The role of public-private partnership in the development of public infrastructure in the Khabarovsk territory

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Keywords: public-private partnership, concession agreement, concession, Khabarovsk Krai, public infrastructure, Far Eastern concession.

Abstract: The article analyzes the development of public-private partnership in Khabarovsk Krai. The authors determined that a sufficient level of development of public-private partnership is one of the factors of sustainable development of the region. The analysis actualizes the use of public-private partnership mechanisms in the development of public infrastructure due to its high depreciation. And the need for high-quality public infrastructure facilities is constantly increasing. The authors analyzed the projects that are currently being implemented in the region, the place in the rating of regions and identified the constraints on development. The possibilities of private initiative and the conditions for its implementation are considered.

1 INTRODUCTION

Public-private partnership (PPP) in Russia is developing rapidly, acquiring importance for development of the public infrastructure in the context of economic crises and sanctions. With the help of this mechanism, social, communal and transport infrastructure is being updated. The range of industries where the use of the PPP mechanism is possible is expanding - the industrial sector, waste management, and the digital technology industry.

In Russia, the revival of interest in PPP has been taking place since the beginning of the 2000th in the context of reforming the public administration system. Currently, one of the priority areas of development is the development of infrastructure facilities, and the search for optimal solutions in this area in the unprofitable sectors of economy.

In general, in our country, the level of depreciation of fixed assets in the public infrastructure is evaluated as high and the amounts to 45-55%. According to forecasts, by 2040 Russia will enter the top five countries with the largest deficit of infrastructure investments (USA, China, Brazil). Depreciation today: communication systems - 60%, transport - 53%, healthcare - 52%, education - 46%, housing and communal services - more than 70%, sport - 42%, etc. Therefore, there is a high need for financing the public infrastructure facilities. The forecast of the long-term socio-economic development of the Russian Federation until 2030 and the all national projects imply creation of the conditions for development of the public infrastructure. But implementation of the infrastructure facilities is constrained by the limited level of expenditure obligations of the public legal entities. According to expert estimates, the need in social sphere is 18 trillion rubles, in the field of energy and water supply - 6 trillion rubles. The share of private investment remains low. Therefore, development of PPP is necessary to increase the infrastructure provision. (Bednyakov, 2022)

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Decree of the President of the Russian Federation of 21.07.2020 No 474 "On the national development goals of the Russian Federation for the period up to 2030" determines a number of target indicators characterizing achievement of the national goals by 2030, which, in particular, can be achieved precisely using the public-private partnership mechanisms:

1. within the framework of national goal "Preservation of the population, health and well-being of people": increasing the share of citizens systematically engaged in physical culture and sports to 70 %;

2. within the framework of national goal "Opportunities for self-realization and development of talents":

- entry of the Russian Federation into the top ten countries in the world in terms of the quality of general education;
- threefold increase in the number of visiting cultural events compared to 2019;
- ensuring the share of the road network in the largest urban agglomerations that meets regulatory requirements at a level of at least 85 %;
- creation of stable system for handling municipal solid waste, providing waste sorting in the amount of 100 % and reducing the volume of waste sent to landfills by half (Decree, 2020).

Significant changes are periodically made to the legislation on PPP, concessions, LCC and the other mechanisms. A number of mechanisms for financing the projects on returnable basis (infrastructure budget loans, green bonds, etc.) have been launched, and support forms are integrated into the national projects and government programs..

2 RESEARCH METHODOLOGY

To study the importance of public-private partnership in the development of public infrastructure in the Khabarovsk territory, a system analysis method was used, which made it possible to determine the main directions of PPP development in the region with the aim of its steady development.

For the analysis, materials from the official websites of the regional authorities, ROSINFRA were used.

3 STUDY RESULTS

Currently, in the Russian Federation, there are two main forms of public-private partnership: an agreement on public-private partnership and concession agreements, which are regulated by the separate regulatory legal acts (Myslyakova, Neklyudova, 2024).

In addition, a number of forms close to PPP are used, for example, a life cycle contract, an energy service contract, an offset contract, a long-term contract with investment obligations, a lease with investment obligations, and joint ventures (Sidorova, Tatarkin, 2010).

Separately, the Far-Eastern and Arctic concessions are distinguished, which have specific characteristics, according to the territorial location of facilities. In the remote sparsely populated areas, it is difficult to implement commercial projects in the socially significant areas and PPP models with the investment of extra-budgetary funds. Under these conditions, the Federal Center compensates investors for up to 100% of the cost of infrastructure within 10-20 years after commissioning. For the first time, the Far-Eastern concessions were signed in 2021 at the Eastern Economic Forum in the city of Vladivostok.

Projects are selected by the Ministry for development of the Far East and the Arctic with involvement of the specialized development institute of the Far-Eastern and Arctic Development Corporation.

The main characteristics of the Far-Eastern concession are: using of this form is possible only for projects of the federal and regional levels, which correspond to the goals of socio-economic development of the Far East and the Arctic (Chistyakova, Chuprov, 2023).

In the Khabarovsk territory, the main executive body organizing the implementation of PPP in the territory of the region, within the framework of existing legal regulation, is the Ministry of Economic Development. At the same time, according to the Decree of the Government of the Khabarovsk territory dated December 31, 2017 No 550-FL"On measures to implement certain provisions of the Federal Law of July 21, 2005 No 115-FL" On Concession Agreements "and on amending the Regulation on the Investment Council under the Government of the Khabarovsk territory, approved by the Decree of the Government of the Khabarovsk territory dated April 19, 2011 No 115- FL" the Ministry of Economic Development of the territory implements PPP for investment projects in the fields of education, health care, culture, social protection, physical culture and sport and in the other fields of economy, with exception of the housing and communal services (Resolution, 2017).

Also in 2022, the regional state government institution "The center for public-private partnership of the Khabarovsk territory" was established, which deals with implementation of the concession agreements and maintenance of the objects of concluded concession agreements.

Currently, about 80 concession agreements are being implemented in the region with a total investment of more than 41.4 billion rubles. Most of them are in the housing and communal sphere (54 objects), 24 social, 1 in the transport sector.

One of the large-scale projects is concession agreement implementation for the capital construction project "Automobile road" Bypass of Khabarovsk km 13 - km 42" since 2016. The facility was commissioned.

Several projects are being implemented in the social sphere:

- investment agreement to make an outpatient dialysis center in Khabarovsk. The volume and sources of financing are 300 million rubles, funds from a private investor. Construction period of the center is 2 years. The facility was commissioned. Capacity of the constructed center, equipped with 30 artificial kidney devices, allows receiving about 180 patients with the chronic renal failure;

- constructing of nephron-logical center in Komsomolsk-on-Amur. Creation of the center is carried out by the investor at its own expense. The amount of financing is 250 million rubles. The term of agreement is 28 years;

- implementation of concession agreement for the facility "Secondary school for 1,100 student places in the Stroitel micro-district in Khabarovsk";

- implementation of the concession agreement for the facility "Secondary school for 1100 students" in D. Bedniy Street in Khabarovsk ";

- implementation of the concession agreement for the Far-Eastern children's recreation and rehabilitation center in the Khabarovsk territory;

- signing and implementation of three concession agreements on the schools constructing in Komsomolsk-on-Amur, the Korfovsk settlement, the Khabarovsk municipal district; city of Chegdomyn of the Verkhnebureinsk municipal district of the Khabarovsk territory; - conclusion and implementation of concession agreement for school constructing for 2100 places in the Orekhovaya Sopka micro-district in Khabarovsk;

- conclusion and implementation of concession agreement for construction of the Intercollegiate campus in Khabarovsk;

- conclusion and implementation of concession agreement for creation of the Far-Eastern Art Museum in Khabarovsk.

There are also 6 regional projects in the field of housing and communal services in the Khabarovsk territory.

It is planned to implement the projects for restoration the Ussuri sanatorium, construction of the multifunctional sport complex, the indoor year-round football arena, facilities for accommodation the animal shelters and others.

Let's see the dynamics of the Khabarovsk territory in the rating of the constituent entities

of the Russian Federation for the development of PPP (Fig. 1):

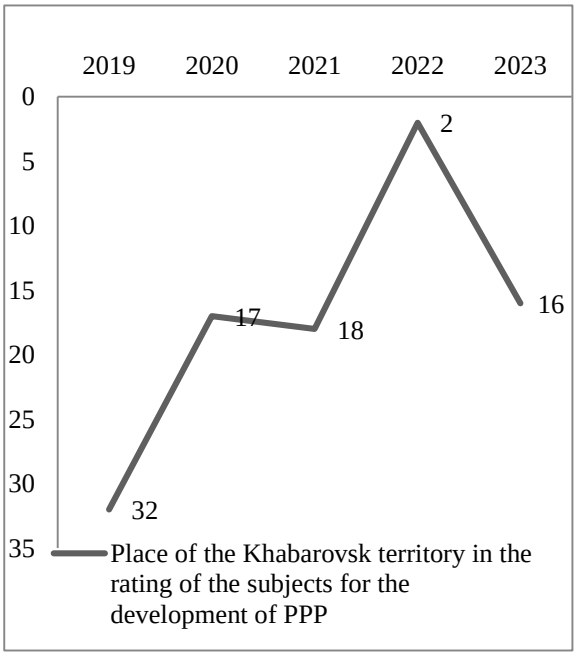

Figure 1: Dynamics of the Khabarovsk territory in the rating of the constituent entities of the Russian Federation for the development of PPP.

This rating consists of the following indicators of PPP development in the region:

- dynamics of PPP projects implementation in the reporting year;
- accumulated experience in implementation of PPP projects in the previous years;
- state of the regulatory and institutional environment.

These indicators for the Khabarovsk territory are presented below (Fig. 2):

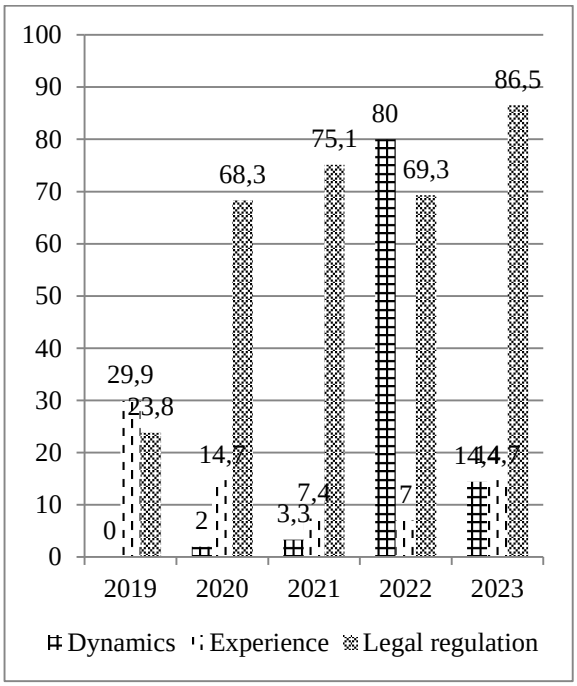

Figure 2: Dynamics of indicators of the Khabarovsk territory in the rating of constituent entities of the Russian Federation for the development of PPP.

Ignoring the abrupt growth of the dynamics indicator in 2022, due to the finishing of infrastructure project "Bypass of Khabarovsk, km 13 - km. 42"shows a small, steady increase in three indicators (Official website).

About a third of projects (36%) are concluded as a private initiative, of which: 1 project in the field of education, 1 in the field of culture and 2 in the field of health.

Mechanisms for interaction with the investors of public-private partnerships need to develop and update the possibilities of private initiative when concluding the agreements.

As a part of private initiative, any interested person can turn to a public law institution and explain to it the conditions under which such person is ready to implement the project. The form of appeal is established at the regulatory level and involves provision by the initiator of the proposed agreement with all significant conditions. The cost of preparing a private initiative falls entirely on the private investor. This applies both to the cost of preparing documents and to conducting the necessary preliminary financial and technical research. The public party in this case only provides information as a part of preliminary negotiations. The current legislation does not contain special tools that provide compensation for the funds spent by the initiator, if as a result the agreement was concluded not with him, but with a third party, although the need for such a rule has been discussed for a long time. The proposal is sent by the initiator to the public partner (the grantor's authorized body). (Makhmudov, Sherkhanov, 2024). Further, the algorithm of actions differs depending on which agreement is planned to be concluded. By a concession agreement, the potential grantor, after receiving the proposal, makes one of three decisions: on refusal to conclude the concession agreement, on the possibility of concluding an agreement on the terms proposed by the initiator, or on the possibility of concluding an agreement on the other terms. In the latter case, in order to agree on a compromise option, the parties begin negotiations. The draft agreement that suits the grantor is a subject to publication on the official website torgi.gov.ru. Within 45 days, any interested parties can apply for participating in the project on these terms. If such persons are found, then a full-fledged competition is held (the period during which the competition must be announced is not regulated by the law). If not, the agreement is concluded with the first initiator (Neganov, Polishchuk, 2008).

Unlike a private initiative, decision to begin a competition depends solely on the public side. Since the tender documentation contains all essential terms of the agreement planned to be concluded, a thorough preliminary preparation of the draft is required from the public party before the tender procedures start. The cost of such training, as a rule, falls on the budget, which makes the private initiative mechanism more attractive to public partners. If we are talking about a competition for the right to conclude a PPP agreement, then before its announcement, the project must undergo the efficiency assessment similar to that described above. For a concession agreement, such a procedure is not necessary it is enough for the grantor authorized body to make a decision to sign a concession agreement containing description of all its essential conditions. The tender for the right to conclude a concession agreement or PPP agreement is two-stage. At the first stage, potential participants are evaluated according to their professional and business qualities. Those of them that meet the requirements declared by the public party move on to the next stage and receive the right to submit a competitive offer. For a competition for the right to conclude a PPP agreement, a preliminary stage is not required: a public partner can establish that all persons who meet the minimum legal requirements can send a tender offer. At the second stage, the bids of the bidders are evaluated. Proposals are compared

on the basis of criteria established by the public partner (grantor) based on the requirements of the PPP Law and the Concession Law, respectively. The PPP law provides for three categories of competition the criteria: technical, financial and legal, leaving the list of specific criteria open. The law on concessions, on the contrary, provides for a closed list of criteria, including the timing of the creation of the facility, its technical and economic indicators, the volume of production, goods, work, services, etc. The tender committee reviews and evaluates the bids received in accordance with the tender criteria established by the tender documentation. The bidder who made the best proposal according to the criteria of the competition is recognized as its winner and an agreement on implementation of the project is concluded with him. Subject to the conclusion of a PPP agreement within the framework of the PPP Law, the public partner decides: on sending a proposal for implementation of the project for consideration to the authorized body in order to assess the effectiveness and determine its comparative advantage, or on the impossibility of implementing the project. Performance evaluation includes assessment of financial efficiency as well as socioeconomic impact. The comparative advantage is determined by comparison with the state contract in terms of net discounted budget expenditures and the amount of obligations assumed by the public partner in the event of risks in implementation of the project. If a positive opinion is received from the authorized body, the public partner makes decisions on the implementation of the project, containing information on the goals and objectives of the project, the public partner and the essential conditions of the PPP agreement and publishes it on the website torgi.gov.ru. Within 45 days, any interested parties can apply for the desire to participate in the project on these conditions. If such persons are located, then a competition is announced within 180 days. During the period of proposal consideration for implementation of the project until the decision on its implementation is made, the parties can negotiate, and the private partner can adjust the initial proposal based on their results (Merzlov, 2023).For the mutual benefit and protection of Authors and Publishers, it is necessary that Authors provide formal written Consent to Publish and Transfer of Copyright before publication of the Book. The signed Consent ensures that the publisher has the Author’s authorization to publish the Contribution.

4 DISCUSSION OF RESULTS

Priority industries for attracting investment and the use of PPP in the Khabarovsk territory: healthcare and spa treatment; culture, leisure; education; social services for the population; physical education and sports; road infrastructure; development and creation of manufacturing industries; development of mineral deposits; fish processing; agricultural production development projects; development of tourism and recreation.

These priorities are related to implementation of the key investment areas that should contribute to achievement of the strategic priorities of the Khabarovsk territory.

The restraining factors for development of public-private partnerships in the region are:

- lack of structured methodological, advisory support to a private investor, municipalities of the region in the development of his proposed public-private partnership project;
- private investor is unable to provide services for preparation and modeling of PPP projects;
- long-term management decision-making in the terms of preparation, consideration, selection of the investment projects;
- lack of involvement of municipalities in the development of PPP both in the territories and in the region as a whole.

5 CONCLUSIONS

Today, the public-private partnership is a tool that allows developing the public infrastructure of the region, attracting funds from the investors, development institutions, as well as the mechanisms of federal state support.

Growing popularity of use of the public-private partnership mechanism for creation and reconstruction of the social infrastructure is due to the active state support of investors, providing a wide range of preferences, but a lack of established channels of interaction between the potential investors and authorities, fragmentation of interdepartmental interaction indicate the need to develop a system of interaction with potential investors of the public-private partnership, the development of steady channels of interaction in the Khabarovsk territory.

It is necessary in the Khabarovsk territory to develop mechanisms for interaction with the investors of public-private partnerships and update the possibilities of private initiative when concluding

the agreements. This will allow attracting even more private investment in the development of the region's infrastructure, which will help improve the quality of life of the region's population..

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