HOUSING AND UTILITY SERVICES AND URBAN ENVIRONMENT

National project till 2025
**1 CREATION OF A COMFORTABLE URBAN ENVIRONMENT:**

**CAP:** SMARTLY BUILT URBAN ENVIRONMENT CAN REDUCE THE DEGREE OF SOCIAL TENSION, IT SUPPORTS SOCIAL AND DEMOGRAPHIC PROBLEM SOLVING, FACILITATES THE IMPROVEMENT OF THE NATION AND BECOMES ONE OF THE MOST IMPORTANT ASPECTS OF MAKING HUMAN-LIFE COMFORTABLE.

**GOAL:**

BY REFERENCE TO SMART CITIES INDICATORS TO FORM CLEAR REQUIREMENTS FOR THE ORGANIZATION OF MODERN URBAN SPACE, INTENDING CITIZENS’ INVOLVEMENT. TO DEVELOP AND SUPPORT AT THE STATE LEVEL NOT ONLY THE TREND OF CREATING A COMFORTABLE URBAN ENVIRONMENT, BUT ALSO TO DEFINE ITS KEY PARAMETERS.

**MEASURES:**

1. **Development and implementation of minimum requirements standard for the urban environment:**
   - the provision of required street lighting
   - existence of sidewalks and safe pedestrian crossings;
   - public spaces development (parks, pedestrian streets, recreation areas and other natural areas);
   - improvement of public spaces, ensuring access for people with limited mobility (ramps, rails, etc.)

2. **MEASURES:**
   - a regular mechanized and manual cleaning of territories
   - collection of waste from street bins and containers, cleaning of lawns, sidewalks, playgrounds, removal and disposal of SMW;
   - providing sufficient number of street bins
   - providing a “face-lift” to buildings on the main streets.

3. **Organization of “online” monitoring and project coordination by constituent territories of the Russian Federation**
   - citizen involvement in the creation and maintenance of a high quality urban environment, as well as in the implementation of municipal programs for the improvement of the urban environment

4. **Creating a citizen “feedback” system and giving people possibilities to participate in improvement programs**

**FOCUS ON KEY CONCEPTS:**

SAFETY, COMFORT, FUNCTIONALITY, AESTHETICS
ENHANCED QUALITY OF LIVING CONDITIONS

ENSURING AVAILABILITY OF MULTI-OCCUPANCY HOUSES FOR DISABLED PEOPLE AND OTHER CITIZENS WITH LIMITED MOBILITY

ACTIVITIES BEING IMPLEMENTED:

MANAGING APARTMENT HOUSES

DILAPIDATED HOUSING RESETTLEMENT PROGRAM

OVERHAUL PROGRAM

RESULTS:

- The program includes more than 740 thousand apartment buildings with a total area of 2.3 bl. sq.m.
- During 2014-2015 about 30 thousand houses with a total area of 102 ml sq.m. were overhauled.
- The level of public confidence in the program increased: the owners have decided to deal with building renovation issues unassisted, by means of funds accumulation on special accounts:
  - January 1, 2015
  - January 1, 2016
  - July 1, 2016
  - about 39.9 thousand accounts,
  - about 62 thousand accounts,
  - about 72.7 thousand

Collection rate: around 80%

OVERHAUL: As part of registration programs, in 2015 the repair of 65.6 million square meters was completed, with 2.5 million residents.

LIQUIDATION OF DILAPIDATED HOUSING STOCK:
- In 2014, 192,870 people resettled (113% actual compared to planned)
- In 2015, 174,500 people resettled (98.2% actual compared to planned)

TOTAL BUDGETING BY THE OWNERS

2014 2015 2016

OVERALL RESULTS:

- A survey conducted in the end of 2015 shows that over 72% of respondents demonstrated their satisfaction with the quality of provided housing and communal services.
- The number of respondents who admitted the quality improvement increased by 20% over the past year.
- Goal - by 2020 not less than 80% of satisfied with the quality of provided services.
2.1 ENERGY SAVING TECHNOLOGIES DURING OVERHAUL

**GOAL:**

- **TO PROVIDE A BACKGROUND FOR HIGH-QUALITY HOUSING MODERNIZATION; REDUCTION OF CITIZENS’ EXPENSES ON HOUSING MAINTENANCE; TO PROVIDE ENERGY EFFICIENCY OVERHAUL OF COMMON PROPERTY IN APARTMENT BUILDINGS**
- **TO SAVE RESOURCES AND REDUCE LOSSES**
- **TO IMPROVE THE ENVIRONMENTAL SITUATION**

**MEASURES:**

- **Creating in 2017** a legal framework, which will allow owners of premises in an apartment building to choose one of the two major repair options.

- **Providing in 2018** two alternative variants of overhaul: a «standard» one and «energy efficient».

- **State support measures of energy-efficient overhaul**

- Successfully being implemented the most ambitious in the history of New Russia housing renovation program, which will improve the safety and comfort of living in apartment buildings. Along with that, there is a huge potential for improving energy efficiency of buildings, which upon expert assessment accounts up to 40%.

**100 thousand apartment buildings**

with a total area of more than **280 million sq.m.**

and around 12 million residents, will have been overhauled by the end of 2018.

**THAT IS WHY THE STATE PROVIDES AN OPPORTUNITY TO OVERHAUL USING ENERGY SAVING TECHNOLOGIES.**
2.2 MEASURES TO CONTROL THE SECTOR DEALING WITH SOLID MUNICIPAL WASTE TREATMENT IN RUSSIA

SOLUTIONS, INTRODUCED BY THE GOVERNMENT OF THE RUSSIAN FEDERATION:

EXISTING PROBLEMS OF INDUSTRY HANDLING SMW
- Black market
- Illegal dumps
- Lack of control over waste flow
- Lack of infrastructure for the processing of Municipal Solid Waste

DYNAMICS OF GENERATION AND DISPOSAL OF SMW IN RUSSIA

The current volume of waste in Russia is enough to load the Trans-Siberian railway in 2400 years ahead (according to IFC data).

FEDERAL LAW “ON INDUSTRIAL AND CONSUMER WASTE”
- Introduction of the new economic mechanism, aimed at reducing the consumption of landfill, and involving them in economic turnover (extended producer responsibility)
- To develop regional waste treatment schemes, including MSW, which will summarize the generators of MSW, the volume of MSW, waste flows, facilities for the MSW treatment
- Introduction of the institution of the regional MSW treatment operator
- Adoption of regional waste treatment programs, containing measures for the construction, modernization and reconstruction of facilities for waste treatment, sources of finance
- Conversion of collection and removal of MSW service from the housing to the municipal sphere
- Introduction of environmental waste collecting

INSTITUTION OF REGIONAL OPERATOR
- Is responsible for maintaining order and treatment of MSW on their territory, to prevent the formation of new landfill
- Waste disposal is carried out according to the well-approved scheme
- Competitive selection
- The payment is made only after the delivery of waste to landfill

EVERY SQUARE METER OF LAND WILL BE IN RESPONSIBILITY OF A PARTICULAR COMPANY AND PARTICULAR PERSON

ATTRACTING INVESTMENTS IN THE HOUSING AND COMMUNAL SERVICES

CREATION OF MODERN MSW TREATMENT SYSTEM IN RUSSIA DEMANDS CAPITAL INVESTMENT

MEASURES TO ATTRACT PRIVATE INVESTORS:
- Set a long-term tariff regulation. Rates can be increased in exchange for investments
- Establishing guarantees of waste volume to facilities for the MSW treatment - approval of waste movement schemes in the territorial scheme
2.2 MEASURES TO CONTROL THE SECTOR DEALING WITH SOLID MUNICIPAL WASTE TREATMENT IN RUSSIA

SOLUTIONS, INTRODUCED BY THE GOVERNMENT OF THE RUSSIAN FEDERATION:

- By now 25 concession agreements have been signed in the MSW treatment sector.
- Total investment in waste management projects amounts 7 billion rubles.

THE AUTOMATED INFORMATION SYSTEM «WASTE MANAGEMENT» IS DEVELOPED.

THE SYSTEM ALLOWS TO AUTOMATE:

- automate and simplify the process of territorial schemes development
- improve the efficiency of the entire waste disposal industry
- to monitor all stages of waste life-cycle
- allows regional operator to carry almost 100% control over the waste disposal on the assigned territory

EXPECTED RESULTS:

- 8 REGIONS OF THE RUSSIAN FEDERATION INTRODUCE A MANDATORY SEPARATE WASTE COLLECTION STARTING JANUARY 1, 2017

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- Total investment in waste management projects amounts 7 billion rubles.

ANTICIPATED RESULTS:

- Modernization of the sector by means of private investments
- Suppression of unauthorized dumps occurrence
- Implementation of inter-municipal and inter-regional projects of construction and operation of facilities for the MSW treatment
- Economically reasonable and fair charging for the MSW treatment service
- Providing MSW disposal out of economically uninteresting areas (remote villages, private sector).
- Rehabilitation of existing illegal landfills
- Stopping NEW unauthorized waste accumulation sites

INNOVATIONS WILL ALLOW:

- to engage all generated MSW in the turnover,
- to ensure control of the MSW flows,
- to engage all the new generated MSW, to provide control of their flow and thus to increase investment attractiveness of the industry.
- to create a sustainable MSW treatment industry,
- to improve environmental performance and increase public environmental responsibility.
The regions have adopted and are implementing strategies (a total of 85) for development of Housing Services and Utilities sector. The measures are aimed at implementing of the key federal resolutions on creating conditions to attract private investment to the Housing sector.

The concepts of Utility Service quality and reliability includes secure and favorable living conditions for the residents of blocks of flats and residential houses, uninterrupted provision of heat, hot and cold water supply, sanitation, electricity and gas supply services as well as treatment of municipal solid waste in accordance with the sanitary norms, regulations and other mandatory requirements established by the Russian Federation legislation.

Financial support of modernization projects of up to 60% of the project cost is provided from the budget of the Russian Federation municipal entity (up to 20%) and investor’s funds (at least 20%).

GIS HCS will assist in formation of competitive housing management market and the provision of public utility services, will make it totally clear and will create equal competitive conditions for all market participants, forcing them to improve the quality of services and compete with each other for consumer.

In 2018 full disclosure of information will be provided in the GIS HSC.
2016 RESULT: CONCESSIONS BOOM IN THE HOUSING AND COMMUNAL SERVICES

92% of declared country’s concession tenders are related to the housing and communal services sector (according to the National Association of concessionaires and long-term investors in the infrastructure for the 1st quarter 2016).

By 2018 the number of accidents should be reduced by 1.5 times compared with the level of 2013. State support will be provided to the investment projects for municipal infrastructure modernization (“direct funding” and interest rate subsidies, implemented through a concession mechanism in «small towns ») in the period from 2017 through 2020 in the amount of at least 48 billion Rubles (12 billion Rubles annually).

CONCESSION INVESTMENT CYCLE:

- Preparatory stage: Approval of the investment program
- Implementation of major investment programs (investment): ~140 days
- Making of the concession agreement: 60 days
- Payback of investments, acquisition of income by the investor by means of savings and business profits: 25 years
- Loss rate by 14% (in water supply system the accident rate is reduced by 21%)
- Loss rate by 18% (in heating supply system the accident rate is reduced by 47%)

DURATION OF THE ACTIVE CONCESSIONS

- Up to 5 years: 33.19%
- Up to 10 years: 49.79%
- Over 15 years: 9.33%

~140 days

857 concessions have been agreed by September 10, 2016

2016 result: concessions boom in the housing and communal services

3.2 2016 RESULT: CONCESSIONS BOOM IN THE HOUSING AND COMMUNAL SERVICES

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LIFE QUALITY DEPENDS ON THE
QUALITY OF INFRASTRUCTURE,
WHICH CORRESPONDS
REQUIREMENTS OF A MODERN CITY.

MINISTRY OF CONSTRUCTION,
HOUSING AND UTILITIES
OF THE RUSSIAN FEDERATION

FOR THE EXTENDING OF THE REFORM AND QUALITATIVE
TRANSFORMATION OF HOUSING AND COMMUNAL SERVICES IT
IS NECESSARY TO ENSURE FURTHER UPGRADE OF MUNICIPAL
INFRASTRUCTURE BY THE ATTRACTION OF PRIVATE INVESTMENTS.
Housing and public services
going through change

MINISTRY OF CONSTRUCTION, HOUSING
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