I. Project Context

Country Context

Since Russia's transition from a planned to a market economy two decades ago, economic growth has been steady and GDP per capita has increased threefold – yet inequality has risen significantly, as measured by the GINI coefficient, from 23.8 to 40.1 between 1988 and 2009.

The country's strong economic recovery and downward poverty trends mask serious challenges of inequality and social exclusion. The breakdown of social and family structures since the end of the 1990s has created considerable societal challenges. Population groups most vulnerable to social exclusion in Russia include people with disabilities, the homeless, juvenile delinquents, IV drug users, people living with HIV, and those without steady employment. Poverty rates are declining, but remain significant with more than 18.5 million Russians living in poverty in 2010 (affecting one in five Russian families). Chronic poverty is estimated at roughly 7 percent, but the relatively high vulnerability to poverty affects about a quarter of the population. Demographic and health trends are characterized by low fertility, high adult mortality and morbidity rates, and inefficient health spending. The Ministry of Interior estimated 5 million people being homeless in 2008, equivalent to 3.4 percentage of the population. The number of orphans has multiplied since the late 1990s;
approximately 250,000 children are living in orphanages, 80% of whom may be at risk of dropping-out of school, becoming juvenile delinquents, prostitutes or drug users. UNICEF reports that the suicide rate for Russian youth is four times higher than in other European Union countries.

There are currently approximately 13 million persons with disabilities, 6.3 million young people without steady employment, 4.8 million children aged 6-15 (18.3% of total number of children) living in financially disadvantaged families and an estimated 60,000 street children and youth. The number of underage law offenders has multiplied and drug and alcohol abuse are at very high levels. 313,000 youth were registered by the police with criminal charges in 2009, of which 12,000 were charged under the influence of alcohol or drugs (MSTYP 2010). Drug use in Russia was reported to have increased tenfold between 1990 and 2008 with 78,000 registered drug addicts in 2007. For every 100,000 inhabitants in Russia, 236 suffer alcoholism or alcoholic psychosis, and 240 are addicted to drugs. And for every 100,000 adolescents aged 15 to 17 years, 674 are living with HIV (Federal State Statistics, 2010; UNICEF 2009).

**Sectoral and institutional Context**

The Russian Federation’s Long-term Social and Economic Development Strategy for 2008-2020 aims to provide conditions for social integration of vulnerable people through cultural, educational and physical development. The Federation’s Sports Development Strategy strives to create conditions for physical training and sports for at least 50% of the population and 80% of children by 2020. This approach is in line with global evidence which suggests that sport can be a powerful and cost-effective tool to promote social integration. Evidence has shown its effectiveness in integrating disabled people and promoting equality, employment, education, youth development, gender relations, and healthier lifestyles of the wider population in general. Young people’s involvement in sports has been linked to positive outcomes as varied as lower social isolation, higher self-esteem, improved academic performance, and reduced illegal drug use. Sports can be a powerful mobiliser and vehicle for access to remedial services and a highly effective entry point for social inclusion.

To date, the involvement of youth and disabled people in physical culture and sports is alarmingly low in Russia: 65% of children and adolescents under the age of 16 are not engaged in physical education and sports at all; of the 13 million people with disabilities, only 256,000 people (less than 2%) are involved in adaptive physical training. These low rates are largely attributable to the lack of accessible sports infrastructure and qualified personnel, combined with the absence of a coherent methodological framework and specialized services targeting the inclusion of disadvantaged groups.

Against this backdrop, in 2011, the Ministry of Sports (MinSports) approached the World Bank with a request to develop the Russian Federation: Social Inclusion through Sports project (SIS). The project is conceptualized as a 6-location pilot that will identify and provide opportunities to the disabled and to children and youth at-risk for the purposes of broad social inclusion and social integration.

The findings from a social assessment undertaken by MinSports as part of project preparation suggest that the project’s attention to local levels will make an important contribution to social inclusion for disadvantaged groups in target areas. Sports are seen by a wide range of stakeholders (e.g. social workers, parents, teachers) as a ‘unique opportunity’ for helping young people in difficult life situations to better integrate into social life.
At the same time as demand for sports and recreation activities is high, supply is low. The social assessment indicates that there are very few accessible sports and recreation options in the project regions, and that many of those which are supposed to be accessible are not (e.g. wheelchair ramps which are built at too steep an angle to be used). Where relevant sports and recreation activities are available, they are often costly (high user fees), beyond the means of disadvantaged groups who were found to be frequently below the poverty line and lacking a cadre of trained coaching staff.

The proposed project will have three components: (i) Promoting Social Integration of Disadvantaged Groups through Sport, to build and strengthen the linkage between social inclusion and sports drawing on lessons from national and international good practice around sports and social integration through the provision of small grants for supporting innovative social inclusion through sports activities, enhancing the skills and quality of human resources for social inclusion through sports and the development of public information campaigns aimed at increasing public awareness; (ii) Development of Accessible Sports Infrastructure, to support the establishment of accessible sports infrastructure and partnership agreements for their operation and sustainability, and (iii) Project Management, via a nominated Project Implementation Unit.

II. Project Development Objectives
The Project Development Objective is to enhance social inclusion for selected disadvantaged groups in pilot municipalities, through increased access to, and use of, sports and recreation activities and social services.

III. Project Description

Component Name
- Promoting Social Integration of Disadvantaged Groups through Sport
- Development of Accessible Sports Infrastructure
- Project Management

IV. Financing (in USD Million)

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<th>For Loans/Credits/Others</th>
<th>Amount</th>
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<td>Borrower</td>
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<td>International Bank for Reconstruction and Development</td>
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<tr>
<td>Total</td>
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V. Implementation
The borrower for the SIS will be the Russian Federation (Ministry of Finance). The counterpart for the project will be the Ministry of Sports (MinSports). MinSports has contracted FISP to oversee the day-to-day management of the project, including procurement, financial management, monitoring and evaluation, communications and reporting functions. This arrangement is in line with implementation arrangements for World Bank-supported projects in the Russian Federation.

The Saint-Petersburg Foundation for Investment Projects (FISP) has been selected as the PIU for the SIS. FISP is a noncommercial legal entity which has extensive experience managing World Bank projects in the Russian Federation, including the St. Petersburg Economic Development Project and the Preservation and Promotion of Cultural Heritage Project. An assessment of the financial management and procurement capacity of FISP has been carried out.
In conformity with established procedures in the Russian Federation, the Interdepartmental Committee (MBK) will provide official government oversight of the project. The MBK is composed of senior representatives of the Ministry of Sports, the Ministry of Finance and the Ministry of Economic Development. The Committee was established by the Ministry of Sports, Tourism and Youth Policy on December 29, 2010 (Decree No.1438) as part of the project preparation process. The Committee will be responsible for the general oversight of the Project, ensuring coordination between relevant government departments on project issues, evaluating project plans and reports, and developing measures aimed at enhancing the effectiveness of the project.

Each participating municipality will establish a Public Council (advisory group) to oversee the evolution of the project and project activities in that locality. The Public Council will be run by the Head of the municipality or Deputy Head for Social Policy and will also include representatives of relevant departments of Municipal and Regional administrations working with vulnerable groups, as well as beneficiary representatives, civil society organizations, private sector representatives, managers of project-supported sports facilities, coaches and sports trainers and other relevant local stakeholders. The Public Council will coordinate project activities in the municipality, promote linkages between the project and its beneficiaries and other stakeholders including public agencies, play a role in monitoring and evaluating project progress, and support public awareness and information campaigns.

The Bank will provide close supervision and implementation support to the project. It will carry out regular implementation support missions and an in depth mid-term review.

VI. Safeguard Policies (including public consultation)

<table>
<thead>
<tr>
<th>Safeguard Policies Triggered by the Project</th>
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<tbody>
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<td>Environmental Assessment OP/BP 4.01</td>
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VII. Contact point

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