

Strategic Business Alliance

Waste-Tech Russia



FACT: New market opportunities in your sector:

The Russian consumer has over the years and especially after 2000 enjoyed very high growth rates on disposable income. In the period 2000-2016 the average Russian consumer got 260% more money in their hands. This figure is even higher in the larger cities as e.g. Moscow, St. Petersburg or Kazan.

The cost structure of an ordinary Russian family differs greatly from what is the usual picture in the West. Fixed costs as e.g. rent, mortgages and taxes are on a low level and a very big part of people's salary is canalized into consumption of consumer goods.

Even under the economic crisis and the following sanctions, this picture has not changed. The large cities of Russia still attract wealthy people willing to spend their money on quality consumer goods.

It is only recently that the authorities in the big Russian cities have realized that with growing private consumption follows challenges discarding the waste in a safe way. Up until now, all waste has been transported to giant, simple waste dumps outside the cities. However, these can no longer cope with the amount of waste. Citizens living around the dumps complain of problems of smells and in one instance, several schools had to be closed because of problems with gas. Citizens are currently protesting and demanding the situation to be dealt with.

Major Russian cities, thus, have big challenges that up until recently have not been addressed. Recognizing the problems the authorities have allocated state funds aimed at developing modern and adequate solutions within waste handling. Focus is on two major areas: Waste segregation, recycling, and Waste to Energy through incineration.

Russia, thus, constitutes a major market potential for specialists in this field.



Do you want to supply solutions or know-how to the Russian waste tech sector?

Russian decision makers know about the Danish expertise within green technologies. They seek holistic project approaches – join the Embassy's Strategic Business Alliance on Waste to be a part of this market opportunity.

The Danish Embassy in Moscow (TC Russia) is in direct contact with authorities in three major Russian cities in order to analyse their needs and demands within waste handling, waste to energy and recycling. In the dialogue, we have focused on how we seen from a Danish perspective are able to support the Russian agenda and solve the problems that have arisen after so many years without any focus on the area.

In the dialogue, we are aiming at being project oriented. TC Russia has had constructive meetings with relevant decision makers in St. Petersburg, Moscow and Kazan. The meetings have been used to match expectations and possibilities of common projects have been discussed.

A main message from the Russian side is that they want to work with a group of companies that are able to deal with all round waste issues. This holistic approach has the root in this being a completely new area for the Russians. They therefore need thorough guidance in order to pin-point what needs to be done and at which time.

Also the authorities of the three cities sited three main areas of interest – general waste handling and segregation, recycling and waste to energy through incineration.

General Waste Handling

Waste handling in Russia has up until recently been organized through many smaller companies with no or very little control over the business models and procedures used. This has led to environmental problems and "black schemes" of waste disposal.

During the last years the waste handling of the larger cities has been organized through one (or a few) larger contractors that deal with the assignment in an efficient, yet very traditional way – gathering the waste and bringing it to the waste dump.

FACTS: Russian Consumer Waste

- One of the World's largest producers of waste.
- 70 million tons per year
- Constant growth in numbers due to still greater urbanization.
- 90 percent of waste goes directly to landfills.
- 6 percent is incinerated (no waste to energy)
- 4 percent is processed.
- Still no understanding that waste is a value.



Waste segregation is one of the main goals of the city administrations paving the way to recycling and better and faster compostation at the landfills. Right now, segregation is done by the consumers in several parts of Moscow and St. Petersburg. However, when the waste is gathered the segregation is lost and the waste transported non-segregated to the landfill.

At the landfills, the current situation is critical. The waste is simply brought there and piled up. No management or other processing is done. This has lead to major problems - just in the Moscow region there are serious environment concerns at 39 larger landfills.

The following would be of interest of the cities:

- Know-how - how to organize efficient waste handling in megapolises?
- Strategic considerations: Waste as a resource.
- Management systems - collecting and segregating waste.
- Solutions and equipment for waste handling.
- Management of landfills.
- Solutions and equipment for landfill handling.

Common for the cities is that they have been tasked by the national authorities to deal with the challenges and bring Russian waste handling up to date by 2022 at latest.

Recycling

Only 4 percent of Russian waste is recycled. Even waste with very high levels of valuable materials is in most instances not recycled but just brought to the landfills.

The Russian authorities are aware of this problem and see great possibilities in utilizing the values of waste and bringing down the volumes brought to the land-fills in general. Enhancing recycling is therefore a strategic goal in Russia.

The following would be of interest of the cities:

- Know-how and consultancy - how to organize efficient recycling?
- Strategic considerations: Waste as a resource. The PPP's behind efficient recycling of waste.
- Management systems - recycling.
- Solutions and equipment for recycling.

Incineration

Only 6 percent of Russian waste is incinerated. There are many reasons for this among others lack of incineration plants, and lack of planning, management systems and technologies to get the system to function



The Soviet Union and later Russia had a number of incineration plants around St. Petersburg and Moscow. These, however, polluted heavily resulting in the image of waste incineration plummeting.

With new, clean technologies being implemented on incineration plants around the World, the time, however, has come for Russia to reconsider the approach and not only base their waste handling procedures on landfills.

The Russian authorities, therefore, see waste incineration as having big potential as well dealing with the escalating problems at the landfills as becoming an energy source providing heating and electricity for nearby communities.

New project sales opportunities

The Trade Council Russia invites you to be one of the Danish companies to supply equipment, solutions, systems, or project management expertise to Russian major players within waste handling. Your company will have the opportunity to participate in introductory meetings and possible match-making at the highest level.

By participating in the "Waste Tech Russia" Strategic Business Alliance, we will assist your company in developing the market and getting access to potential customers. We will provide you with a project manager who will be responsible for the smooth project roll out and necessary coordination and guidance throughout the project.

Benefit from the following features by participating in "Waste Tech Russia" Strategic Business Alliance

- Planned meetings and events with the cities of St. Petersburg, Moscow and Kazan.
- Planned meetings with major contractors within the field of waste handling.
- Clear project plan with defined goals and success criteria
- We will provide you with a project manager throughout the lifetime of the project
- Cooperation with financial advisor from Denmark's Export Credit Agency (EKF) for possibilities on project financing.
- We are able to secure 50% financial support for TC Russia consultancy hours.



Project rollout- Project timeline

The first step of the process will be to form a Strategic Business Alliances with companies that potentially match the Russian needs. An effective and strong alliance requires that participating companies are willing and able to work together. The common aim is to meet the needs of the Russian cities in question - Moscow, St. Petersburg and Kazan. All companies who wish to participate will know who the others are.

In the course of the start-up process of the alliance, you will get a good idea of the expertise demanded by St. Petersburg, Moscow and Kazan. Also you will be able to pinpoint which project steps you want to engage in.

As soon as you have expressed your interest in the programme, we will advise you on the application process for the Strategic Business Alliances Program. The alliance is formed with the assistance of TC Russia and is expected to count 6-8 companies.

The project- Forming an Alliance

By indicating interest in this particular Strategic Business Alliance Programme, TC Russia will put together a binding document between the involved parties forming the alliance. The alliance should be seen as joint effort by the enterprises, which increases the possibilities of achieving results.

The alliance gives each company the possibility of selecting an individual amount of steps in which they want to participate, with a maximum of 3 steps and each step consisting of 66 hours (in total 200 hours).

During the Strategic Business Alliance Programme, a dedicated commercial advisor of TC Russia will act as your Project Manager and provide the support required.

Get 50% financial support

By applying as an alliance of companies to the Foreign Ministry's Strategic Alliance Programme, we are able to secure 50% co-financing. Please see the price for each participation company with co-financing below.



No. of companies		Price per company
5 companies		DKK 18.909,-
6 companies		DKK 15.758,-
7 companies		DKK 13.506,-

The prices do not include out-of-pocket expenses as hotel, travel or catering.

Join the business alliance project, as a one of a kind opportunity in 2018. This project provides new chances and possibilities to expand into a potentially large market

If you wish to be a part of this initiative, get more information or have any questions, please contact:



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General Business Conditions

The General Business Conditions of the Trade Council of Denmark (GBC - enclosed) apply to all assistance provided by the Trade Council. It should be noted that the GBC in para. 7 contain a provision limiting the liability of the Trade Council of Denmark as compared to the general rules of Danish law. **THUS THE COUNCIL WILL NOT BE LIABLE FOR LOSS OF PROFITS, LOSS OF INCOME OR ANY OTHER INDIRECT LOSS. PAYMENT OF DAMAGES CANNOT EXCEED THE REMUNERATION AGREED UPON OR THE FEE ACCORDING TO THE CURRENT TARIFF.**

General Business Conditions of the Trade Council

General Business Conditions as per 10 June 2009

1. Purpose

1.1 The General Business Conditions apply to the Trade Council's/The Foreign Service's assistance to Danish and foreign enterprises in commercial cases, cf. part 2 of the Executive Order No. 246 of April 10, 2008 on payment for the services of the Foreign Service.

2. Agreement

2.1 Assistance by the Trade Council must be paid for according to the current rates and for cases that are paid according to hourly rates and where the time spent exceeds half an hour in accordance with a written agreement between the Trade Council and the enterprise. The written agreement must contain information about the expected time consumption, the hourly rate - or if deemed more expedient, an overall price for the specified service - as well as an estimate of possible expenses.

3. Prices etc.

3.1 For assistance serving the purpose of supporting the business community's export efforts and other commercial activities abroad, a fixed price per hour or fraction of an hour or a fixed overall price for the service must be paid. There is, however, a minimum fee per individual solved case.

3.2 For certain types of assistance, for instance the procurement of publications, statistical material, credit reports or customs information etc., a fixed fee must be paid provided the time consumption is less than one hour. A fixed fee shall be paid for lectures.

3.3 In cases where the enterprise requires that the assistance be provided outside the normal office hours of a mission, an additional 50 per cent must be paid, and on days where the mission is closed, an additional 100 per cent must be paid.

3.4 Prices and fees are in Danish kroner unless stated otherwise. Assistance provided in Denmark is subject to value added tax.

3.5 Any expenses, for instance for purchase of materials, information, access/connection to databases, travel expenses, telecommunication etc., must be refunded.

4. Terms of Payment

4.1 The Trade Council collects its payment when the service has been rendered. However, depending on the circumstances a partial or advance payment may be required.

4.2 Payment must be made no later than 30 days after the invoice date. A fee may be charged for late payment and interest may be charged according to the general rules.



5. Termination

5.1 The enterprise has the right to terminate the agreement with immediate effect. The enterprise must in such case pay for the assistance provided hitherto and for any expenses that the Trade Council has paid or committed itself to pay.

6. Professional secrecy and confidenc

6.1 By virtue of their terms of employment, the staff of the Ministry of Foreign Affairs, including the Trade Council, is obliged to maintain professional secrecy in relation to information, including competition-sensitive information concerning enterprises and trade secrets, to which the staff become party in the course of their work and concerning which they have signed a pledge. The duty of professional secrecy also continues after the employee has left the service. Failure to comply with this duty of professional secrecy can lead to criminal liability under the Penal Code.

6.2 The Ministry of Foreign Affairs/the Trade Council treats information received from partners and companies confidentially within the framework of Danish legislation. This includes competition-sensitive information, trade secrets and commercial or operational matters. As a public authority, the Ministry of Foreign Affairs/the Trade Council is subject to the rules in the Danish Public Administration Act and the Access to Public Administration Files Act, including the provisions concerning the right of access to documents. The rules contained here, including the right of access to documents, are perceptive and may not be dispensed with in relation to a third party through statements, agreements or the like. The Ministry of Foreign Affairs/the Trade Council will consult with the enterprise/partner prior to responding to any request for access to documents pursuant to the Public Administration Act or the Access to Public Administration Files Act. The Access to Public Administration Files Act contains provisions according to which factual information which is of substantial importance to the matter in question may be exempt from access. On the basis of a specific assessment according to section 12 of the Access to Public Administration Files Act, information on, among other things, the private circumstances of individual persons, including their finances, as well as information on operating or business procedures may be exempted.

7. Liability for Damages

7.1 The Trade Council of Denmark is liable to the enterprise according to the general rules of Danish law, always provided that the Trade Council of Denmark is not liable for loss of profits, loss of income or any other indirect loss. Payment of damages cannot exceed the remuneration agreed upon or the fee according to the current tariff.

8. Disputes

8.1 Agreements comprised by these General Business Conditions shall be subject to Danish law.

8.2 Any dispute arising out of or in connection with agreements comprised by these General Business Conditions, which cannot be settled by negotiation, must be settled by the ordinary courts of law.



The Trade Council of Denmark is a part of the Ministry of Foreign Affairs and is the official export and investment promotion agency of Denmark. The Trade Council benefits from around ninety Danish Embassies, Consulates General and Trade Commissions abroad. The Trade Council advises and assists Danish companies in their export activities and internationalisation process according to the vision: We must be a partner preferred by enterprises in international trade and investment activities.

The Work in the Trade Council of Denmark follows specific procedures and quality guidelines. In this way our customers are secured the best possible quality under the varying working and market conditions at any given point of time.

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