

**TACIS 2003**  
**NATIONAL ACTION PROGRAMME**  
**RUSSIAN FEDERATION**

**1. Identification**

Form of programme: National  
Beneficiary Country: Russian Federation  
Title: Action Programme  
Year: 2003  
Cost: €73 million (*including € 10 million for Tempus to be implemented by DG Education & Culture*)  
Budget Line: B7-520  
Legal basis: Council Regulation (EC, EURATOM) No 99/2000 of 29 December 1999 concerning the provision of assistance to the Partner States in Eastern Europe and Central Asia  
Duration: Contracts financed under this programme shall be signed no earlier than the signature of the Financing Memorandum in due form by the competent signatories, and no later than 36 months after the entry into force of the relevant budgetary commitment.  
The technical activities provided for under this programme and all contracts must end by 31.12.2007.  
Programming: DG External Relations  
Implementation: EuropeAid Cooperation Office  
Delegation of the European Commission in Russia. The Commission will be the contracting Authority on behalf of the beneficiary country.  
Remarks: No administrative expenditure will be financed under this programme

**2. Summary of the programme**

The National Action Programme 2003 for the Russian Federation comprises a series of actions in support of the Russian Government's economic, social, administrative and legal reforms. It supports the practical implementation of key aspects of the high-level policy dialogue between the EU and the Russian Federation and will contribute to the implementation of the Partnership and Co-operation Agreement (PCA), the Northern Dimension Action Plan and the objectives of the Common Strategy for Russia.

The technical assistance measures included in this Action Programme have been agreed with and will be implemented with the support of the Tacis National Coordinator for Russia, the Tacis Deputy National Coordinator and the National Coordinating Unit.

The programme will, on the basis of Council Regulation (EC, Euratom) No 99/2000 concerning the provision of assistance to the Partner States in Eastern Europe and Central Asia, implement activities in the following areas of co-operation selected under the Indicative programme 2002-2003: "Support for Institutional, Legal and Administrative Reform", "Support to the Private Sector and Assistance for Economic Development" and "Support in Addressing the Social Consequences of Transition".

The Action Programme 2003 will be financed through an EC grant of €73 million and will include 15 *individual projects* in addition to the Tempus programme, the Institution Building Partnership Programme (IBPP) and the Managers' Training Programme (MTP).

Project selection has been made after appraisal of individual project ideas with the National Coordinating Unit, particular attention being given to the projects' anticipated systemic impact, to its coherence with the Russian government's reform and to co-ordination with Member States' and other donors' programmes. Due regard has also been paid to the needs and absorptive capacity of each sector, to the choice of counterparts, in particular to their commitment to the reform process and their implementation capacity, the appraisal of risks and assumptions, as well as to the EU expertise available and to the comparative advantages of Tacis.

### *Support for institutional, legal and administrative reform*

In the sub-area of legal, administrative reform and regional policy the project **Public Sector Institutional Reform** will aim at building efficient and accountable public sector institutions, as part of EU support to the Russian Government programme of administrative reform. The project **Regional Development Strategies** will focus on delivering assistance to selected regional authorities in designing state of the art socio-economic development plans for their respective regions and in implementing them. The project **WTO Membership II** will help the Russian Federation implement agreements resulting from its WTO membership<sup>1</sup>. Furthermore, the project **Approximation of Health and Safety at Work Legislation** will provide assistance to harmonise Russian to EU legislation and international norms in this field. Finally the project **Approximation of Statistical Standards** will support the Russian Federation in improving its official statistical system by bringing it closer to EU standards.

Under the judicial reform component of the programme the focus will be on the strengthening of the independence, immovability, competence and professionalism of the judiciary and the defence of human rights. Two projects, **Training of Judges and Court Administrators II** and **Raising Public Awareness in the Russian Legal System** will improve both the demand and the supply side of an effective and objective judicial system.

These seven projects will contribute to the overall objective set by the National Indicative Programme 2002-2003 of adapting legislation, the judiciary system and the public administration to the requirements of a market economy and a democratic society.

### *Support to the private sector and assistance for economic development*

Emphasis will be put on deregulation and corporate governance with actions that will improve the business and investment climate with two projects. **Implementation of the accounting reform** will support the implementation of International Accounting Standards in Russia while **Approximation of regulatory and legislative frameworks for competition** will strengthen the EU-Russia interaction in competition policy within the framework of cooperation mechanisms for antimonopoly institutions. The project **Land and Property Policy Reform II** will continue to support the design and implementation of a market-oriented land and real estate public management tool in selected regions, with the aim of facilitating investments. Also under this area of cooperation the EU-Russia Energy Dialogue will be underpinned by the project **Energy Efficiency in Arkhangelsk, Astrakhan and Kaliningrad**.

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<sup>1</sup> If at the time of launching this project, Russia is still not a WTO member, the project could first focus on the institutional development component, to ensure that Russia has all institutional and organisational mechanisms in place to fulfil its WTO requirements prior to becoming a member.

### ***Support in addressing the social consequences of transition***

As in the past the focus of the programme under this area of cooperation will be to mitigate the social cost of restructuring of the economy and to reduce social disparities. The programme will contribute to the on-going social reform process with projects such as **Developing Social Services for Vulnerable Groups III**, **Transfer of Ex-Military Territories to Civilian Use** and **Social Integration of Disabled in the Privolzhsky Federal Okrug**. Furthermore the programme will continue previous efforts targeted at improving the prevention and control of **HIV/Aids in Russia** through a new phase of a previous Action Programme 2002 project.

### **3. Country update**

A detailed country assessment can be found in the Country Strategy Paper 2002-2006 presented to the Tacis Committee in November 2001, and an up-dated version was made available in the Indicative Programme for 2004-06, adopted by the Tacis Committee on 26 March 2003. There have been no substantive developments since then.

### **4. Past EC assistance and co-ordination with other donors**

All projects will build upon the experience of several donors and previous EU technical assistance activities. Donors such as the World Bank, UK Department for International Development (DFID) and Canadian CIDA are providing technical assistance to support Russia in its task of reforming the public administration. Besides current and past EU technical assistance projects are supporting the governmental concept plan for administrative reform in Russia in the areas of civil service reform and state budget reform: *State Budget Reform* (AP 2000), *Administrative Reform* (AP 2001) and *Administrative Reform II* (AP 2002). The project proposed under AP 2003 will address in particular institutional issues (who does what in government) and has been closely coordinated with the other donors. In the past, Tacis has provided legal and institutional support in the field of federalism and regional development policy, through projects such as *Federalism and Public Law*, *Regional policy addressing Economic, Social and Legal Asymmetries*, *Regional Reform Capacity Building* and *Regional Economic Development and Anti-Crisis Strategies*.

Russia's accession to WTO has already absorbed a significant amount of technical assistance. Three projects have been implemented under Tacis Policy Advice Programme, while the project *WTO Membership* under Action Programme 2001 is about to begin. The new project in this area will relate in particular to the UK DFID Programme.

Occupational Health and Safety (OHS) is one of the key areas of cooperation of the ILO in Russia under the Programme of Cooperation between ILO and Russian Federation 2002-2003. This experience will be taken on board of the new Tacis project in this area as well as previous EU assistance in this area such as the Tacis project *Preparation and Implementation of Basic Legislation on Occupational Safety in the Russian Federation. (1995-1997)*, *Support to Social Reform Implementation and Labour Relations* (1999-2001) or *Labour Legislation and Arbitration* which will start on May 2003. On the area of statistical standards the Russian Federation has received regular Tacis assistance since the beginning of the cooperation. Thanks to this assistance together with other donors, like the World Bank, good progress has been made in areas such as legal setting, management, organisation and basic infrastructure. The two Judicial Reform projects are closely coordinated with other donors, through quarterly donors meetings, and the participation to focused Conferences. Main donors include the World Bank, the Council of Europe, USAID, ABA-CEELI, Canadian CIDA, Sweden's SIDA, and other bi-lateral programmes, such as those implemented by France or the UK DFID programme.

In the area of support to private sector and economic development, the project **Implementation of the Accounting Reform** builds on significant previous EU assistance, lately through the *Accounting Reform I* and *Accounting Reform II*, as well as through Policy Advice projects dealing more specifically with agricultural and banking aspects of the reform. The project will therefore represent the completion phase of EU support to Russian transition to IAS, at the crucial time when the transition effectively takes place as from 2004 according to Government plans. The project is closely related to other EU interventions, supporting in particular the implementation of the auditing reform and better corporate governance. Accounting reform has been supported by a number of other donors, including the World Bank, whose activities are mainly aimed towards the mandatory use of IAS by listed companies and banks, and the USAID, which has promoted IAS in three regions (Samara, Tomsk, Novgorod) from 1998 to 2001. Some Member States programmes also supported the Accounting Reform, such as the UK-DFID support to the International Centre for Accounting Reform and the programme "Accounting for Trainers" and study tours on IAS organized by France with IPAR experts. The project **Approximation of Regulatory and Legislative Frameworks for Competition** also follows directly on previous cooperation under 'Anti-monopoly and state aid control', which will be completed in August 2003. The AP 2003 project will further support approximation of EU and Russian regulatory frameworks, in line with PCA provisions. It also complements EU support to Federal wholesale electricity and market and EU support for WTO membership. The project will liaise with other donors involved in the area, notably the OECD.

The project **Energy Efficiency in Arkhangelsk, Astrakhan and Kaliningrad** will take into account the results of the previous Tacis projects on the gas sector, notably the projects *Certification and Harmonisation of Gas Sector Equipment* (1999-2001) and *Diagnostic evaluation of main gas pipelines in the Russian Federation to improve capacity and reduce losses, and an examination of the compressor stations in trunk pipelines* (1993-1994). The project is closely linked to another Tacis project *Harmonisation of energy policies of Russian and the EU* foreseen for implementation under Action Programme 2002.

Communicable diseases in Russia is an issue of great concern to the donor community. DFID is set to launch a £ 25 million programme over 5-7 years aimed among others at establishing a better knowledge of the epidemiological situation of HIV/AIDS in Russia. Also UNAIDS has started in 2000 a joint response initiative to the HIV/AIDS in Russia for 2001-2003, while the World Bank is negotiating a \$150 million loan with the Russian Government, of which \$50 million would be dedicated to HIV/AIDS prevention programme covering all Russian regions.

Tacis has over the years worked closely with the Ministry of Labour and Social Development in providing support for assessing social needs and improving social services. In particular, Tacis has elaborated and implemented two major projects whose primary objective was the development of a system of social services for vulnerable groups. The first project "*Developing a system of social services for vulnerable groups*" was particularly successful in developing social models for children, the disabled and elderly people. A new project under Action Programme 2001 "*Developing a system of social services for vulnerable groups II*" will focus on those groups when unemployed and without adequate family support.

The experience gained by other donor such as Finland, Sweden, Denmark and Norway in addressing the problems of the **transfer of former military areas and territories to civilian use** in selected pilot cities/territories will be instrumental for further activities in this area. Besides, in 2000 the Tacis Bistro project *Military Sites Conversion* developed models for the environmental assessment of former military territories in order to decide their civilian use and created a good basis for further work.

The above mentioned project *Developing a system of social services for vulnerable groups* and two follow-up Bistrot projects (*Improvement of a system of socio-medical rehabilitation of disabled people in Penza region* and *Training and methodological support to regional services responsible for rehabilitation of disabled people in the Russian Federation*) concentrated on developing socio-medical and professional rehabilitation for the disabled. The regions, which participated in the projects, have become model regions in the area of social protection and the concrete results of these projects will be instrumental for the project **Social Integration of the Disabled in the Privolzhsky Federal Okrug**.

## 5. Lessons learnt

The conclusions of previous and on-going reviews and evaluations of the Tacis programme have influenced the development of the Action Programme in a number of ways:

- Tacis is focusing on a limited number of areas and projects, agreed as a result of a dialogue-driven approach linked to the PCA implementation process. Priority areas selected for Tacis support are important for EU-Russian relations and for the Government's reform programme.
- Partnership programmes between EU and Russian institutions, from both the public and non-governmental sectors, have also been increasingly promoted within the framework of the revised Small Project Programmes.
- Efforts will be concentrated, as much as possible, on a limited number of regions, in order to maximise the synergy amongst initiatives in the three areas of co-operation, as well as impact and visibility, while promoting dissemination and replication in a wider group of regions. The selected pilot regions will be located in the European part of Russia and in Western Siberia, with particular attention to the area covered by the Northern Dimension Initiative.
- EC support will put more emphasis on the enforcement of existing legislation as the quality of legislation is now largely good, but the main problem is the implementation of legislation and regulation. This is directly reflected by the 'Implementation of Accounting Reform' project, which will essentially support the implementation of an existing regulatory framework.
- Past experience has shown that the maximum degree of interaction and co-operation between the state and the voluntary sector yields particularly useful results in terms of models of good practice to be applied in other regions and contexts. Dissemination through networks of regional administrations will be particularly valuable in this regard, e.g. in the project "Regional Development Strategies".
- The network of Tacis Local Support Offices (financed under AP 2001) must work closely with local and regional authorities to promote and facilitate the participation of regions in Tacis projects and activities as well as to facilitate the dissemination of results.
- Tacis support should be channelled through coherent interventions and not be split up into isolated actions. This is a pattern to be applied in particular for implementing of common Federal policies at the regional / local level.

- For a more effective impact and sustainability of the technical assistance the focus should be given to elaboration of “models and schemes” which will be replicated in different situations / conditions.

## 6. Programme Components

### 6.1 Support for institutional, legal and administrative reform

#### 6.1.1. *Legal, administrative reform and regional policy*

Administrative reform is high on the agenda of both the President and the Duma of the Russian Federation. Early recognition and support of these initiatives by the European Commission has helped to establish a good basis for cooperation with the Russian Government. While previous Tacis projects on administrative reform address civil service reform, the project on **Public Sector Institutional Reform** will focus on improvement of the public sector institutional and management structure through high-level targeted policy advice, institutional analysis and assessment and capacity building for state bodies. This project will support the government in the development and implementation of a public administration reform that addresses the identification and adjustment of the functions and responsibilities of state bodies. The project **Regional Development Strategies** will be a follow-up of the Action Programme 1999 project *Regional Anti-Crisis Strategies*. The project will support selected regional administrations by developing a policy advice capacity for regional leaders and through the setting up of specialised resource centres in selected regions. It will encourage a far reaching interaction between resource centres set up under the previous project and resource centres to be set up under the present project, and will disseminate this concept as widely as possible to other regions of the Russian Federation. An important component will be to consolidate efforts and resources of regional leaders and the Federation Council with those of Federal Districts and Economic Associations to assess the strengths and weaknesses of local markets in relation to Russia's accession to WTO, and to set up recommendations, strategies and action plans to adapt to the necessary requirements. The project will also aim to stimulate institutional links between relevant Russian and EU regional policy institutions. It will achieve its objectives through training activities, and extensive dissemination activities, in order to promote its concepts largely outside the group of pilot regions selected.

One of the main tasks in the sphere of international policy for the Russian Federation is further integration into the world economy. One of the key instruments to achieve this objective is Russia's accession to the WTO. The negotiations are very active at present. However, although there seems to be no doubt that eventually Russia will become a WTO member it is difficult at this stage to predict its actual accession date. Following its accession to the WTO, Russia will have to ensure full compliance with the requirements of this organisation as specified in its agreements. Hence the necessity of providing assistance aimed at supporting the implementation of Russia's WTO commitments. The main objective of the project **WTO Membership II** is to help the Russian Federation implement agreements resulting from its WTO membership. However, if at the time of launching this project Russia is still not a WTO member, the project could first focus on the institutional development component, to ensure that Russia has all institutional and organisational mechanisms in place to fulfil its WTO requirements prior to becoming a member. The main project partner will be the Ministry for Economic Development and Trade as the authority responsible for holding negotiations on WTO accession.

Reform of labour legislation is one of the main areas of development of the Russian Government policy. An important part of labour legislation is the legislation on health and safety at work. The adoption of the new Labour Code in February 2002 strengthens the rights

of employees and increases the role of trade unions in recognising the social guarantees of the employees. At present, on the agenda there is the review of a huge quantity of legal provisions, which includes also provisions in the area of health and safety at work. The project **Approximation of Health and Safety at Work Legislation** will contribute to approximate the existing Russian legislation on health and safety at work with the relevant EU legislation by reviewing and updating relevant legal provisions, thus contributing to the implementation of PCA article 55 on *legislative cooperation* and article 74.1 on *Social cooperation* with regard to health and safety. The project partner is the Occupational Health and Safety Unit of the Ministry of Labour and Social Development.

Good, reliable and timely statistical indicators are a basic requirement for governments, donors and private entities when elaborating policies and programmes. The building of a modern, efficient and internationally recognised statistical system is a long-term task. In the case of Russia, a lot has still to be done in the technical and methodological field as well as in daily practice, especially in those areas where not enough technical assistance has been provided. Macro-economic indicators must be further developed in order to allow data exchange as foreseen in the PCA. Quality requirements have to be promoted and put into place in view of the future accession to WTO. Moreover, Goskomstat of Russia has expressed its will to adopt the *acquis communautaire* in the statistical area. The project **Approximation of Statistical Standards** will provide know-how to work out methodologies, surveys and practical application of the new statistics.

### **6.1.2 Judicial Reform**

Fair, predictable, transparent and timely law enforcement is a prerequisite for the consolidation of democracy and civil society. It is also essential for establishing a climate conducive to business and investment, which is free from bribery and corruption. Properly functioning arbitration, civil and other courts, committed to respect for the rule of law and their independence from the executive will support fundamental freedoms and rights and equality of treatment for all citizens and economic operators before the law. Judicial reform and the modernisation of working methods is a priority under Russia's long-term development programme in order to foster public confidence in the justice system. Judicial reform is essential for the progress of economic reforms and the consolidation of human rights. Several important new laws have recently been adopted in this area, including a Criminal Procedural Code that entered into force on 1 July 2002, or the introduction of jury trials on 1 January 2003. Other laws still need to be adapted and updated to protect fundamental liberties and deal with new issues such as environmental protection

The objective of the project **Training of Judges and Court Administrators II** will be to follow up the work undertaken in the AP 2001 project *Training of Judges and Court Administrators*. The sheer number of judges of general jurisdiction (close to 20 000), and the limited budgets available for training do not enable the Russian Academy of Justice, responsible for the training of judges in the Russian Federation, to fulfil its functions on its budget funds. It is essential to disseminate as quickly as possible the whole block of judicial reforms to all judges across Russia, in order to ensure that the reforms are implemented all over the country, and that fair and objective trials are available to all citizens and enterprises across the whole territory of the Russian Federation. Furthermore, it is essential to improve the administration and timeliness of justice, as foreseen in the component for Court Administrators, which will focus on improving the management of Courts and the handling of cases.

The objective of the project **Raising Public Awareness in the Russian Legal System** will be to disseminate the results of the wide judicial reforms undertaken in the past years, so that

simple citizens are aware of their individual rights, and are able to ensure that they are duly respected. This project will have a component aimed at developing civic education in schools, in order to raise awareness of pupils of the 10-15 age group. The civil society awareness component will aim to widely disseminate disseminating information and educational material on the rights available to each citizen. In particular, the material will cover the following categories in which each Russian citizen can find himself: victim, witness, member of a popular jury or indicted. A monitoring component will survey the level of awareness of the civil society on its rights at the start of the project, and again two years later.

## ***6.2 Support to the private sector and assistance for economic development***

### **6.2.1 Deregulation and corporate governance**

Projects under this area will complement EU support to the Government's efforts to improve the business and investment climate, as a key element for sustainable economic growth and securing higher growth rates, which is declared as the main objective under Russia economic plan for 2003-2005, which started to be discussed in February 2003. In particular, economic transparency and improved corporate governance as well as the restructuring of natural monopolies and state support for exporters of 'non-primary commodities' are among the factors requiring immediate attention according to the plan.

In this context, the project **Implementation of the Accounting Reform** will support the effective introduction and use of IAS compatible financial reporting standards, in line with the plan of action approved by the cabinet in February 2003, and that will start as soon as 2004 for banks and companies operating on world markets. The project will tackle the lack of transparency and credibility of financial and economic data in Russia, which refrains investors, shareholders and creditors from investing in Russian companies and results in overall low levels of investment, and notably foreign direct investment, in the Russian economy. The project will involve the key players – notably the Ministry of Finance, the Ministry of Economic Development and Trade, the Ministry of Agriculture, the Federal Commission for the Securities Market, the Institute of Professional Accountants of Russia and the Inter-Agency Commission for Accounting Reform – but will also address the ability and capacity of bookkeepers, accountants in financial institutions and enterprises, staff of audit firms, the tax authorities, to implement the new standards, that will also play a crucial role in the actual implementation of the reform.

The Russian Government is currently taking steps to address further development of real property market support infrastructure that will improve access to land markets for individuals and legal entities by lowering of bureaucratic barriers and improving its services to clients. These efforts include the establishment of a unified description of real property units in the land cadastre system, establishment of a federal system of registration of rights in real property as well as the development of information communication and data exchange links between the two systems. The project **Land and Property Policy Reform II** will support the Russian Government's efforts to amend the existing land and property policy framework so that it constitutes a consistent basis for market-led development across all sectors of the economy. It will build up on the previous phase of the project under Action Programme 2001, which aims at creating the necessary legislative, technical and information framework for consistent implementation of the government policy in the field of land and property relations.

The project on **Approximation of Regulatory and Legislative Frameworks for Competition** will be implemented in cooperation with the Ministry of Antimonopoly Policy and Support to Entrepreneurship and will also involve other key players such as the Ministry of Economic Development and Trade and ministries and institutions involved in the reform of natural

monopolies (Ministry of Transport, Ministry of Communications, Federal Energy Commission). The project will support legislative and regulatory approximation as well as enforcement and control capacity, which become even more important in view of WTO accession negotiations and the discussions on a Common Economic Space.

The project **Energy Efficiency in Askhangelsk, Astrakhan and Kaliningrad**, will focus on the energy efficiency measures to be implemented in selected pilot regions. The overall objective of the project will be to create the economic mechanisms and incentives, as well as the regulatory and administrative measures needed to remove barriers for the implementation of cost-effective energy efficiency and saving projects to be financed by public and private investors. Project beneficiaries will include energy producers, the industrial sector and the households. The Ministry of Energy will participate in the execution of the project as the main partner in order to co-ordinate the different regional aspects and to ensure consistency with the overall Russian energy policy.

### ***6.3 Support in addressing the social consequences of transition***

#### **6.3.1. Social reform**

Under this area of co-operation, priority will be given to the prevention and control of HIV/AIDS and the development of services for vulnerable groups such as drug-addicts and HIV/AIDS patients and their families. The objective of the project **Prevention and Combating of HIV/AIDS II** is to support the Russian Ministry of Health in defining the most effective preventative and curative strategy for HIV/AIDS patients. It will tackle the issues of testing and blood donation and treatment policies and will have a major training and awareness-raising component targeted primarily at health workers from all institutions.

Under this same area, another important action will be to address the social consequences and problems associated with the de-commissioning of former military territories as a result of a radical military reform in Russia, which foresees a further reduction in the number of military personnel by 350,000 between 2001-2005, leading to a further de-commissioning and discharge of an additional 1440 military areas. The transfer of such territories to civilian use is difficult and requires the development of a specific methodology to assess the environmental and social conditions in these former military territories and to define how best they will be adapted for the social use and benefit of the local population. The project **Transfer of Ex-Military Territories to Civilian Use** will address these problems and help transfer responsibility for decommissioned territories to the regional and municipal administrations.

A particularly successful project titled *Developing a system of social services for vulnerable groups* was implemented under the 1995 Action Programme. It developed models for the social care of children, the disabled and the elderly in Samara and Penza which included alternative methods of care for orphans and the establishment of a model centre for disabled people in Penza, supplemented by a pioneering training in occupational therapy. In order to capitalise upon and disseminate the positive experience gained under this first project, Tacis proposed a follow-up project *Developing a system of social services for vulnerable groups II* under Action Programme 2001 whose objective is to develop cost-effective models of social care for identified vulnerable groups and in particular to develop an integrated approach to health and social welfare provision. The identified vulnerable groups under this project are those without adequate income and family support women and children at risk from domestic violence, young people leaving orphanages and recently released from centres of detention as well as unsupervised children. The need for improved social service provision is such that a third project **Developing Social Services for Vulnerable Groups III** is proposed under Action Programme 2003. Its objective is, once again to develop cost-effective models of social care

for pre- identified vulnerable groups and in particular to develop an integrated approach to health and social welfare provision to meet their needs. The identified vulnerable groups for this project are drug addicts and HIV/AIDS infected people of 18-30 years of age; families with children taking drugs as well as families with HIV/AIDS infected and/or drug addicted members.

In recent years, the subjects of the Russian Federation have started establishing services for the rehabilitation of disabled people. However, due to limited financial resources, an underdeveloped legal basis and lack of adequately trained staff, the level of service provisions for the people with disabilities is very low and does not provide for the effective social integration of these people. It is for this reason that Tacis proposes to support a project on the **Social Integration of the Disabled in the Privolzhsky Federal Okrug**. The total population of the Okrug is 32 million people of which about 10 % are registered as disabled. The Okrug, through the Office of the Plenipotentiary Representative of the President of the Russian Federation has been particularly active in developing mechanisms to encourage regional and municipal administrations to improve the quality of social services to the disabled and while certain experience has been gained, it needs to be reinforced with EU experience in order to deliver improved social services to this excluded social group. The objective of the project is to improve the quality of social services provision to the disabled in the Okrug and specifically, to develop mechanisms and programmes for their social and professional rehabilitation. This strategic approach foresees the development of a complex system combining the efforts of social, medical and employment agencies for the social adaptation and re-integration of the disabled. In the context of 2003 being declared as the European Year of People with Disabilities under the slogan of *"Think ability – not disability"*, it is hoped that such a project will find both political and practical resonance across the Russian Federation.

## **7. Complementary EC Assistance**

### **7.1 Complementary actions under the Action Programme/Financing Proposal**

#### **7.1.1 Tempus**

Tempus aims at supporting the reform and restructuring of the Russian higher education system and its adaptation to the new socio-economic needs, with a particular focus on the regions. It does so through interaction and balanced co-operation between institutions in the EU Member States and the partner countries organised in consortia. Consortia create long term co-operation links between the partners, which should evolve towards issues such as academic recognition, credit transfer and development of joint-curricula. Priority areas of Tempus activities are jointly defined by the European Commission and national authorities in line with the areas of co-operation in the mainstream Tacis programme. Projects address in particular: (1) curriculum development and renewal in priority areas; (2) reform and modernisation of the structure and management of higher education institutions in view of strengthening their role in the society; (3) development of skills-related training to address specific higher and advanced level skills shortage during the economic reform, in particular through improved and extended links with industry; (4) contribution of higher education and training to citizenship and the strengthening of democracy.

#### **7.1.2 Institutional Building Partnership Programme**

The Institutional Building Partnership Programme will support the twinning of a wide range of organisations from Russia and from the EU Member States. It will have two windows. The first window will support joint activities between key Russian and EU public organisations (e.g.

ministries, courts of justice, customs services). The second window will support co-operation between non-governmental organisations and between local authorities.

### **7.1.3 Managers' Training Programme**

In order to complement education and training activities foreseen under the first and third areas of co-operation, support will be provided for an additional phase of the Tacis Managers Training Programme (MTP). The objective of the programme will be to contribute towards the improvement of management skills and practices in Russian enterprises through the organisation of internships in European companies for both senior and junior-level Russian managers.

### **7.2 Other complementary actions outside of this Action Programme**

The Action Programme 2003 will be supplemented by other assistance funded from 2003 budgets under the Tacis Cooperation Programme in the Baltic Sea region, the Tacis Regional Co-operation and Cross Border Co-operation Programmes, the Nuclear Safety Programme, the EU-EBRD Investment Preparation Facility, the support to the International Science and Technology Centre, as well as the European initiative for Human Rights and Democracy.

## **8. Programme Implementation**

The Action Programme will be implemented in accordance with the following elements:

### **8.1 Implementation & Management**

Contracts financed under this programme shall be signed no earlier than the signature of the Financing Memorandum in due form by the competent signatories, and no later than 36 months after the entry into force of the relevant budgetary commitment.

The technical activities provided for under this programme and all contracts must end by 31.12.2007.

The programme will be managed by the EuropeAid Co-operation Office. The procedures laid down in Art. 13 of the Council Regulation (EC, Euratom) No. 99/2000 are applicable to this programme, ie. the Committee for assistance to the New Independent States and Mongolia will be consulted and express an opinion on this Proposal under the comitology management procedure (Art. 4, Commission Decision 1999/468).

### **8.2 Monitoring, Evaluation and Audit**

#### **Monitoring**

In addition to regular follow-up and controls carried out on the spot, if necessary by the Commission services and the Court of Auditors, a contract has been concluded with independent consultants to monitor the programme. This contract covers the whole Tacis programme, and will work upon requirements for periodic assessments of project progress against objectives. These will include on-the-spot visits to projects and interviews with stakeholders. Reporting will be in standardised formats giving scores to aspects of project performance.

#### **Evaluation**

Evaluations at programme, country or policy level will be carried out in line with the evaluation work programme of EuropeAid's Evaluation Unit H6 that is working under the

direct authority of the Board. Furthermore, Directorate EuropeAid/A is in the process of establishing an additional evaluation capacity at sector/subsector level to support its planning and project identification activities in the Tacis area. Priority areas for such sector evaluations will be selected on the basis of political priorities and significance of spending. As appropriate these might also include evaluations related to the programme under reference.

#### **Audit**

Operations financed under this programme will be subject to supervision by the relevant Commission services and the Court of Auditors to be carried out on the spot if necessary. The accounts and records of expenditure under the present Programme may be checked at regular intervals by an external auditor contracted by the Commission, without prejudice to the responsibilities of the Commission, including the European Antifraud Office (OLAF), and the Court of Auditors.

### **8.3 Tendering Procedures**

The contracts for services, works and supplies shall be concluded in accordance with the tendering and contract award procedures laid down in the Financial Regulation and other relevant instructions.

### **9. Cost and financing**

The Programme will be financed through a Community grant of €73 million, allocated as follows among the different actions:

<b>Area/Project</b>	<b>€Million</b>
<b>1. Support for Institutional, Legal and Administrative Reform</b>	<b>31.0</b>
<i>Legal, administrative reform and regional policy</i>	
- Public sector institutional reform	
- Regional development strategies	
- WTO Membership II	
- Approximation of health and safety at work legislation	
- Approximation of statistical standards	
<i>Judicial reform</i>	
- Training of judges and court administrators II	
- Raising public awareness of the Russian legal system	
<i>Civil Society, training and education</i>	
- Tempus (€10 million)	
<b>2. Support to the Private Sector and Assistance for Economic Development</b>	<b>12.5</b>
<i>Deregulation and corporate governance</i>	
- Land and property policy reform II	
- Implementation of the accounting reform	
- Approximation of regulatory and legislative frameworks for competition	
- Energy efficiency in Arkhangelsk, Astrakhan and Kaliningrad	
<b>3. Support in addressing the social consequences of transition</b>	<b>14</b>
<i>Social reform</i>	
- Prevention of HIV/Aids in Russia II	
- Developing social services for vulnerable groups III	
- Transfer of ex-military territories to civilian use	
- Social integration of the disabled in the Privolzhsky Federal Okrug	
<b>4. Small Projects Programmes</b>	<b>15.5</b>
4.1 Institution Building Partnership Programme	(€11.5 million)
4.4 Managers Training Programme	(€ 4.0 million)
<b>TOTAL</b>	<b>73.0</b>

## **10. Government Commitment. Conditionalities.**

Assistance is provided on the basis of the existence of the necessary elements for the continuation of co-operation through assistance, in particular respect of democratic principles and human rights, as well as the obligations of the Russian Federation as set out in the Partnership and Co-operation Agreement.