

# **Public-Private Partnership as the Mechanism for the Development of the sphere of Culture and Mass Communications of the Russian Federation**

**Deputy Minister of Culture and Mass  
Communications  
of the Russian Federation  
Dmitry M.Amunts**



# Structure

1. Problems in the sphere of culture and mass communications of the Russian Federation
2. Role of Public-Private Partnership in the Russian Federation
3. Achievements and Experience in the sphere of the Public-Private Partnership realization in the Russian Federation
4. Obstacles
5. Support of the UNECE for the realization of Public-Private Partnership



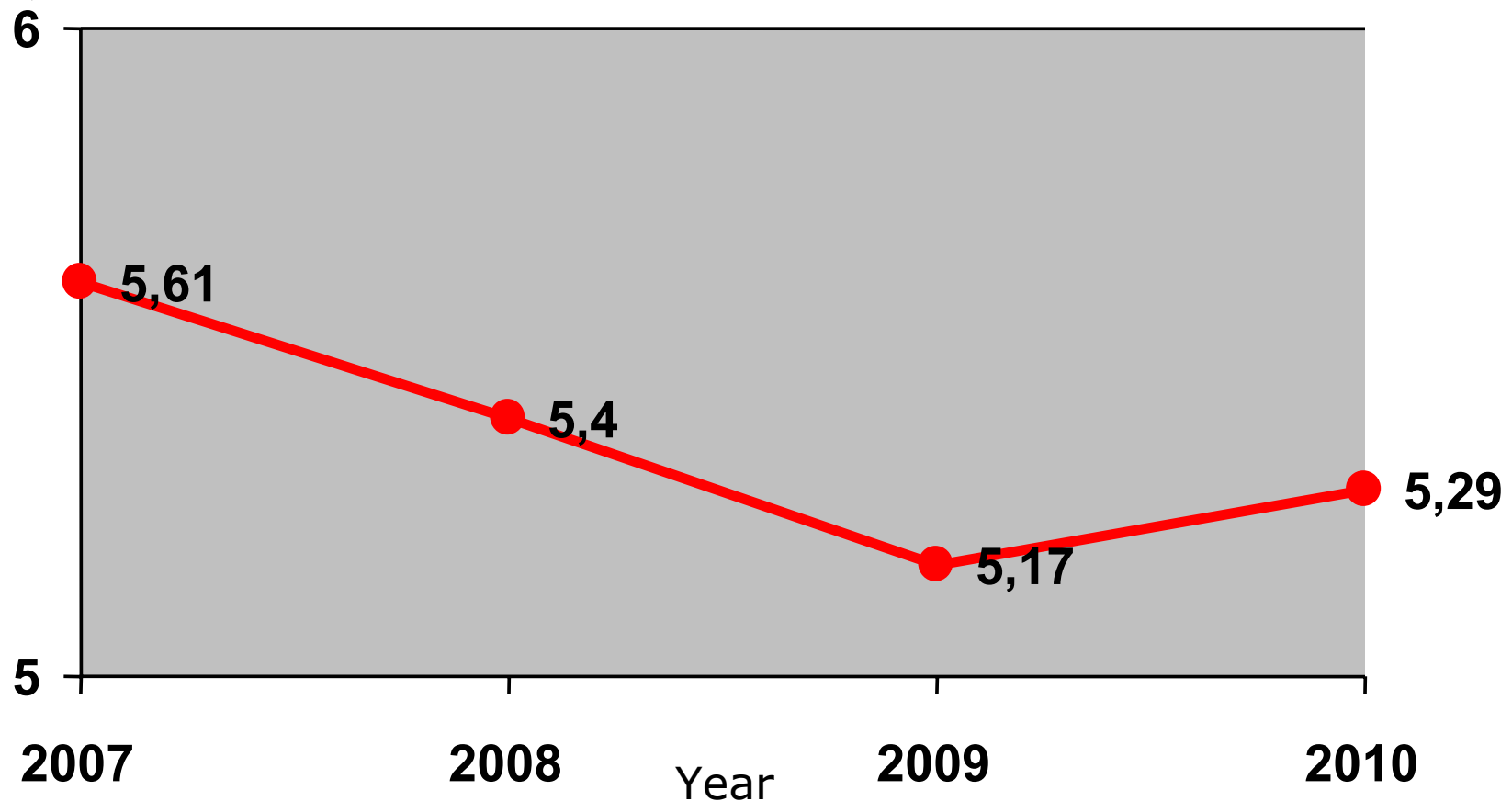
# 1. Problems in the sphere of culture and mass communications of the Russian Federation



## Indicators of socioeconomic development of the Russian Federation for the period 2008-2010

GDP (Ministry for Economic Development and Trade of the Russian Federation)

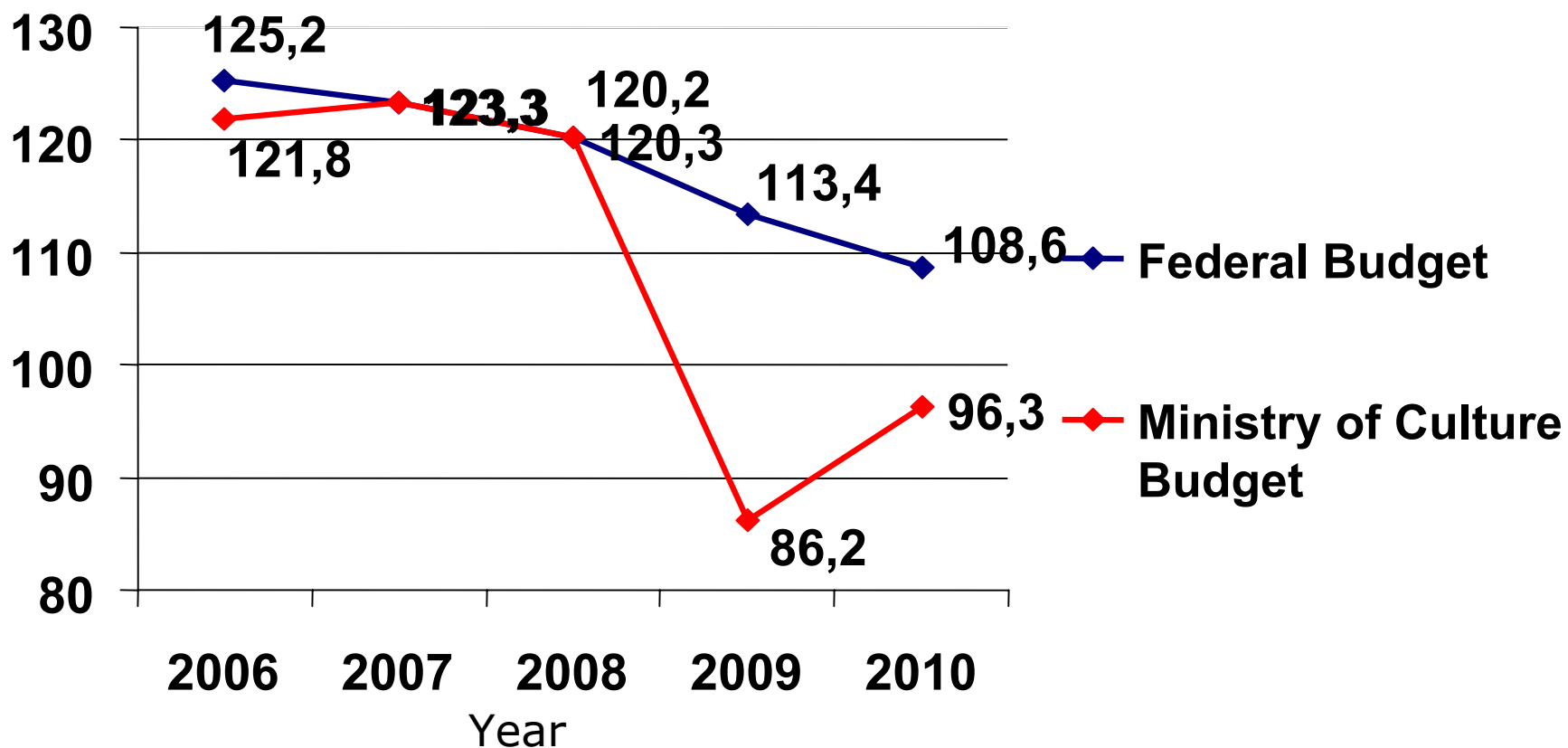
Growth, %





## Expenditure changing rates in reference to the previous year for the period 2006-2010, %

in reference to the previous year, %

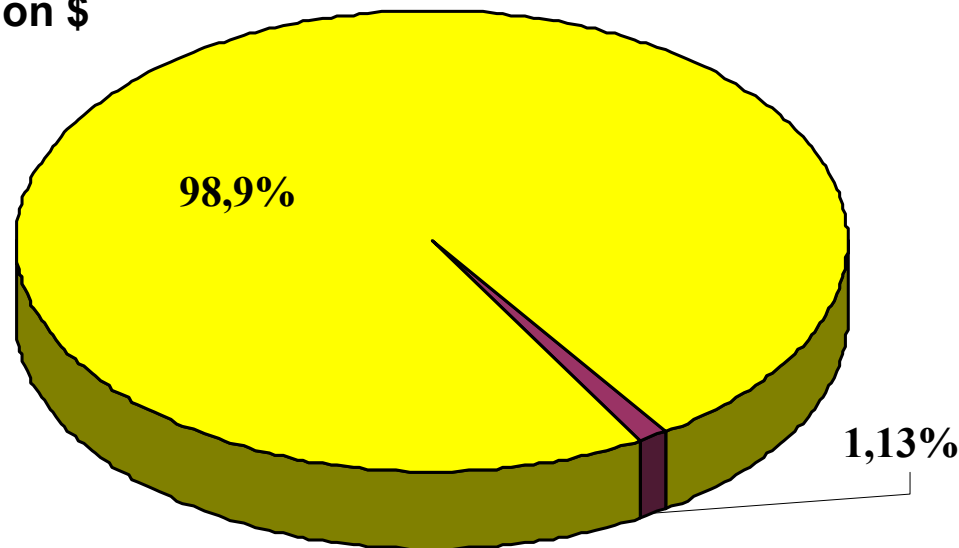




МИНИСТЕРСТВО КУЛЬТУРЫ  
И МАССОВЫХ КОММУНИКАЦИЙ  
РОССИЙСКОЙ ФЕДЕРАЦИИ

# Total expenditures for the culture, cinema and mass media in reference to the total federal budget expenditures in 2008

Total Federal Budget Expenditures  
235,26 billion \$



Ministry of Culture Expenditures

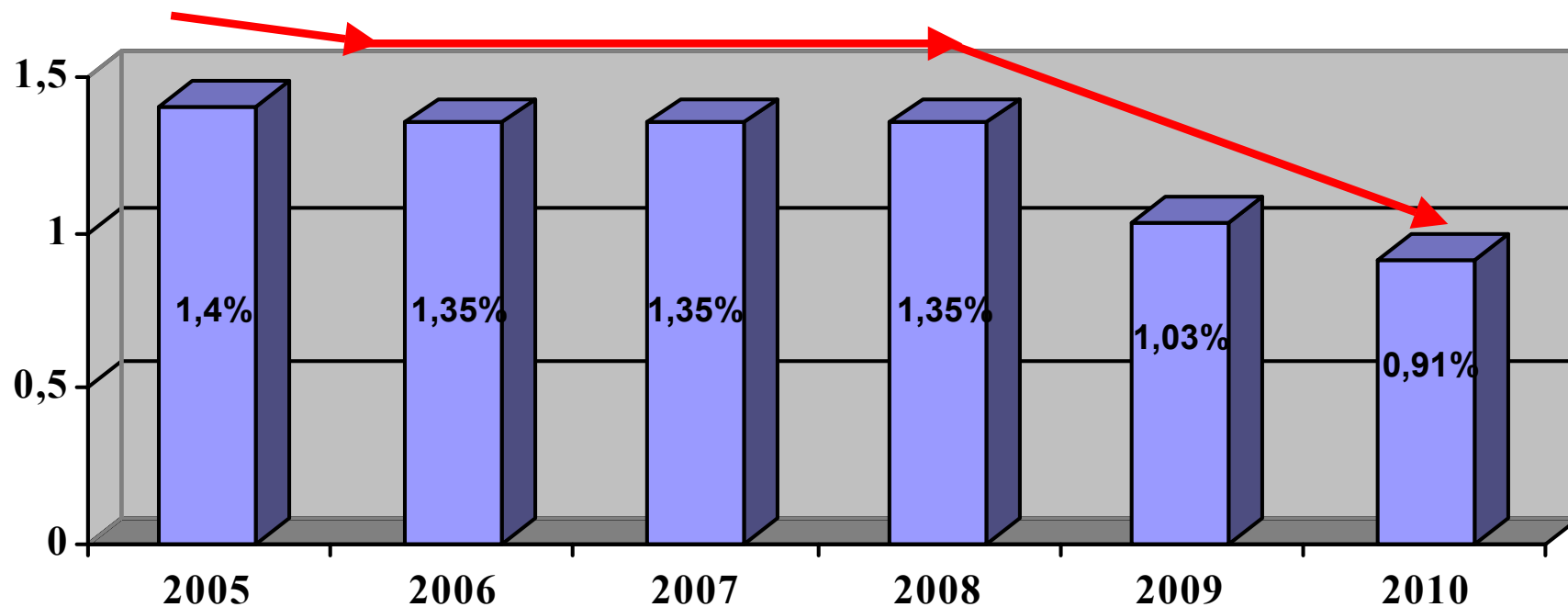
2.67 billion \$

Including Federal Targets Program «Culture of Russia 2006-2010» –  
442,51million \$,

incl. the Bolshoy Theater – 133,98 million \$

Mariinskiy Theater – 81,08 million \$

## Dynamic of the expenditure share for the sphere of culture and mass communications in reference to the total federal budget expenditures for the period 2005 - 2010, %



# Some indicators of the situation in the branch

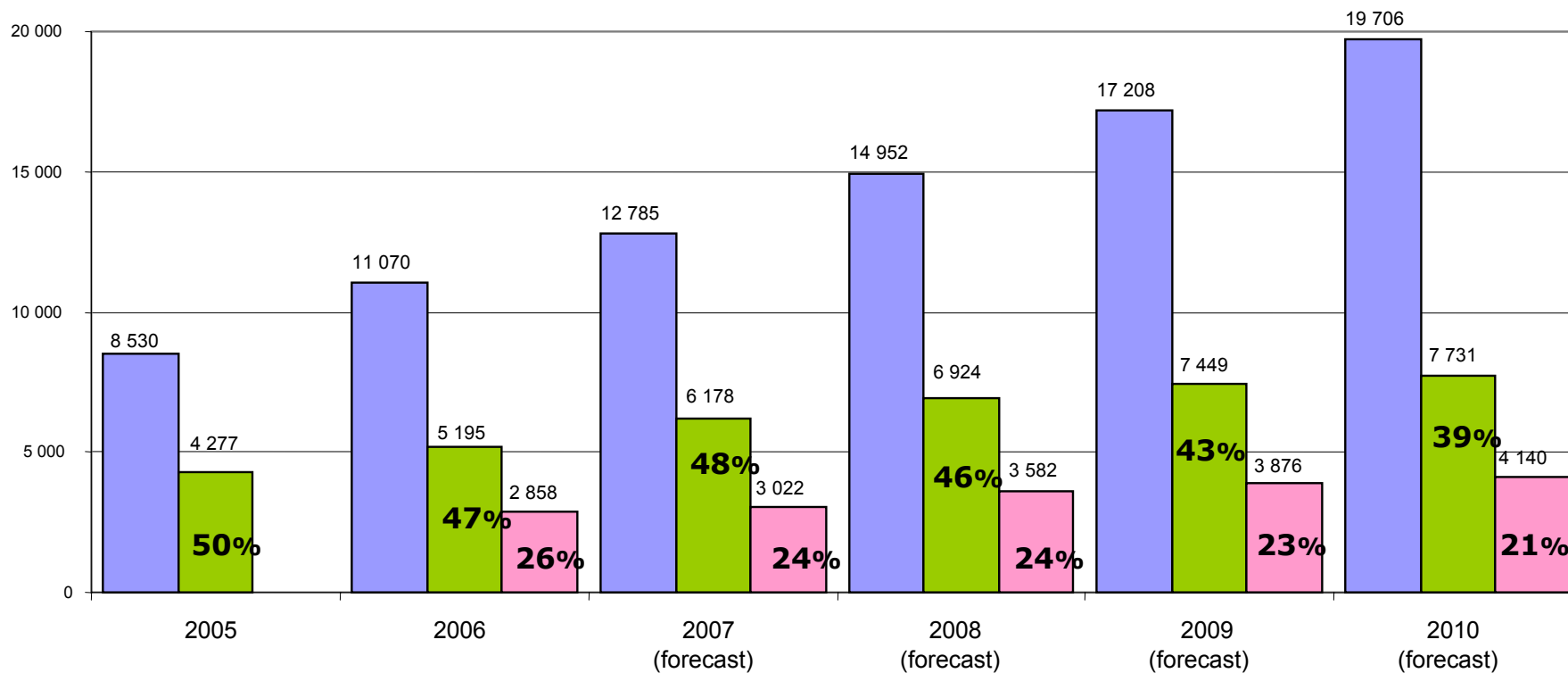
(the following results will be achieved by the existing level of the financing during 2008 – 2010)

№	Indicators	2006	2007	2008	2009	2010
1	Share of <b>the cultural heritage objects</b> , which situation may be described as <b>satisfactory</b> , in reference to the total amount of federal cultural heritage objects, %	27,0	28,0	30,0	31,0	33,5
2	Share of <b>archive documents</b> , kept in <b>specified conditions</b> that provide timeless keeping, in reference to the total amount, %	18,5	19,0	19,5	20,0	21,0
3	Share of <b>restored unique archive documents with grate value</b> , in reference to the total amount of the documents that are to be restored, %	1,0	1,5	2,0	2,5	3,0





# Wage level



- Average Wage Level in Russian Federation
- Average Wage Level of Employees of Federal Cultural Institutions according to unified wage rate scale
- Average Wage Level in Federal Archive Institutions according unified wage rate scale



## 2. Role of Public-Private Partnership in the Russian Federation

## 2. Role of Public-Private Partnership in the sphere of culture and mass communications in the Russian Federation (1)

Public-Private Partnership – **mutually beneficial cooperation** between public and private sectors through the participation in realization of range and long term infrastructure **projects**

✓ **Public-Private Partnership** is **effective mechanism of investment attraction** for the sphere of cultural and mass communications of the Russian Federation

## 2. Role of Public-Private Partnership in the sphere of culture and mass communications in the Russian Federation (2)

✓In the framework of Public-Private Partnership:

State and municipal **assets are available for** the private sector on temporary or permanent basis.

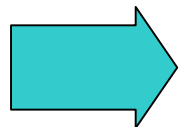
The parties use the mutual **experience** and **resources** in the framework of planning, formulation, realization and financing of projects.

The private sector may use these assets for the providing of public **services**, getting **revenues** and taking **risks**.

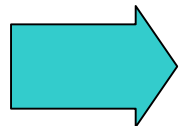
## 2. Role of Public-Private Partnership in the sphere of culture and mass communications in the Russian Federation (3)

### Purpose of the Public-Private Partnership mechanism

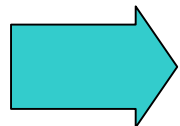
**Safe-keeping and developing of cultural heritage in the Russian Federation along with increasing of volume, diversity, quality and accessibility of services:**



**Attracting investments** for long-term investment projects in the sphere of culture and mass communications from extra-budgetary funds



**Application** of leading innovative, engineering, financial and management **experience** of private investments in the sphere of culture and mass communications



**Cushioning of risks** (loss of objects of cultural heritage, depreciation and other) of the activity in the sphere of culture and mass communications through the alliance of public and private experience and resources



### 3. Achievements and Experience in the sphere of the Public-Private Partnership realization in the Russian Federation

### 3. Achievements in the sphere of the Public-Private Partnership realization in the Russian Federation

1. **Creation of the Expert Council for Public-Private Partnership**
2. **Accreditation of the National Centre for Public-Private Partnership in the sphere of cultural and mass communications**
3. **Starting of the joint project with the Ministry of Culture of Germany “Safe-keeping of the historic and cultural heritage on the basis of Public-private Partnership”, the project is financed by the Funds of the European Commission**
4. **The Federal Act from 29th December 2006 # 258-FA “About applying of changes in some acts of legislation of the Russian Federation in accordance with distribution of power”**
5. **Resolution of the Government of the Russian Federation from 9th February 2007 # 90 that confirms the concession for culture, sport and spare-time facilities as tourism and other social and cultural facilities**
6. **The Federal Act from 30th December 2006 # 275-FA “About the procedure of capital formation and application by NGOs”**

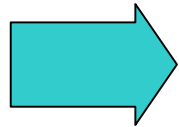


## 4. Obstacles

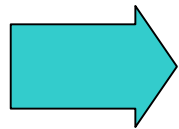




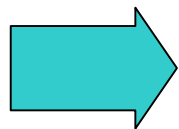
## 4. Obstacles



Part of the society is not ready to consider the interaction with business community and to assist for the Public-Private Partnership development



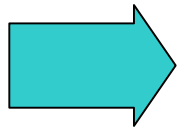
Red - tapery



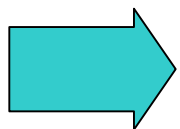
Corruption

## 5. Support of the UNECE for the realization of Public- Private Partnership

## 5. Support of the UNECE for the realization of Public-Private Partnership



Experience exchange



Realization of educational programmes for the Public-Private Partnership development



МИНИСТЕРСТВО КУЛЬТУРЫ  
И МАССОВЫХ КОММУНИКАЦИЙ  
РОССИЙСКОЙ ФЕДЕРАЦИИ

# TOWNSHIP SEREDNIKOVO



**Township includes park, bridges over ravines, unique white-stone stair leading from the main building to the pond.**



**In spite of the nearness to the city the township is rounded by the traditional inurbane country place.**





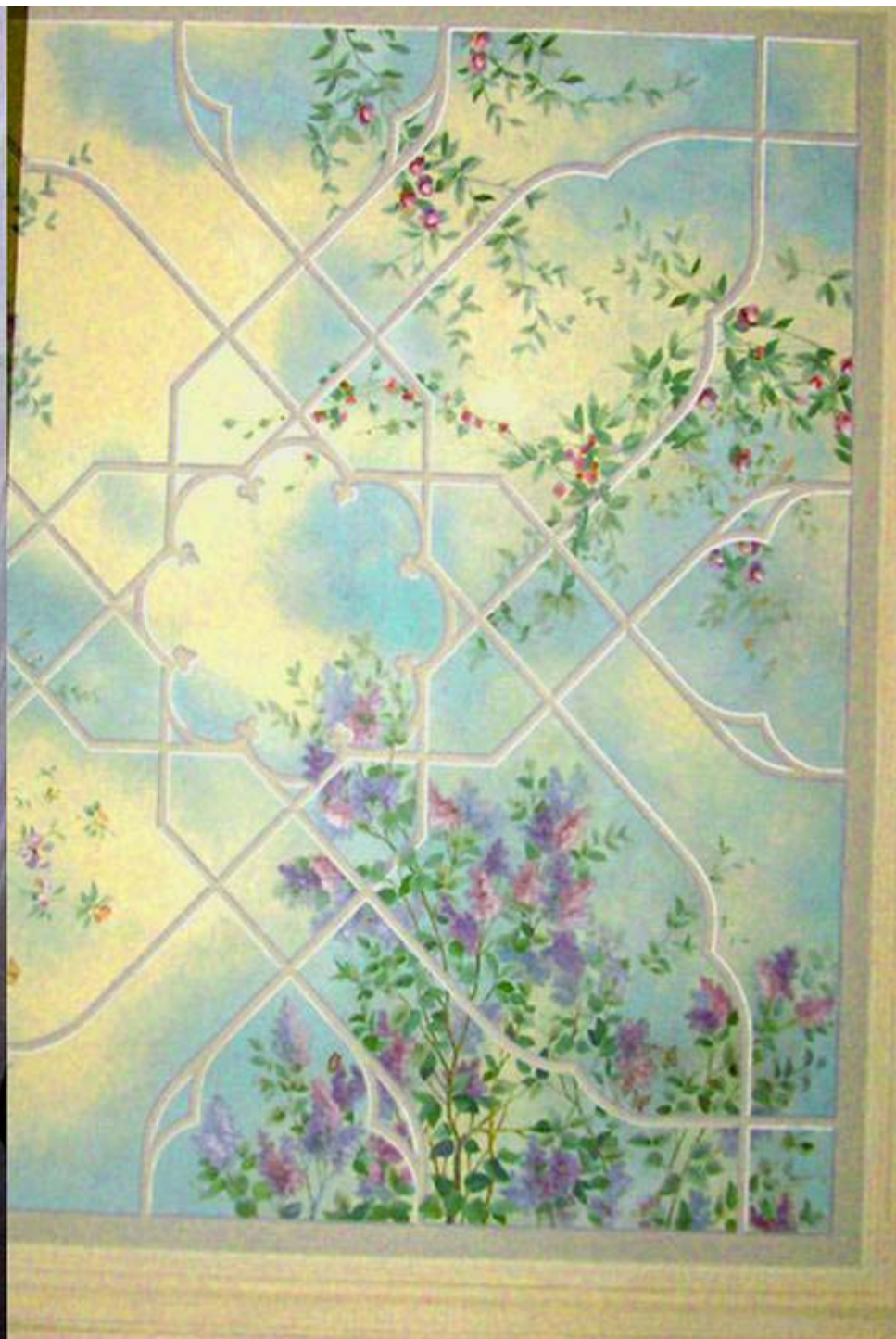














МИНИСТЕРСТВО КУЛЬТУРЫ  
И МАССОВЫХ КОММУНИКАЦИЙ  
РОССИЙСКОЙ ФЕДЕРАЦИИ

# **State reserve-museum ORANIENBAUM**











МИНИСТЕРСТВО КУЛЬТУРЫ  
И МАССОВЫХ КОММУНИКАЦИЙ  
РОССИЙСКОЙ ФЕДЕРАЦИИ

# **Concert hall of the State Academic MARIINSKIY THEATER**















МИНИСТЕРСТВО КУЛЬТУРЫ  
И МАССОВЫХ КОММУНИКАЦИЙ  
РОССИЙСКОЙ ФЕДЕРАЦИИ

# **State Memorial Natural Park “Museum Township” of Lev Tolstoy “YASNAYA POLYANA”**



# Objects for Public-Private Partnership

**International centre of Yasnaya Polyana for educational tourism and rest:**

- Excursions centre (Visitor centre)**
- Resources centre**
- Hotel (500 places)**
- Educational centre**
- Festival centre**

**District town Krapivna**

**Estate of Tolstoy family «Nikolsko-Vyasemskoe»**

**Estate «Mansurovo» (Kaluga region)**





## International centre of Yasnaya Polyana for educational tourism and rest





МИНИСТЕРСТВО КУЛЬТУРЫ  
И МАССОВЫХ КОММУНИКАЦИЙ  
РОССИЙСКОЙ ФЕДЕРАЦИИ

# Visitor centre



**Discount rate – 13 %**

**Pay-off period – 7 years**

**Discount Pay-off period - 9 years and 9 months**

**Average return rate – ARR - 19,97 %**

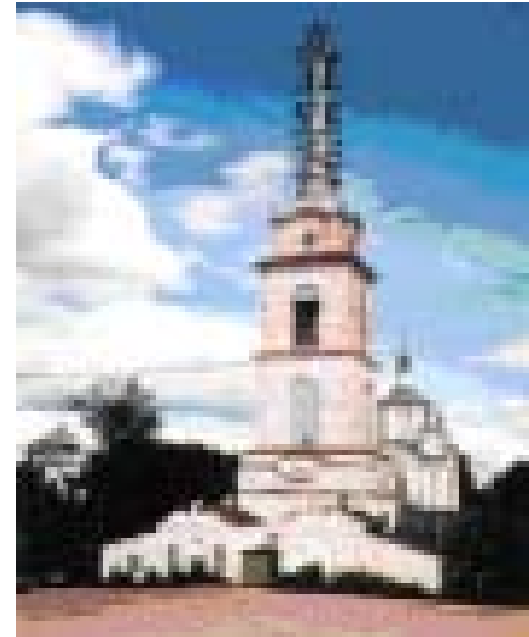
**Net profit value – NPV - 13 407 556**

**Profitability index – PI - 1,10**

**Internal Return rate – IRR - 15,50 %**



# Priority objects for the investment





МИНИСТЕРСТВО КУЛЬТУРЫ  
И МАССОВЫХ КОММУНИКАЦИЙ  
РОССИЙСКОЙ ФЕДЕРАЦИИ

# State Hermitage Headquarter









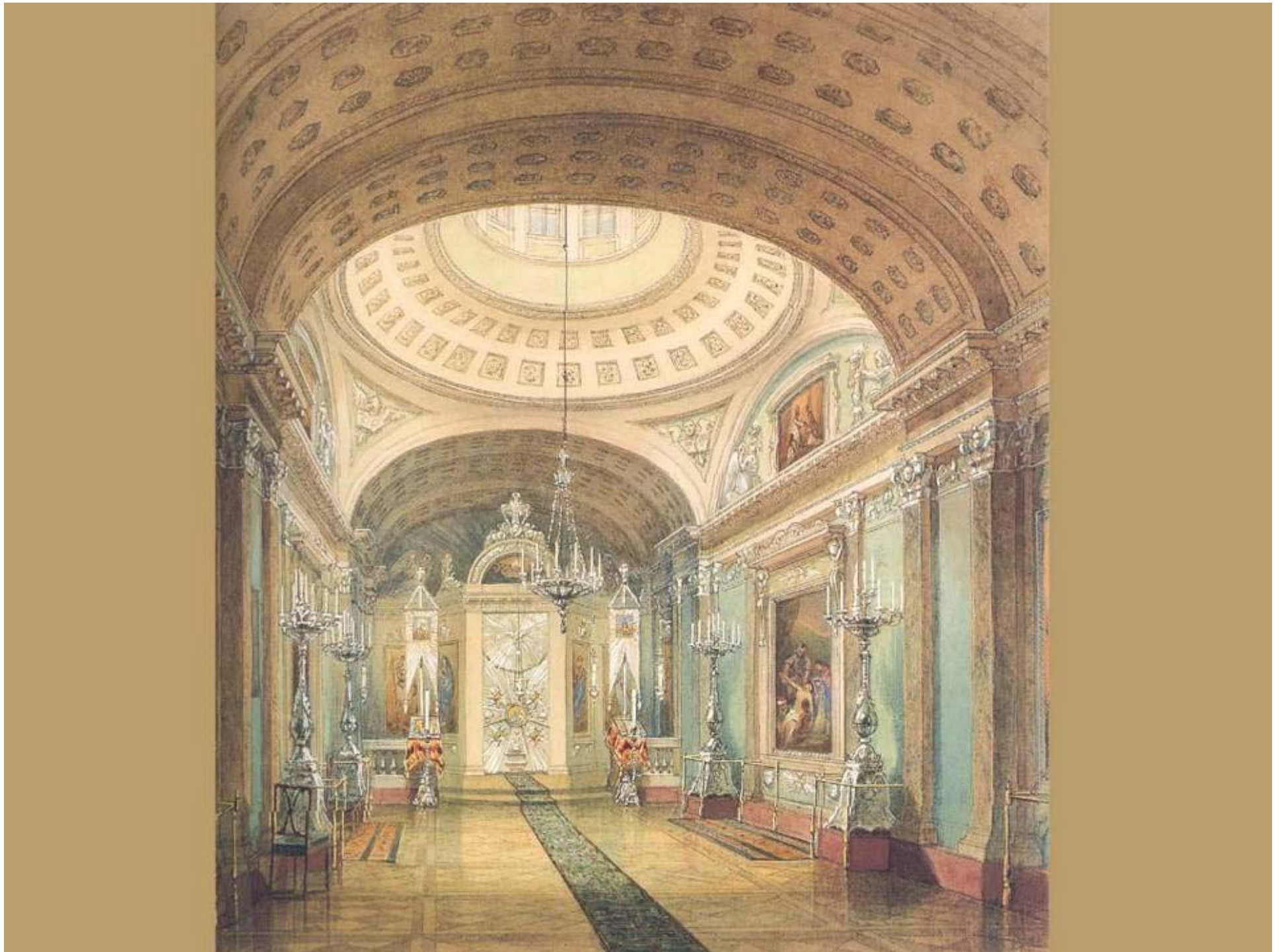
МИНИСТЕРСТВО КУЛЬТУРЫ  
И МАССОВЫХ КОММУНИКАЦИЙ  
РОССИЙСКОЙ ФЕДЕРАЦИИ

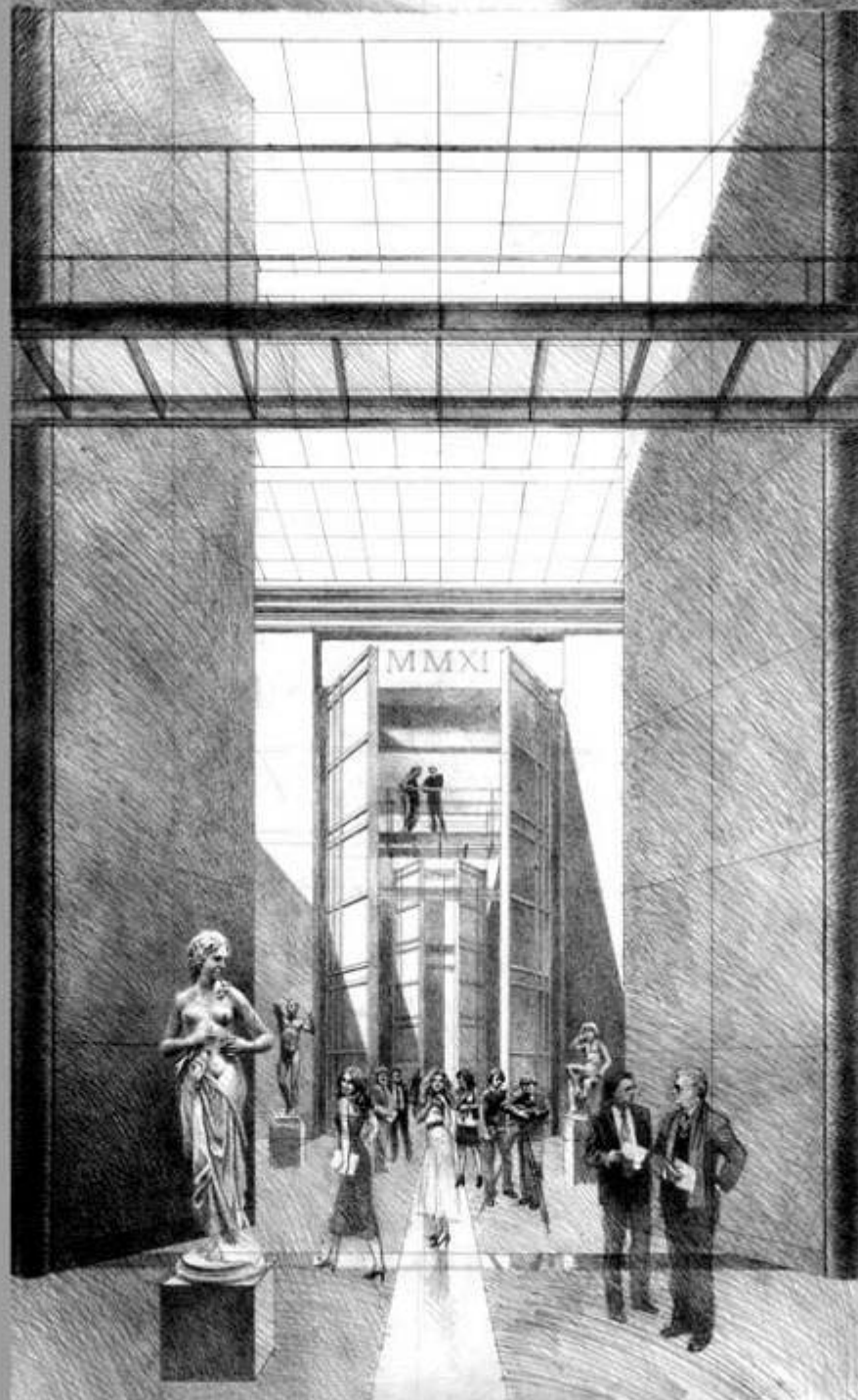
















МИНИСТЕРСТВО КУЛЬТУРЫ  
И МАССОВЫХ КОММУНИКАЦИЙ  
РОССИЙСКОЙ ФЕДЕРАЦИИ





## Indicators of the restore value of the east side wing of the State Hermitage Headquarter

<b>Item</b>	<b>Value, July 2005 (correcting of project decisions), RR</b>	<b>September 2006 _ - (According to the Regional Centre for Price-setting in Saint -Petersburg), RUR</b>	<b>Note Value, USD</b>
<b>1st line</b>		<b>1 517 491 000</b>	<b>56 623000 \$</b>
<b>2nd line</b>		<b>2 487 145 000</b>	<b>92 804000 \$</b>
<b>Totally for the 1st and 2nd lines</b>		<b>4 004 636 000</b>	<b>149 427000 \$</b>
<b>3rd line</b>		<b>1 134 593 000</b>	<b>42 336000 \$</b>
<b>Totally for Building</b>	<b>4 380 262000</b>	<b>5 139 267 000</b>	<b>191 764000 \$</b>