

# *Improving the mechanism of public-private partnership for increasing the population life quality in the region*

Belikova E.V.

Volgograd State Academy of Physical Culture  
Volgograd, Russia  
polabel@mail.ru

Chernyavskaya E.Yu.

Volgograd State Academy of Physical Culture  
Volgograd, Russia  
[timoshenko\\_k@bk.ru](mailto:timoshenko_k@bk.ru)

Shamray-Kurbatova L.V.  
Volgograd Institute of Business,  
Volgograd,  
[shamraylv@yandex.ru](mailto:shamraylv@yandex.ru)

**Abstract** – This paper assesses the creation of convenient, safe and progressive cities, as one of the most effective ways in the struggle for human capital. The authors emphasize that the key principle of the project "Smart City" — focus on the person, the inhabitant, as a metropolis, and a small town. The goal of the "Smart City" is determined not in total digital transformation and process automation, but in comprehensively improving the efficiency of city management and the formation of high-quality and affordable urban infrastructure. The article discusses the implementation of the "smart city" concept, which implies a wide use of information and telecommunication technologies, innovative technological solutions, digital platforms, and other IT infrastructure objects, for the development and implementation of which will require significant financial investments. The authors pay attention to the lack of sufficient funding from public authorities, which leads to an objective need to attract private funds, and is possible only if there are appropriate legal instruments that are understandable to investors.

**Keywords** – city infrastructure, human capital, digital transformation, process automation, departmental project, digital and engineering solutions, "smart city".

## I. INTRODUCTION

Standardization of investment decisions to improve the quality of life of the population is a timely step and, as it seems, a new stage in the modernization of the territories of cities and settlements. The proposed approach should have great popularity, since the implementation of point projects, as a rule, does not allow creating the level of development of the urban environment that is expected by the population and necessary for comfortable living.

Standardization concerns only the issues of structuring concession projects, the formation of their standard conditions, the consideration of the nuances of project implementation in relation to urban facilities, the generalization of existing best practices. It is important to preserve the possibility of taking into account the characteristics of each particular city, with the development of the infrastructure of which a typical solution will be applied.

The key goal is to increase the usability of the city's infrastructure by using unified approaches in concessions for

the development of the urban environment. The conditions of the standard solution already described, including the distribution of project risks and a list of special circumstances, take into account the specifics of project implementation in relation to various urban facilities that can potentially be included in concession projects.

Financing of public-private partnership projects (hereinafter — "PPP") in the social sphere, as a rule, is associated with significant difficulties due to the heterogeneity of demand, the difficulty of forecasting consumer flow and assessing the social effect. Investors in most cases are not ready to enter social projects without substantial guarantees from the state. To simplify the system of relations with investors, it is customary to divide social infrastructure facilities into two groups: projects in which the flow of payments is fixed, that is, the state guarantees the minimum yield, and projects in which it directly depends on consumer demand.

## II. FORMATION OF PPP PROJECTS AIMED AT THE DEVELOPMENT OF THE URBAN ENVIRONMENT

The departmental project "Smart City" (2018–2024) is implemented in the framework of two national projects: "Housing and urban environment" and "Digital economy of the Russian Federation".

Funds from the federal budget in the framework of the departmental project will be allocated to the following areas:

- creation of institutional prerequisites for accelerated and effective digital transformation of the urban sector through the adaptation of the regulatory legal framework, organizational, methodological and technological measures at the federal level (2019) (totaling 100 million rubles);
- launch of a system to test advanced digital and engineering solutions, organizational and methodological approaches and legal models used for digital transformation in the field of urban economy (2019–2024) (totaling 12,000 million rubles) implementation of the most promising projects in priority sectors of the economy and social sphere of the national project "Digital Economy of the Russian Federation", subject to the allocation of funds from the federal budget);

- replication of proven digital and engineering solutions of the “smart city” aimed at improving the efficiency of the urban economy (2020–2024) (totaling 900 million rubles).

One of such tools is PPP, presented in domestic legislation:

- concession agreements (hereinafter — "the CA"), concluded in accordance with the Law on Concession Agreements;

- PPP agreements (hereinafter — "PPPA") concluded in accordance with the Law on PPP10.

At the same time, the absence until recently in these laws of special regulation concerning the possibility of concluding relevant agreements with respect to IT infrastructure facilities without relating them to immovable and movable property objects significantly affected the investment attractiveness of such projects.

On June 29, 2018, Federal Law No. 173-FZ of June 29, 201 “On Amendments to Certain Legislative Acts of the Russian Federation” entered into force, in accordance with which the list of CA facilities and PPPA was supplemented with IT infrastructure facilities.

To receive federal support for the implementation of the regional project “Smart Cities in the Subject of the Russian Federation”, the budget of the subject of the Russian Federation must be planned with appropriate measures and costs for their implementation.

The regional project “Smart Cities of the Subject of the Russian Federation” is executed under one of the following options:

- as a separate section of the digital development program of the constituent entity of the Russian Federation, in accordance with paragraph 4 of the Methodological Recommendations of the Analytical Center under the Government of the Russian Federation on the development and implementation of digital development programs for the economy of constituent entities of the Russian Federation, which is completed in accordance with the requirements of other regional projects of the program; or

- as a separate regional program or project outside the framework of the program for the digital development of the economy of a constituent entity of the Russian Federation.

TABLE I. OBJECTIVES AND RESULTS OF THE REGIONAL PROJECT "SMART CITIES OF THE SUBJECT OF THE RUSSIAN FEDERATION"

number in order	Problem	Result
1	Providing the organizational and managerial framework for creating and managing "smart cities" in the region	<ul style="list-style-type: none"> <li>• apply tools for financing projects in the field of "smart city"</li> <li>• attractive conditions have been created for the implementation of projects (implementation of services) within the framework of various models of government-business partnerships</li> </ul>
2	Department of Housing and Utilities	<ul style="list-style-type: none"> <li>• improved quality of living in apartment buildings</li> <li>• improved quality of provision and accounting of utilities</li> </ul>
3	Collection, transportation, treatment, disposal, neutralization and utilization of municipal solid waste	<ul style="list-style-type: none"> <li>• improved the quality of monitoring of unauthorized dumps and unauthorized use of natural resources in cities of the region</li> <li>• introduced intelligent waste management systems</li> </ul>
4	Monitoring and	<ul style="list-style-type: none"> <li>• a unified system of environmental</li> </ul>

	environmental protection	<ul style="list-style-type: none"> <li>• monitoring of the region and cities</li> <li>• automated systems for collecting fines and payments for the negative impact of pollutants on the environment were introduced</li> </ul>
5	Streets and public spaces	<ul style="list-style-type: none"> <li>• installed “smart” objects of urban infrastructure: stops, shops, information kiosks, etc.</li> <li>• implemented automated control systems for LED light sources</li> </ul>
6	Public safety	<ul style="list-style-type: none"> <li>• ensured the synchronization of the APK "Safe City" with related solutions, including warning systems 112,</li> <li>• implemented urban video surveillance systems integrated with biometric identification and video analytics services</li> <li>• systems of guaranteed notification of the population about emergencies and incidents were created</li> </ul>
7	Transport, road network and transportation	<ul style="list-style-type: none"> <li>• traffic flow regulation is carried out using advanced ICT technologies</li> <li>• ensured safety on city roads</li> <li>• ensured effective management of public transport in cities</li> </ul>
8	City government	<ul style="list-style-type: none"> <li>• built a comprehensive system of intelligent urban management</li> <li>• increased efficiency of municipal property and land use management in cities</li> <li>• increased efficiency of urban planning and development of the territory</li> <li>• increased efficiency of management and interaction with citizens in cities</li> </ul>
9	Social sphere and business development	<ul style="list-style-type: none"> <li>• improved quality of social services and services in cities</li> <li>• it is possible to obtain and use the necessary documents and information for a real estate transaction in electronic form</li> </ul>

At the same time, certain parameters for measuring the digitalization of the urban sector (implementation of the “Smart City” projects) will be taken into account when calculating the quality index of the urban environment, the methodology for which will be approved by the Government of the Russian Federation.

### III. EXPANSION OF INFRASTRUCTURE PROJECTS IN THE REGION BASED ON PPP

To date, there are no separate comprehensive IT-projects of PPP in the field of MSW and environmental monitoring. However, the smart component is part of the concessionaire’s comprehensive commitments in concession projects for landfills.

In such projects, as part of the concessionaire’s obligation to create a modern infrastructure in the field of MSW management, the obligation is to create an integrated environmental monitoring system, which usually involves the following components:

- observation wells for monitoring the status of ground and surface waters, monitoring wells for monitoring the level of filtrate;

- monitoring system for the integrity of the design of the protective base of the polygon;
- CCTV system around the perimeter of the object.

Also, landfills can be equipped with a dosimetric monitoring system and electronic platform scales, providing for the control of incoming waste composition using an information system that is part of a regional waste inventory.

The reform of the sphere of MSW management has led to the fact that the complex obligation for the treatment of MSW in the region or part of the region is now assigned to the regional operator. The regional operator is obliged to conclude agreements on the treatment of MSW with all MSW owners on its territory and to ensure interaction between all the industry participants — the region, transporters and waste managers. The regions were left with the obligation to establish the framework for the activities of such operators in the form of approval of territorial schemes, regional programs, accumulation standards and tariffs.

In order to build a system of relations between these subjects, today there are solutions in the field of informatization and process automation, the obligation to implement and comply with which is fixed by federal legislation.

TABLE II. INTERACTION BETWEEN PARTICIPANTS

Authorities	Regional operator	Waste Formers
Automation of development and approval of the territorial scheme	Maintaining contracts with waste generators	Quality assessment of a regional operator
Automation of development, coordination, approval and adjustment of regional programs	Calculation of charges	Creating applications for illegal landfills
Comparison and analysis of information	Formation of notifications and claims	Creating applications for waste disposal
The ability to form applications for the withdrawal of MSW and their processing from waste generators	Formation of lawsuits in court and enforcement proceedings	Interaction with the regional operator in real time
Automating the calculation of a single regional operator tariff	Automation of tariff calculation and its presentation to the tariff authorities	
Registry Management Automation	Interaction with other state information systems	
Integration with other systems		

Platforms created for this purpose can be both complex, ensuring interaction of all market participants, and point ones, created for one global function (for example, billing).

Such systems can be acquired both by the regions through conducting purchases with budget funds, and by regional operators also through purchases, but with their own funds.

#### IV. IMPROVING THE MECHANISM FOR IMPLEMENTING PPP PROJECTS AIMED AT IMPROVING THE LIFE OF THE POPULATION

In Russia, according to Rosprirodnadzor, only 4–5% of all waste is recycled, while in the European Union the figure is

32% and it is growing at a rather rapid pace. Such a low percentage of MSW processing in our country is the result of an undeveloped sectoral infrastructure (due to the lack of emphasis on the environment during Soviet times and the first decade of the post-Soviet period), as well as with a small number of processing enterprises themselves. Currently, according to the data provided by the RPN maintenance service, there are only about 400 enterprises, of which the share of complexes for the processing of solid waste is about 60%, sorting complexes — 13%, waste incineration plants — about 10%. The absolute leaders in the number of unauthorized dumps among the federal districts are the Central and North-Western Federal District, and in their area — the Volga Federal District.

The prerequisites for the use of PPP mechanisms should be, firstly, economic factors, such as an adequate volume of the municipal solid waste market in the territory in question, availability of budget financing to compensate for the expenses of the private party, as well as guarantees of return on investment.

Secondly, the prerequisites are administrative and political factors, among which it is necessary to single out the presence of actual motivation of representatives of the territorial authorities for transformations in the economy of the subject and the development of the specific sector of solid domestic waste, and therefore, their openness; experience in implementing PPP projects or strong motivation to learn new mechanisms. In addition, the future public partner should be ready to take on part of the project risks: PPP implies the parties' separation of project risks according to the principle “answer for what you understand better than others,” including risks of loading the project. This allows each participant to feel more confident, because in case of a problem in which he is not competent, the second participant of the partnership took upon himself the responsibility to solve it.

The presence of separate strategies or programs in the field of solid waste are also important prerequisites for the implementation of an investment project using PPP mechanisms.

We propose to introduce the scheme of the project “Soft”

The concession agreement in the “soft” project provides for the creation by the concessionaire of a platform for the provision of state and municipal services, the exclusive rights to which will belong to the grantor.

The concessionaire receives the right to operate the platform under license. Similar projects can be structured as a PPP agreement (MPP).

The draft “soft” at the expense of the budget does not imply the collection of fees from the population — the public service is free of charge (budget) by law, and the costs of it are reimbursed from incoming taxes and fees.

In this regard, the concessionaire’s investments are reimbursed by payments from the grantor (capital or operating grant), which in the agreement are structured as a grantor’s fee.

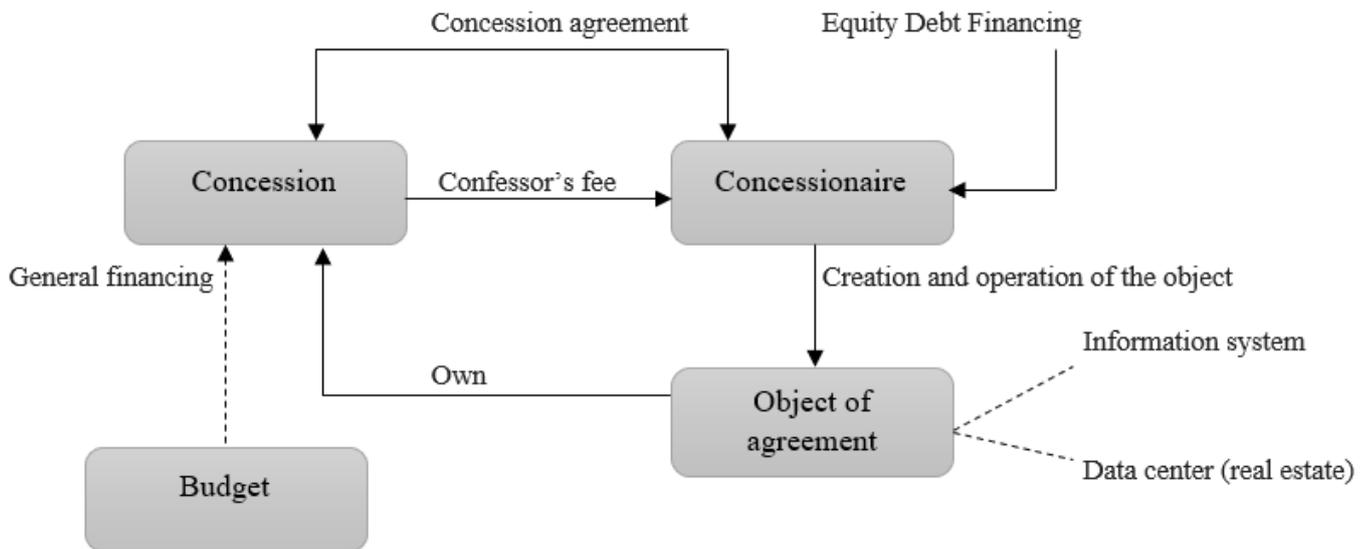


Fig. 1 Interaction in the process of project implementation

“To ensure efficient handling of production and consumption wastes” until 2024” reads one of the main articles of the May decree of the President of the Russian Federation, which the Ecology national project specifies through its core areas

- “Integrated waste management system” — the formation of an integrated waste management system worth 284.4 billion rubles;
- “Clean Country” — reclamation of 266 landfills for 83.4 billion rubles;
- “Infrastructure for waste management of I and II hazard classes” — creation of infrastructure for handling I and II hazard classes, which was estimated at 36.5 billion rubles.

The tasks are ambitious, the government does not intend to throw the regions in front of the goals set, but understands that the main financial burden will fall on the regional and municipal budgets. The regions, understanding the inevitability of the execution of the tasks set by the government, call upon the business to help, who can.

Rosatom, for example, did not remain indifferent: the company is ready to dispose of waste of I and II hazard classes and even allocates 201 billion rubles for these purposes, without having experience in this field.

The Ministry of Economic Development of Russia could not assess the timeframe and the possibility of returning investments in infrastructure announced by Rosatom, but they have not yet refused the offer. The state's ability to finance projects for the innovative development of enterprises in the

field of waste recycling is limited by their tremendous capital intensity.

For this reason, the recycling of garbage in comparison with other infrastructure sectors practically does not develop.

The engineering infrastructure has exhausted its capacities and cannot cope with the increased volume of waste; The problem of lack of space at the landfills arises in its entire height

There are only two options for attracting a private investor to realize the intended goals:

- through a commercial scheme, when private legal entities provide services to the state through government orders or build their business as private, for example, the projects of the known LLC Khartiya, which takes out the garbage to its own sorting complex, part burns at its own factory, the rest is buried ;
- through public-private partnership (PPP) — a legally fixed form of interaction between the state and a private investor in relation to objects of state ownership, as well as services provided by the state in order to achieve socially significant goals that are delegated to a private investor.

The first option is possible if there is a large administrative resource and free shareholder funds. As a rule, there are few. However, such unwritten rules have territorial affiliation.

If we consider the practice of other countries, it is impossible not to recognize the many advantages, primarily for the end user. But in more detail, we would like to dwell on the second version.

Public-private partnership is a fairly working and mutually beneficial tool, but its success also depends on some introductory ones, especially in this area.

The most effective type of PPP in the field of recycling is the concession agreement (CA), which is governed by federal law of 07/21/2005 No. FZ-115 "On concession agreements" (hereinafter — "the law No. 115-FZ").

With the help of the CA, it is possible to carry out a single contract on a competitive basis or through a private initiative [1], for example:

- construction of the landfill
- landfill reconstruction
- construction of a waste recycling plant
- creation of an information system.

The entire complex (or object) is made into state ownership (hereinafter — "the public partner"), and the private investor takes the objects to his balance and for many years exploits, managing the process.

Through the same competition, the issue of the land plot is resolved, since the areas that can be considered are for the most part owned by the state in the person of the region or municipality, and the sites must meet a multitude of strict sanitary, environmental, technical, geological and town-planning standards, and often the provision of such plots is only in areas remote from large agglomerations.

The private investor also signs the lease agreement, which is attached to the CA. A concession is not concluded for less than five years, in general, the period starts from 15 years, since, in addition to the main objectives for the implementation of a certain technological process, the project must be paid back: A private investor is not a benefactor, and this is an essential condition. The volume of the concessionaire's investments depends on the specific project and technology chosen. In this case, the size of the fee or the level of the tariff during the lifetime of the object must remain such that the financial model works, which is also part of the CA.

Upon expiration of the agreement, the object is returned to the public partner. Of course, these works can also be performed through the state order, as we have already mentioned, but, in our opinion, it is the CA that provides the public partner in the person of the regional and municipal authorities with a number of significant advantages compared to using the state contract:

- the ability to perform a complex of works on the creation and subsequent operation of the facility on the basis of a single agreement;
- flexible redistribution of risks associated with the creation and subsequent operation of the facility;
- extended concessionaire responsibility in terms of the performance of its obligations;
- the possibility of flexible structuring of the payment mechanism through installment payment of work (not immediately, but by periods). A significant part of the infrastructure projects in the world is developing within the framework of the concession model.

In Europe, the CA every year consists of various types of infrastructure worth more than \$100 billion a year, including in the field of waste processing. There are much fewer examples in Russia, but there have been many attempts, most often investors ventured into small projects (from 100 million to 1 billion rubles) to create companies for waste disposal or to ensure waste sorting and extraction of useful secondary raw materials.

According to the database INVESTINFRA [2], in the period 2011–2018 17 projects in this area were initiated; according to the Center for PPP Development, in Russia in 2005–2017 55 CA were concluded in the sphere of MSW treatment [3].

Within the framework of such a project, the concessionaire provides support for the created (revised) platform, including updating the platform components necessary for its normal operation and eliminates any problems that occur. In some cases, the public function is transferred to the concessionaire (for example, conducting a vote on socially sensitive issues).

The new system of MSW management in Russia is based on the distribution of functions between the region and the regional operator, which correlate with each other, and the data collected by the regional operator.

TABLE III. DISTRIBUTION OF FUNCTIONS IN THE SPHERE OF MSW MANAGEMENT

Functions of the region	Regional operator functions
Approval and update of the territorial scheme Approval and update of the regional program Approval and update of accumulation standards Approval of a single tariff regional operator	<ol style="list-style-type: none"> <li>1. To update the territorial scheme: transmits MSW volume data offers optimal accumulation sites may attract investment in the creation of facilities for the treatment of MSW Offers an optimal flow pattern based on collected route data.</li> <li>2. Based on the data of the regional operator: values of target indicators of the regional program are determined; a list of measures for the development of the system and creation of new objects.</li> <li>3. Regulations are updated based on data collected by the regional operator.</li> <li>4. The single tariff is approved on the basis of data collected by the regional operator.</li> </ol>

The core of the project forms an online platform that allows various regulatory agencies, as well as other organizations, to unite efforts to detect offenses in the field of waste management and quickly respond to the violations found.

TABLE IV. INFORMATION FOR THE ONLINE PLATFORM IS COLLECTED USING THE FOLLOWING TOOLS.

Tracking tool waste streams	A tool for researching financial performance of waste market participants	Prediction tool
<p>It is used to identify cases of illegal storage, violations of the rules of waste transportation, leaks.</p> <p>This work is carried out by:</p> <ul style="list-style-type: none"> <li>• analysis of documentation and waste operator sites for information on the direction of waste transportation</li> <li>• the use of special trackers, tracking devices on vehicles to identify directions of export and storage of waste</li> <li>• using methods of remote monitoring of transportation and storage of waste (satellite data, data of unmanned objects, probes)</li> </ul>	<p>Allows you to assess the sources of financing activities, the level of expenses and income and other financial indicators of waste management operators</p> <p>The purpose of the tool is to obtain additional information to identify potential or probable future violations by operators of waste management rules.</p>	<p>It is used to research and predict the formation of large amounts of industrial waste. The goal is to detect possible places for illegal waste storage.</p>

Thus, it can be noted that the emerging branch of the treatment of MSW requires a modern approach to its analysis and improvement from the point of view of management practice. Following the global trend, they can be a public-private partnership (hereinafter — "PPP"). This mechanism for attracting financing on the terms of mutual agreement between business and the state, the separation of project risks by the parties according to the principle "answer for what you know better than others" can become a driver for the development of solid waste management in the Russian Federation. So, a PPP

is a long-term contract between a public and private party, which may include the development, construction, financing and management of a public infrastructure project by a private partner who either remains in the ownership of the public partner or transfers to it only at the end contract.

Description of the project.

The subject of the Russian Federation / Volgograd region: The solution is designed for use in municipalities. Development of a standard investment solution for an online platform for monitoring the activities of waste market participants based on concession legislation.

The object of the agreement: Object of agreement: buildings, online platform

Subject of the agreement: creation, maintenance, operation

The form: concession agreement (115-FZ)

Public side: Municipality, which owns / will be information about the state of the waste market

Terms by agreement: Creation of an online platform and information gathering system — up to 2 years (depending on the scale of the project and the complexity of the information gathering system). Operation of the online platform is at least 5 years (the decision on the timing should be made taking into account the commercial structure of the project and the tasks that the public side sets itself. Concession agreements can be concluded for up to 49 years) Financing period is up to 15 years.

Private side: Project concessionists can be companies that have experience in creating and operating urban facilities.

Project duration (years): 5-49

Capital expenditures (thousand rubles): 50 000–500 000

Return on investment model: concessor fee + commercial revenue with the distribution of excess income between the parties

Financing: from 50,000 to 500,000 thousand rubles.

Ratio of own and debt financing — 30%: 70% of the project budget

Financing period — up to 15 years

The period of availability of funds — the investment stage of the project, but not more than 24 months

Basic security: Compensation in accordance with direct agreement, payable upon termination of the CA;

Pledge of rights of claim under the project contracts (including the CA, turnkey contracts, etc.);

A pledge of 100% of shares / shares of the concessionaire (a specially created project company for the project implementation);

Pledge of property rights under a land lease agreement;

Pledge of rights under shareholder / concessionaire member loan agreements.

2. Designing facilities, obtaining the necessary approvals and expertise;	2. Coordination of the project documentation developed by the concessionaire;
3. Obtaining the necessary permissions to host and operate the online platform;	3. Granting the concessionaire the rights of ownership and use of the object until the date of termination of the CA;
4. Preparation of an online platform to monitor the activities of participants in the waste market in the time specified in the agreement;	4. Implementation of regular payments to the concessionaire in order to compensate for its costs for the creation and operation of the facility (fee of the grantor);
5. The implementation of the operation (the provision of paid services) with the use of objects of the urban environment;	5. Acceptance of the object by the concessionaire upon expiration (upon termination) of the CA;
6. The content of the online platform and filling it with information in proper technical condition, including the conduct of ongoing work, during the term of the CA;	6. Payment of compensation for early termination of the CA.
7. Transfer of the online platform to the grantor upon expiration (upon termination) of the CA.	

During the implementation of this project, the private partner will be reimbursed for his expenses through state transfers or user tariffs. With regard to the introduction of PPP mechanisms in the MSW industry, in relation to them it is necessary:

1. Choose a particular PPP model that is best suited at each stage of the management chain of solid waste management (concession for the construction of landfills, waste sorting stations, a service contract for operational management of facilities, a management contract for the integrated provision of solid waste management services and or another form of PPP);

2. To legislatively fix types of security contracts that will form the basis of private-state agreements on solid waste (take or pay or take and pay) for buyers of secondary products; contract for the mandatory supply of input raw materials for a government partner / third party, etc.)

The development of the urban environment and the creation of comfortable living conditions is one of the priorities for our country. Last year, for the first time in the Russian Federation, they were engaged in complex landscaping of cities — 2,790 public spaces were equipped — parks and squares, 20,183 courtyards. Due to the joint work, the project team — the Ministry of Construction of Russia, regional authorities, volunteers, business and citizens — It is managed not only to fully implement the plan, but also to do more than planned, due to the savings achieved (reference: 103%)

1,653 municipalities took part in the project in all 85 regions of the country with a total population of over 85.9 million people, which is more than half of Russia's population. "In the annual message to the Federal Assembly, the President of the Russian Federation Vladimir Putin once again emphasized the significance of this task, and now we must reach a new level of development of our cities and villages.

TABLE V. OBLIGATIONS OF THE PROJECT PARTICIPANTS

KEY OBLIGATIONS OF THE CONCESSIONER:	KEY OBLIGATIONS OF THE CONCEDENT:
1. Achievement of financial closure and making investments in the creation of an online platform in the amount, terms and conditions provided by the CA;	1. Provision of the concessionaire with rights in an amount sufficient to create an online platform and a system for collecting information to control the activities of participants in the waste market;

TABLE VI. DISTRIBUTION OF RISKS AMONG PROJECT PARTICIPANTS

Engineering	Creature	Exploitation
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CONCESSIONAIRE	CONCEDENT	CONCESSIONAIRE	CONCEDENT	CONCESSIONAIRE	CONCEDENT
design risks,	risks in relation to the transfer of rights to the objects of the agreement	risks of obtaining permits to conclude agreements on obtaining information; risks of raising funds; risks of breach of contract terms; risks getting irrelevant information	network connection risks engineer technical support	obtaining permits required for operation; risks of operation of objects of the agreement; risks of receiving irrelevant information	demand risk

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#### V. CONCLUSION

Comprehensive modernization of municipal infrastructure, the introduction of new technologies, the creation of comfortable public spaces and the providing the high-quality and affordable utilities are decisions which must be made on the basis of the opinions of the urban residents themselves — both megalopolises and small towns and historical settlements. At the same time, many municipalities attracted not only budget funds, but also private investors for the improvement.

Of course, to create a larger number of high-quality courtyards and parks, business participation in improvement projects is necessary. By attracting private investment in the improvement of urban spaces, municipalities can receive comfortable territories, and the investor can pay back the investment by creating a hospitable environment and infrastructure of public spaces such as parks, embankments, and pedestrian streets, while the object itself remains publicly owned.

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