

MEMORANDUM OF UNDERSTANDING

CO-OPERATIVE INITIATIVE

BETWEEN

**THE FEDERAL ANTIMONOPOLY SERVICE OF THE RUSSIAN
FEDERATION**

AND

THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

**TO PROMOTE THE DEVELOPMENT
OF THE PUBLIC PROCUREMENT SECTOR
IN THE RUSSIAN FEDERATION**

Objective

1. The purpose of this Memorandum of Understanding is to outline co-operation between the Federal Antimonopoly Service of the Russian Federation (the FAS) and the European Bank for Reconstruction and Development (the EBRD) concerning improvement of public procurement in the Russian Federation.

Background

2. The Federal Antimonopoly Service, as a state organization, being in charge of the control over the public procurement in the Russia Federation is committed to analyse an international best public procurement practices. The EBRD is committed to this process through the Agreement Establishing the European Bank for Reconstruction and Development and as a regional investor, the EBRD is mandated to promote this process, specifically encouraging a good balance between competition and transparency safeguards as well as efficiency and economy aspects in the development of public procurement regulations.
3. Development of the public procurement sector, including natural monopolies and utilities, will depend on improving national practice and public procurement operational aspects. International standards on public procurement have been developed to promote transparency in government procurement and enhance competition. Taking into account the evolution of the Russian public procurement system and recent revisions of the international public procurement legal instruments, a major interest is developing a stable and accountable public procurement legal framework that enables both efficiency and integrity of public spending.

The Importance of Regulatory Reform

4. Major infrastructure projects are commissioned as public procurement contracts or public-private partnership (PPP) arrangements and for this reason good public procurement regulations are crucial. The effectiveness of public procurement is strictly related to the legislation in force and efficiency of the public procurement regulatory bodies.
5. In order to benefit from increased efficiency and transparency of the public spending, the national public procurement framework should be developed further to enable improved competition, economy and transparency.

Agreements

6. In view of the consistency of their strategies for the reform in the public procurement sector, the FAS and the EBRD subscribe to the principles of promoting the establishment of a stable and competitive public procurement regulatory framework.

This means in particular that the EBRD and the FAS:

- 1) will develop and strengthen further cooperation in the sphere of public procurement policy, regulation of utilities and natural monopolies and monitoring of public procurement, as well as PPP procurement framework;
 - 2) will exchange information on a regular basis as required, concerning technical assistance and public investment projects in this;
 - 3) wherever deemed necessary, will render consultations with regard to the matters of mutual interest;
 - 4) will adopt forms of interaction in the field of public procurement policy and regulation, including (a) rendering methodological assistance, exchange of expert surveys and consultants' reports, (b) exchange of experience in the field of conducting reviews, concerning the infringement of competition legislation, and (c) providing each other with training for the public procurement specialists with the purpose to exchange experience in the Russian Federation and in the EBRD;
7. Where any of the regulatory requirements remain to be achieved, the FAS and the EBRD will make their best efforts to identify support and technical assistance to the FAS where it is both feasible and appropriate, provided such support and assistance do not conflict with the Russian law.
8. Wherever it is feasible and justified, the Parties agree to mention conformance with international public procurement standards and the best procurement practices as a desirable objective when implementing projects in the public sector.

Additional provisions

9. The Memorandum does not constitute an international agreement and will not inflict upon the Parties any rights or obligations, regulated by the international law.
10. The Memorandum comes into force on the day of its signing and will remain in full force up to the expiration of six months from the day of a written cessation notice served by any Party.
11. The Memorandum is signed on 16 November 2010 in Moscow in two originals, both in Russian and English, and shall be construed and interpreted in accordance with both languages.

Signed by for and on behalf of the Federal Antimonopoly Service

Mr. Igor Artemiev
the Head of the Federal Antimonopoly Service of the Russian Federation

Signed by for and on behalf of the European Bank for Reconstruction and Development

Mr. Jan Fischer
Vice President of the European Bank for Reconstruction and Development