

Public-Private Partnerships Get Tactical

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The Moscow region's Culture Ministry is seeking private investors to restore and run crumbling tsarist estates. **Andrey Khrolenok**

Public-private partnerships in Russia are moving away from a traditional focus on large infrastructure projects toward more modest, regional-based activities, participants at a conference said Wednesday.

Such joint enterprises between government agencies and private companies — also known as PPPs — are increasingly being used as vehicles for financing education, health care and cultural ventures.

In a country where the massive upgrade of St. Petersburg's Pulkovo Airport is the flagship PPP, one of the partnerships' more unlikely current champions is the Moscow region's Culture Ministry.

The restoration of the Moscow region's 103 tsarist estates — many of which are crumbling — is a top priority, Deputy Culture Minister Svetlana Gorushkina said on the sidelines of the

conference, organized by the Association of European Businesses. Unable to afford to develop the sites themselves, she said, the ministry is seeking private investment through PPPs.

A ruined 17th-century palace more than 100 kilometers from Moscow, Pushchino-on-Nara is one of the targets. If the estate were restored, Gorushkina said, "it would be appropriate for use as a vacation home or as a resort."

Smaller-scale PPPs for building schools, kindergartens, hospitals, trash-collection facilities, housing and other social institutions are also set to expand beyond major urban centers.

"We will shift the emphasis to regional projects, instead of federal projects, because they are easier to manage and account for, and easier to control," Sergei Belyayev, director of investment policy at the Economic Development Ministry, said Wednesday.

But in a country where about 50 percent of the economy is linked to the state, PPPs have only had limited success. There are currently 200 planned and 200 active PPPs in Russia, said Nikolai Studenikin, director of the United Russia-affiliated PPP Center.

Funding for PPPs has also suffered from liquidity problems on global financial markets. "There's no cheap money at the moment," Studenikin said.

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