiplicatively to the federal funds
- Budgetary financing of ecologically and socially significant projects with a long payback period



Approximate requirements to the participation in the Program

Availability of communal infrastructure Integrated Development Program (IDP) of RF Subject (includes all or some part of municipalities IDP program) and UMBIR *

IDP of a Subject should be integrated and provide project implementation monitoring (UMBIR)

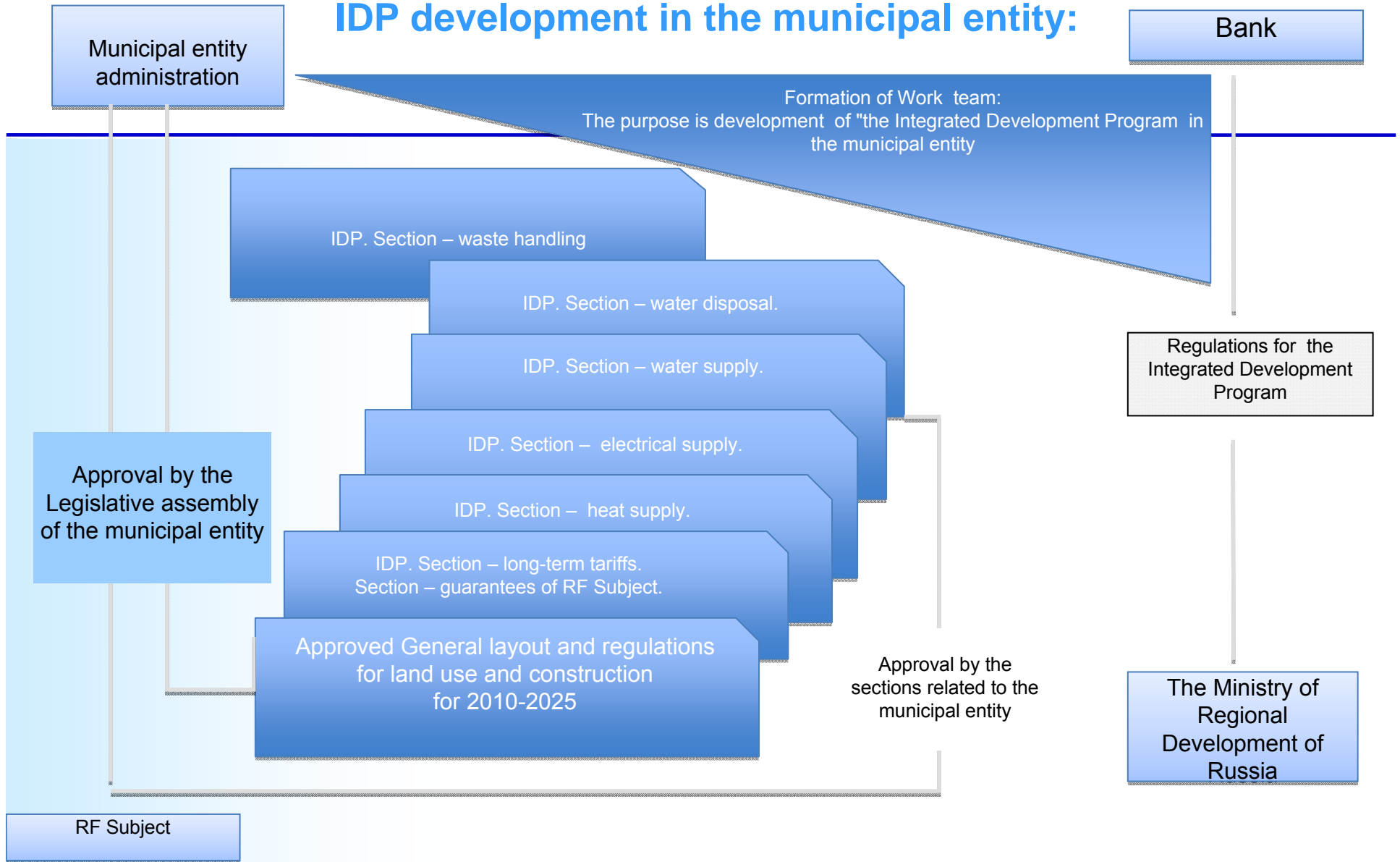


RF Regional Development Ministry establishes requirements to IDP structure of the Subject and municipality together with Vnesheconombank

*UMBIR – uniform municipal base of information resources



IDP development in the municipal entity:



Requirements to the participation in the Program

IDP and UMBIR valuation

Long-term municipal institutions tariffs are established according to the limiting index of cumulative payment for utilities made by the citizens

Program measures assume affordability of the utilities to the consumer

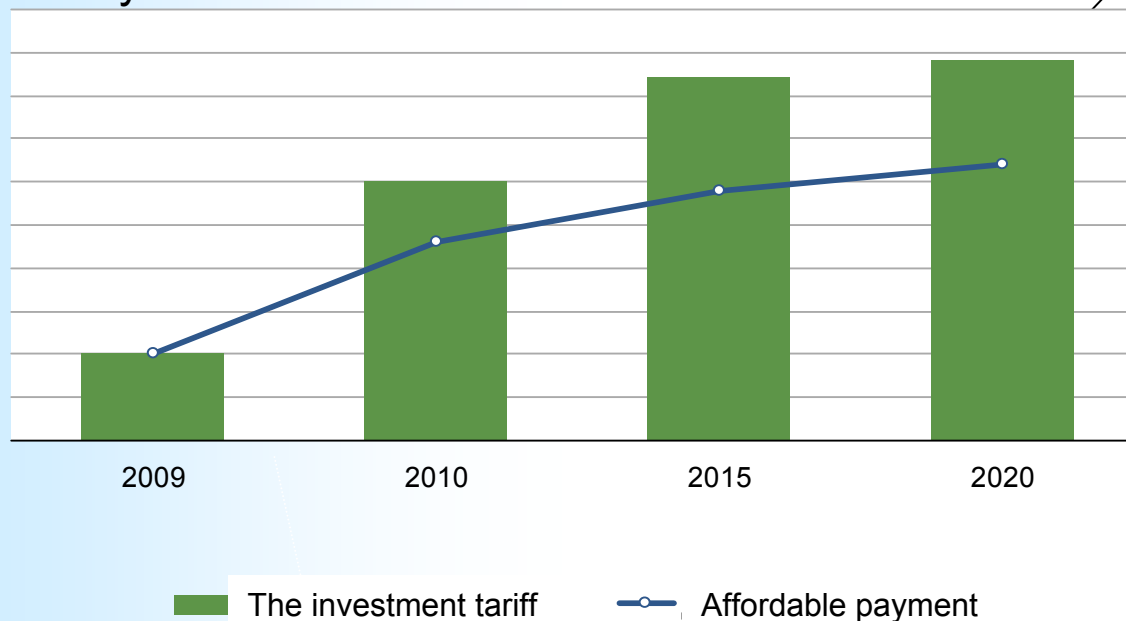


Governmental and municipal support of the Program financing

Governmental and municipal support is the mechanism of the Program measures availability provision

It is IMPOSSIBLE to involve the long-term loan capital without assistance of the Government today.

Capital-intensive projects with a long payback period are partially financed from budgets of RF, RF Subjects and municipalities (by means of credit interests refunding, granting of budgetary subsidies and issue of special long-term infrastructural bonds of RF Subjects, managing subjects – investment projects initiators)



System of affordability criteria

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graph TD; A[System of affordability criteria] --> B[Share of municipal services costs in per capita income (or share of municipal services costs in the total family income)]; A --> C[Level of municipal services payment collection]; A --> D[Share of municipal services subsidies recipients in the aggregate number of population];
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**Share of
municipal services costs
in per capita income
(or share of municipal
services costs
in the total
family income)**

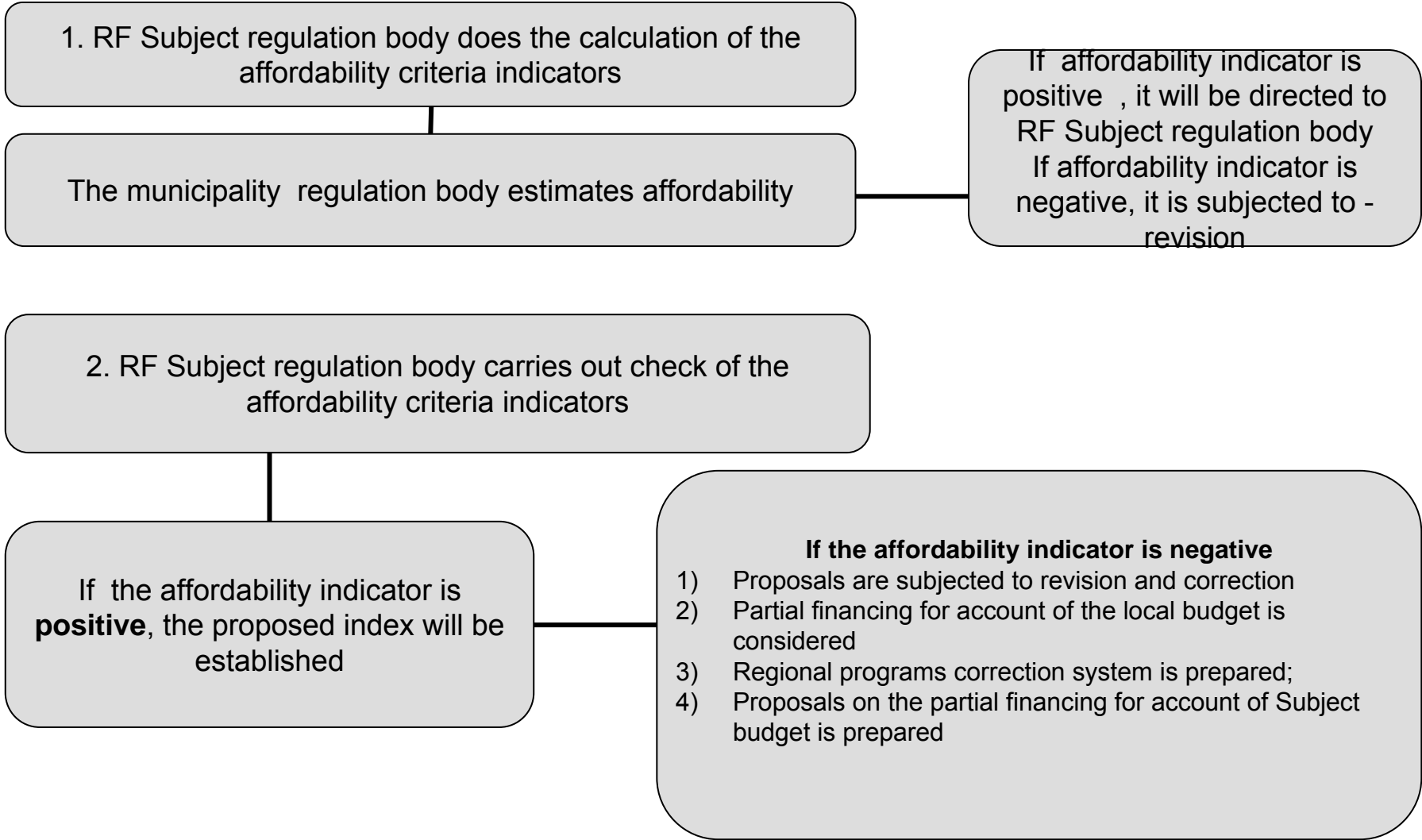
**Level of municipal
services payment
collection**

**Share of
municipal services
subsidies recipients
in the aggregate
number of
population**

Bases for the formation of limiting indexes of municipal services payment

(RF Government Order N708 of 8/28/2009)

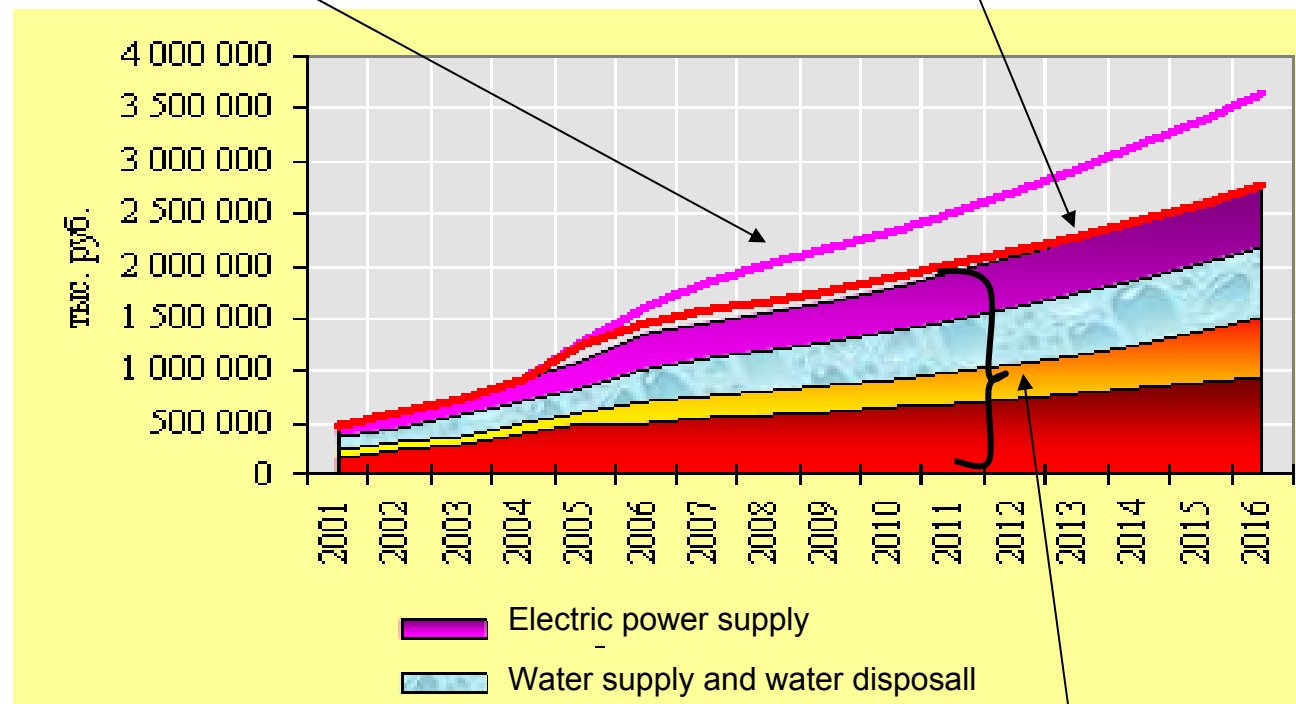
Phases of assessment of municipal services payment affordability



Conformity of the investment program to affordability criteria

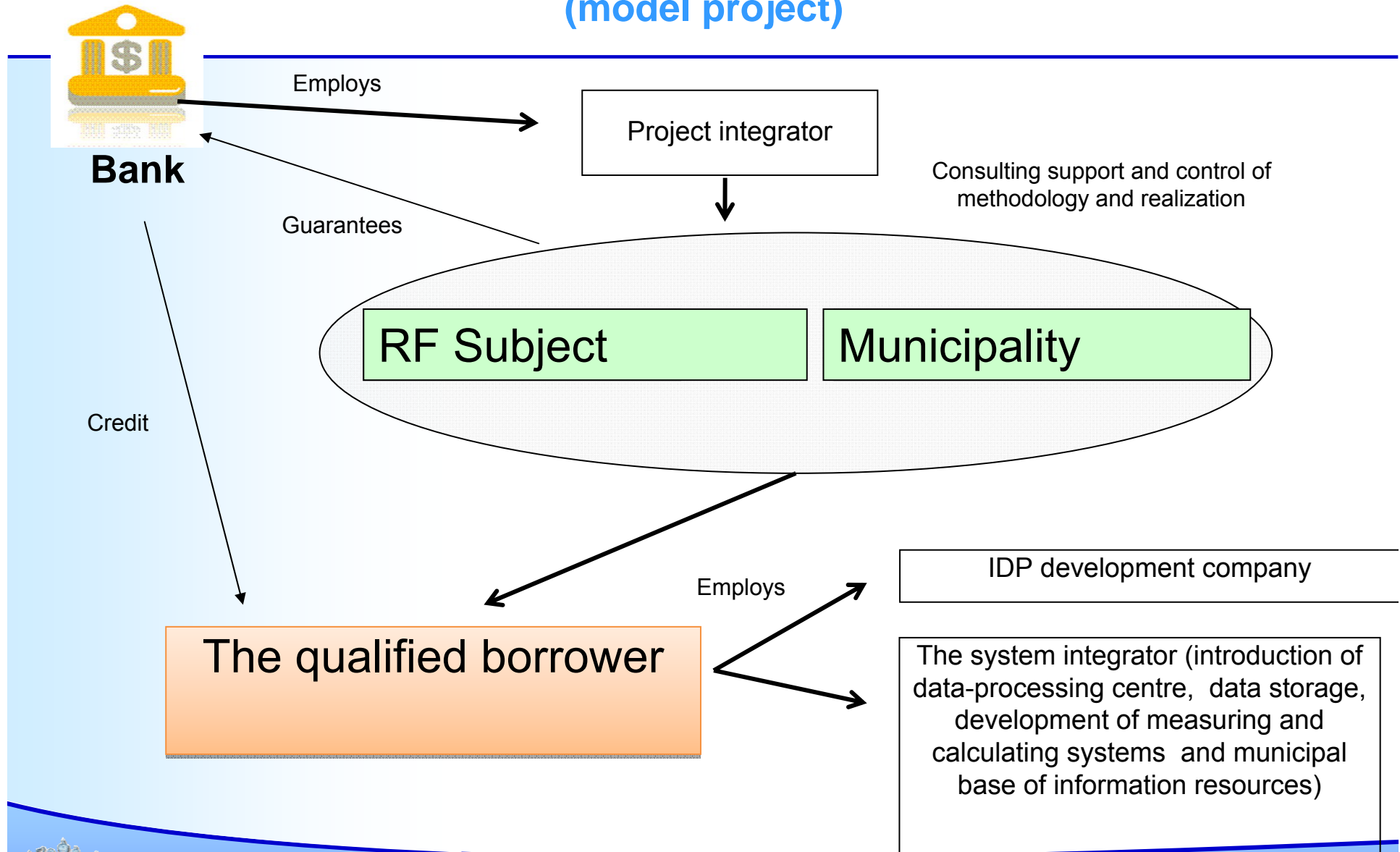
Purchase power - maximum

Purchase powery - minimum



Cumulative payment of the population for municipal services

Regional project on IDP development (model project)



Three phases of Federal Target Program (FTP) implementation

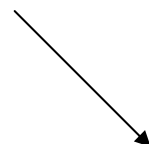
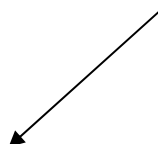
| | | |
|--|--|--|
| <p>I stage: development of the regulatory base for FTP implementation and start up of several pilot projects for the development of the main FTP mechanisms.</p> | <p>II stage: Realization of FTP mechanisms stipulated in FTP, first of all projects in small cities, application of new methods of tariff regulation, analysis of standards base and its modification in case of need.</p> | <p>III stage: High-grade FTP realization with large-scale investments into the municipal infrastructure and mass attraction of investors.</p> |
| <p>Program mechanisms, including typical bank products and procedures of crediting of the municipal infrastructure development are specified.</p> | <p>Development of mechanisms of crediting with participation of commercial banks on the basis of the documentation developed by Ministry of Regional Development of Russia and Vnesheconom bank.</p> | <p>Transfer to the system of financing of housing facilities reconstruction at the expense of owners with the considerable reduction of subsidies from outside budgets of all levels on major repairs.</p> |
| <p>2010-2011</p> | <p>2012-2015</p> | <p>2016-2020</p> |



Two directions of the program



Housing and communal services reforming and modernization program



- Modernization of Russian Federation communal infrastructure

Project financing of the program measures ,based on the following principles:

Repayment

High priority

Pays principle

Integrated approach

- Modernization of Russian Federation housing facilities

Mechanisms of the reconstruction of dwelling houses:

constructed till 1992

constructed after 1992



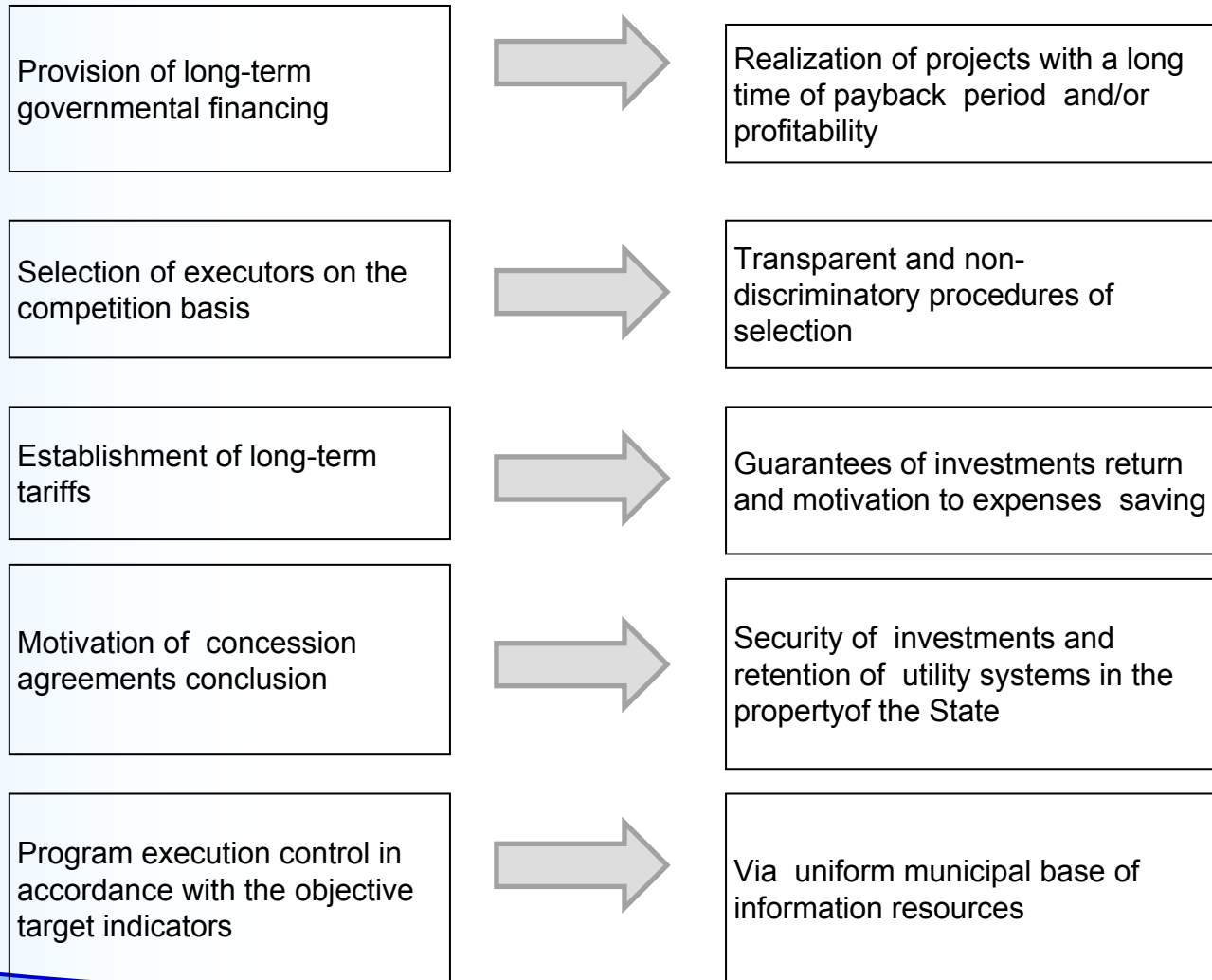


Housing and communal services reforming and
modernization program

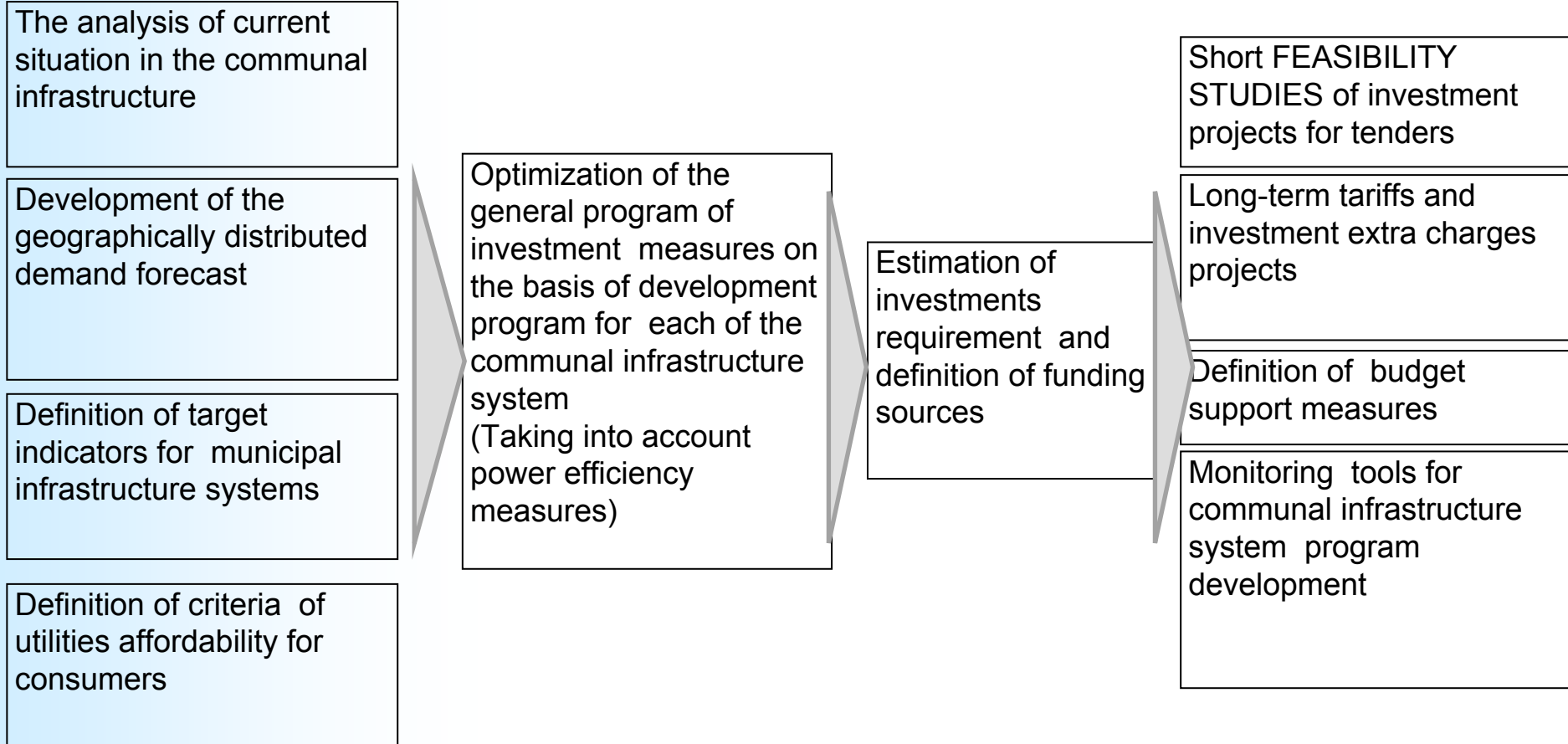
I. Modernization of municipal infrastructure systems of Russian Federation



Mechanisms of investment programs implementation in the systems of municipal infrastructure

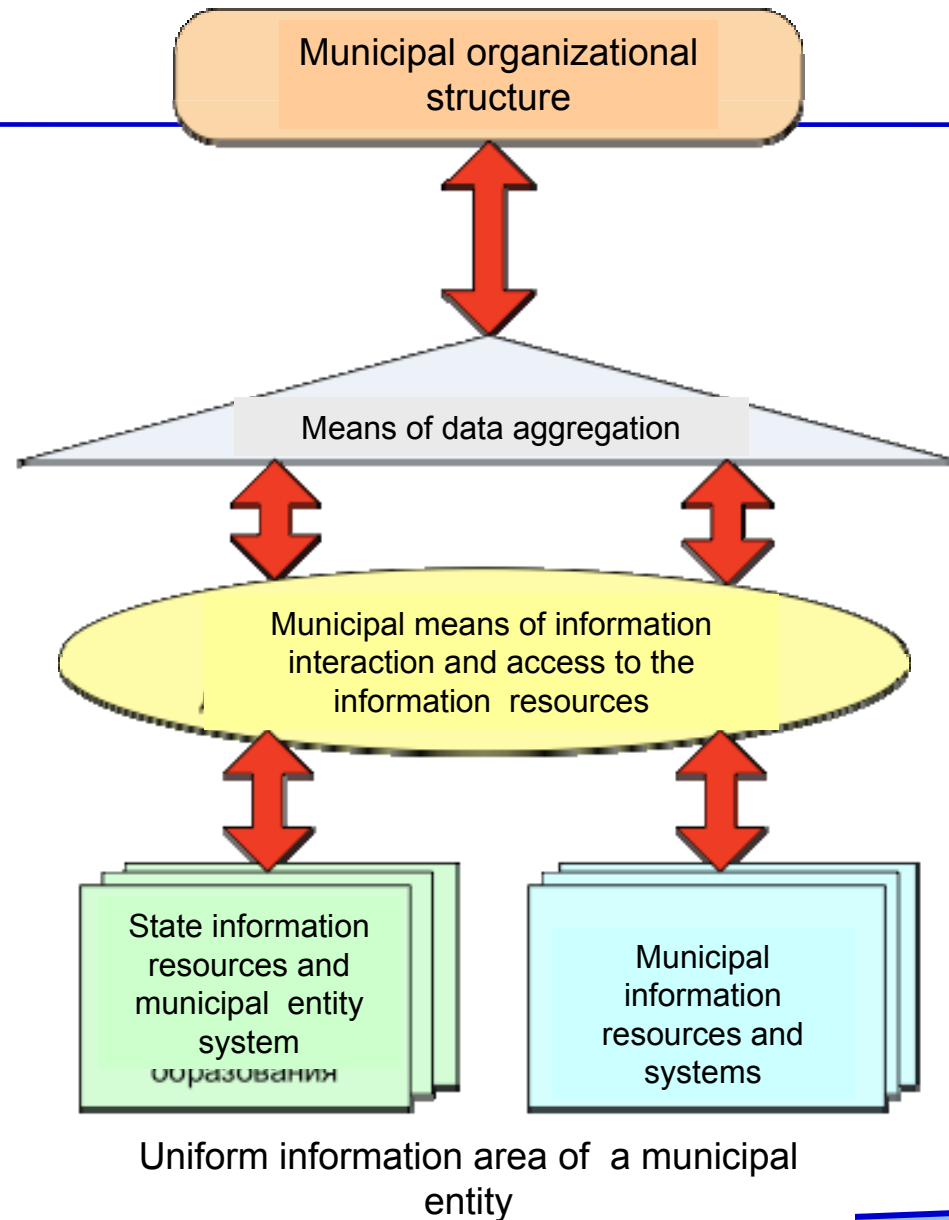


Development phases of integrated development program of communal infrastructure systems



Creation of a uniform information area of a municipal entity

The uniform information area of a municipal entity represents set of information resources, technologies of their operation and use, information-telecommunication systems and networks functioning and interacting on the basis of uniform principles and as per uniform rules. It provides possibility of information interaction between state authorities of the region, local governments, both legal and individual entities and meets information requirements of subjects of social and economic relations of the municipal entity.





Housing and communal services
reforming and modernization program

II. Modernization of the available dwelling facilities of Russian Federation



Dwelling facility modernization

It is necessary:

- to develop financing system of apartment houses reconstruction
- to restructure of the government support system by transfer from budgetary co-financing of the major repairs to the reimbursement of payments of interests on credits borrowed for the apartment houses reconstruction to the owners of the apartments.
- to develop a system of requirements to the apartment houses reconstruction aimed at their full improvement and provision of up-to-date technical condition and efficiency of municipal resources use.



Dwelling facility modernization: actual deterioration decrease

Share of the dwellings with more than 65 % physical deterioration

| | | |
|-------------|------------------------|-----------|
| 2008 – 4,1% | Modernization → | 2020 – 0% |
|-------------|------------------------|-----------|

Share of dwellings with physical deterioration from 31% to 65 %

| | | |
|------------|------------------------|------------|
| 2008 – 33% | Modernization → | 2020 – 19% |
|------------|------------------------|------------|

An effective mechanism of dwellings reconstruction will be developed for the buildings which were constructed till 1992 and for the buildings which were constructed after 1992 correspondingly.

Financial provision for the realization of measures for the each of the pointed above group will be provided, including credit financing.





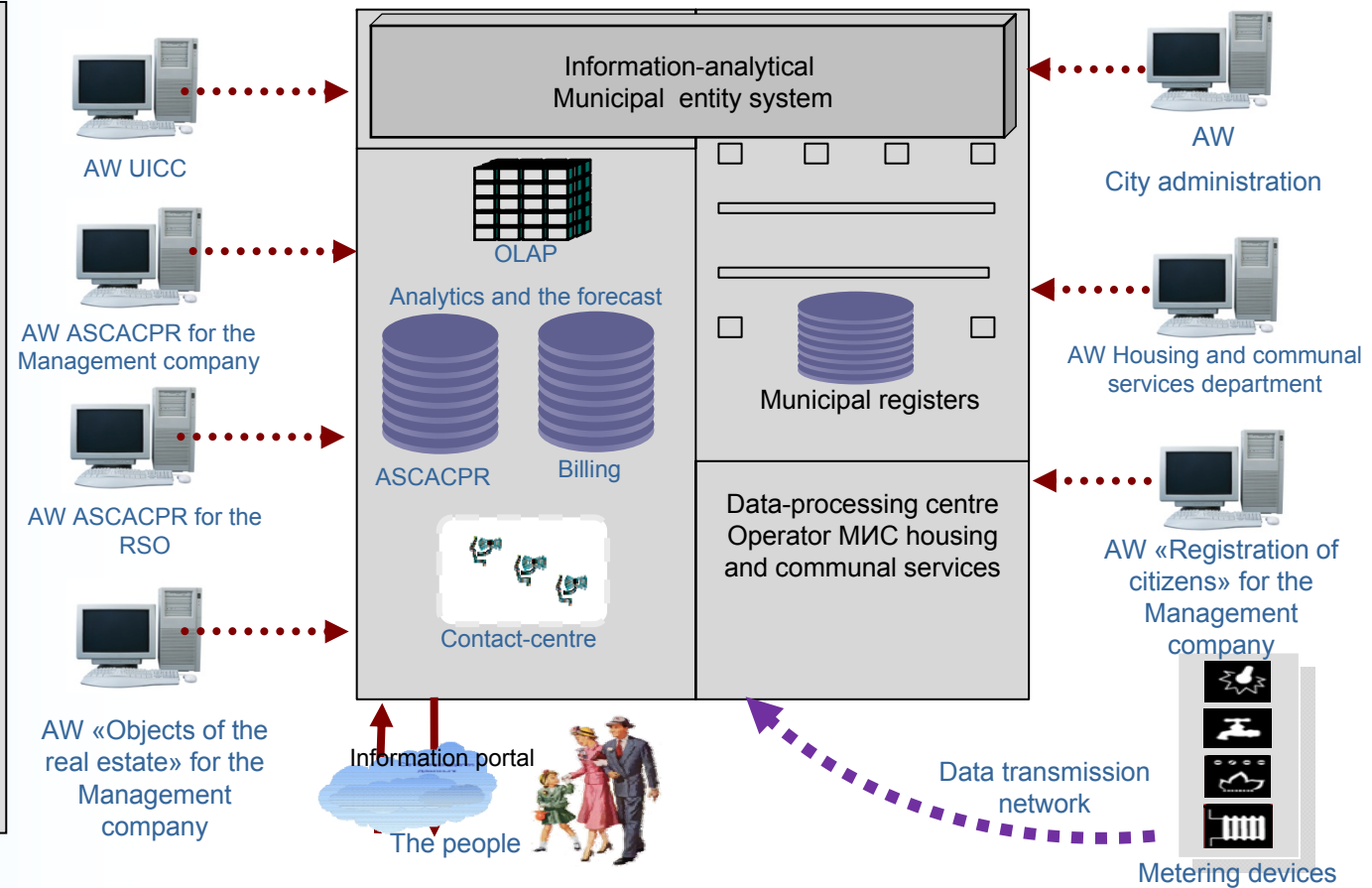
Housing and communal services
reforming and modernization program

Uniform municipal base of information resources (UMBIR)

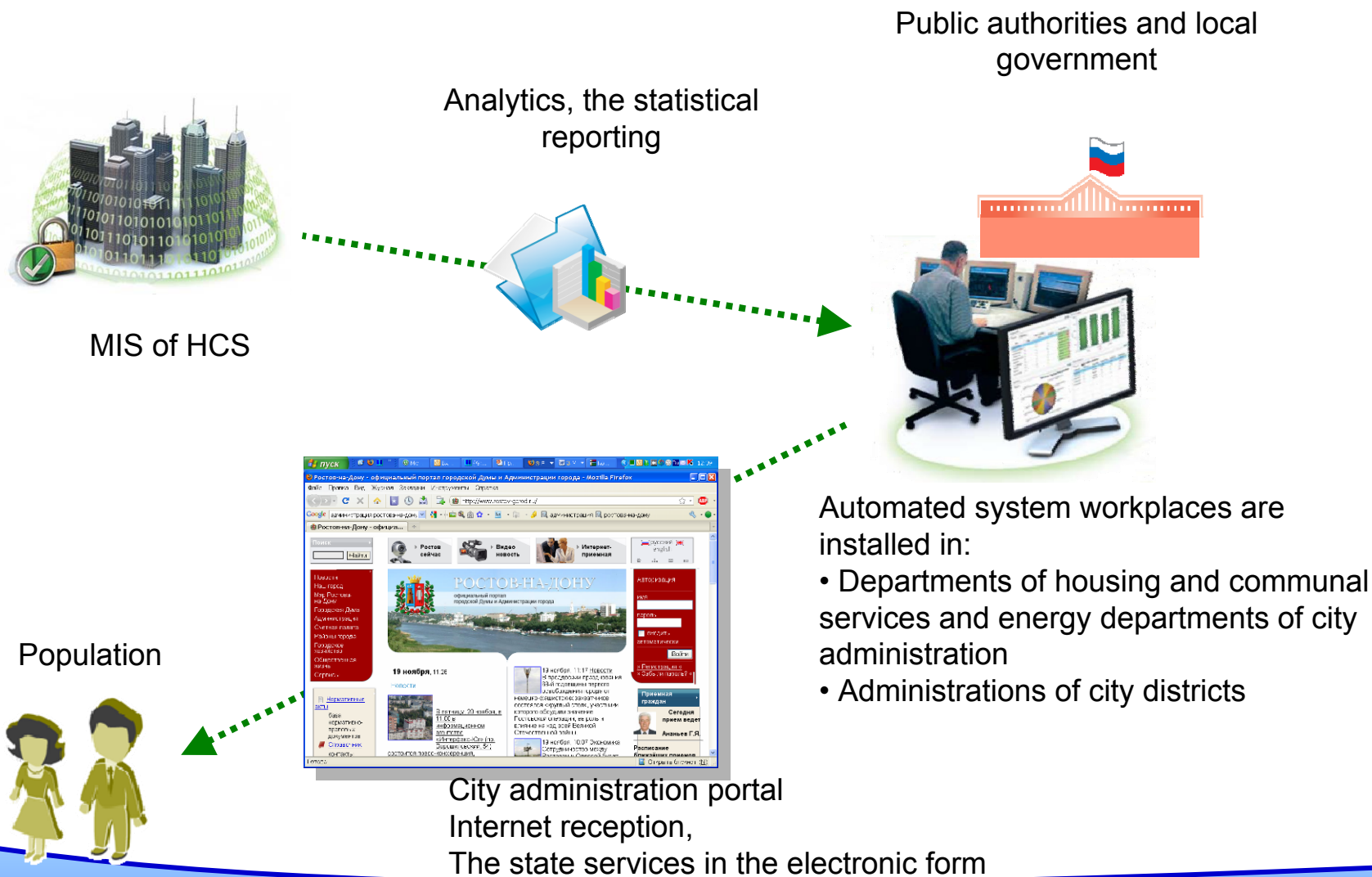


Uniform municipal base of information resources (UMBIR)

The uniform municipal base of information resources provides recording and control of housing and communal services functioning in a municipal entity; investment program realization control and achievement of the established target indicators of the municipal infrastructure systems functioning



Use of Municipal information system (MIS) of housing and communal services (HCS) by public authorities and local government



Results of FTP implementation

Share of the dwelling houses completely equipped with registering devices of all municipal resources (in %):

2008 – 58%

2012 – 90%

2015 – 2020 – 100%

Full energy consumption for heating and hot water supply of 1 m³ of the area of the dwelling houses per year, in kg. of coal fuel (% to 2008):

2008 – 77 (100)

2012 – 72 (94)

2015 – 70 (91)

2020 – 65 (84)

Specific water consumption per 1 person a day, liters (% to 2008):

2008 – 304 (100)

2012 – 292 (96)

2015 – 258 (85)

2020 – 182 (60)

Number of breakdowns and incidents per year for 1 km of networks of a municipal complex organization in the sphere of heat and water supply, % to 2008:

2008 - 100

2012 – 95

2015 – 80

2020 – 50

Share of utilities cost in population incomes, %:

2008 – 4,7

2012 – 5,8

2015 – 6,5

2020 – 6,9

Share of the families getting subsidies for housing-and-municipal services, %:

2008 – 10,4

2012 – 12

2015 – 13

2020 – 15

