

Task 5.2: Dissemination of Multiyear Investment Planning Tools and Know-How in Russia and Ukraine

Objective

- To promote multi-year investment plans (MYIP) for Russian and Ukrainian municipalities in environmentally related infrastructure;
- To conduct seminars and workshops on municipal investment planning for local experts dealing with capital improvement projects in Ukraine and Russia in co-operation with IFIs;
- To develop a training package and commit to the local educational institution a curriculum and a program for regional and municipal managers responsible for investments and environmental management;
- To facilitate policy dialogue on investment and financial planning of infrastructure development programs between various tiers of government in Russia and Ukraine to initiate reforms in EECCA public administration (co-ordinating Multi-Year Investment Programs (MIP) and FEASIBLE models).

Background

The pilot projects conducted within the 2001-2003 EAP Task Force Program on Municipal Finance with support of Denmark, UK and Norway have demonstrated how multi-year investment plans for municipal infrastructure could enhance the financial strength and creditworthiness of municipalities by more rational and long term management of local capital and operational budgets. This experience and know-how are being disseminated throughout Russia and Ukraine, using local experts and consulting institutes. The lessons learnt from these demonstration projects have led to the development of a toolkit for multi-year investment planning in municipalities, which consists of guidelines, instructions, software applications, templates of documents and administrative procedures. Through the proposed dissemination activities, the know-how would be transferred to the broader audience in Russia and Ukraine, where regional and local governments are interested in sound management and investment planning to provide their constituencies with better services, including water and environmental infrastructure. Broader dissemination of the tools including both *FEASIBLE* and *MIP* models will help sub-national governments to manage intergovernmental transfers needed for capital investment, operation and maintenance, as well as for environmental protection purposes.

Activities

The MYIP dissemination project will draw from the best examples of such activities organised in the EU accession countries, and will include a conference demonstrating the outcomes from the pilot projects, two national seminars devoted to the training programs in Russia and Ukraine, expert meetings from regional and local governments checking ability to solve practical problems on infrastructure development and publications on expected outcomes. Successful trainees will be awarded a certificate co-signed by the representatives of all involved institutions. The dissemination project will last for 2 years and will involve relevant audience both on the government side and financing institutions. Seminars and workshops will be delivered mainly by local experts on the basis of the experience gained in preparing the OECD/EAP Task Force toolkit as well as other recent relevant expertise. The stakeholders will be local experts from city and region administration staff and training institutions from Russia and Ukraine.

The project would be carried out in three distinct phases:

- *Phase 1: Training package:* Based upon the assessment of the Secretariat and local experts, an action plan that identifies the needs and priorities that the package should be supporting would be developed. Two expert workshops would be used to support the development of the package.

- *Phase 2: Regional conference on MYIP:* An assessment of implementation performance on MYIP in Russia and Ukraine would be carried out after testing the tools facilitating a medium term investment planning both on regional and local levels, assessing each of those approaches against the models developed at the EAP Task Force Secretariat.
- *Phase 3: Capacity building:* Co-operation with local training or educational institutions to introduce a new curriculum for public administration managers responsible for investment planning and environmental management. Therefore, the MYIP tools would be made widely available in EECCA and actively promoted through various local channels, including Regional Environmental Centres, Ukrainian Association of Cities, Union of Russian Cities, etc.

Outputs

- Development of a training program for Russian and Ukrainian municipal administration responsible for environmentally related infrastructure;
- Regional conference promoting municipal investment reforms in EECCA countries;
- Two national seminars on training co-operation in the field of investment planning of regional and local governments.

Benefits/Outcomes

- Impact on reforms in municipal management and regional administration in EECCA, leading to the adoption of the tool in a significant number of sub-national governments.
- Enhanced sustainability of municipal finance for environmental infrastructure, since city managers trained in MYIP methodology will be more interested in a medium term approach to investments and environmental infrastructure objectives.