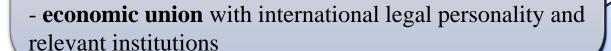






May 29, 2014
in Astana
the Treaty on the Eurasian
Economic Union was signed







Establishment of

The Single Economic Space

- 17 framework Agreements
- Creation of the Eurasian Economic Commission as a supranational body

Free trade zone

1992-1999 – on the basis of bilateral and multilateral agreements
2011 – Agreement on CIS Free Trade Zone

2010

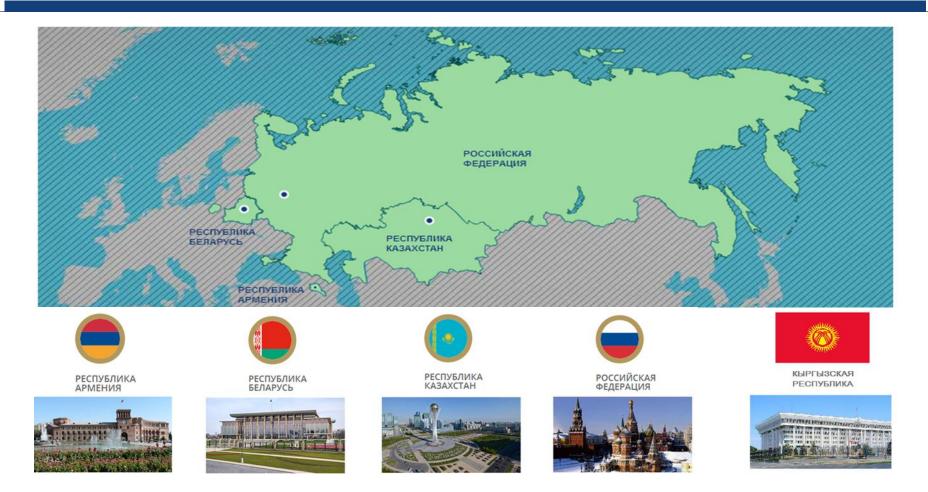
Establishment of

The Customs Union

- Single Customs Code
- Single customs duty
- Single customs territory
- Single tariff and non-tariff regulation



EURASIAN ECONOMIC UNION



Member States -5 (EU - 28)

Territory of the EAEU – more than 20 mln square km, 14 % of all terrestrial parts of the world (EU – 4) **Population** – more than 182,7 mln of people (EU - 508), GDP – 1,59 trn US dollars (EU – 14,79) **GDP per capita** – 9 thousand US dollars (EU – 29,1)



- Increase of gross domestic product in each Member State;
- ➤ Improvement of investment environment, development of services market;
- Creation of new workplaces at joint ventures, revelation of new capital and knowledge intensive industries, substantial development of non-resource industries;
- ➤ Renovation of plants and technology, increase of production capacities, improvement in the quality of production by means of high standards, reduction of prices due to growth of competition;
- Improving stability in the face of global crisis, growth of external commerce.



EAEU bodies structure

- Defines the strategy, directions and prospects of the EAEU integration development
 - Takes decisions, aimed at implementing the objectives of the Union
 - Decisions require consensus
 - Ensures implementation and controls the performance of the EAEU Treaty, international treaties within the Union and decisions of the Supreme Council
 - Decisions require consensus

- Supranational regulatory body
- Ensures functioning and development of the EAEU, and develops proposals for the further integration

The Supreme Eurasian
Economic Council (Heads of the
Member-States)

The Intergovernmental Council (Heads of the Member-States Governments)

The Eurasian Economic Commission

Board

(equal representation; 10 Ministers)

Executive body
Decisions, instructions and
recommendations are taken by qualified
majority (2/3 of voices)
Some issues defined by the SEAEC
require consensus

Council

(equal representation;1 Deputy Head of the Government from each Member-State)

General regulation of integration process in the Union
General management of the EEC activities
Decisions require consensus

The Court of the EAEU

(equal representation; 2 judges from each Member State)

Permanent court of justice of the Union

Ensures the uniform application of the EAEU Treaty and other Union treaties by the Union Member-States and bodies



The EEC areas of activity

- 1) customs tariff and non-tariff regulations
- 2) customs administration
- 3) technical regulation
- 4) sanitary, veterinary and quarantine measures
- 5) assignment and distribution of import customs duties
- 6) establishment of trade regimes for third parties
- 7) statistics of foreign and mutual trade
- 8) macroeconomic policy
- 9) competition policy
- 10) industrial and agricultural subsidies
- 11) energy policy
- 12) natural monopolies
- 13) state and/or municipal procurement
- 14) mutual trade in services and investments
- 15) transport and transportation
- 16) monetary policy
- 17) intellectual property
- 18) labour migration
- 19) financial markets (banking, insurance, the currency market, the securities market)
 - 20) other



Agreement on State (Municipal) Procurement, dated December 9, 2010*:



Unified requirements for all Member States of the Customs Union (CU) and the Single Economic Space (SEC) as to placement of public orders, harmonization of laws





Mandatory publication of tender information on data platforms with public access





Provision to the Member States of the CU and SEC of national treatment regime in the sphere of public procurement



^{*} Entered into force on January 1, 2012





In **the Republic of Belarus** the Law of the Republic of Belarus, dated June 13, 2012 № 419-3 «On Public Procurement of Goods, Works, Services)» was adopted (entered into force on January 1, 2013), which replaced multiple laws, and introduced the procedures, established in the Agreement, as well as electronic methods of placement of orders



In **the Russian Federation** the amendments of the Federal Law, dated July 21, 2005 № 94-FZ «On State and Municipal Procurement of Goods, Works and Services» were introduced, which enabled foreign suppliers accreditation



In **the Republic of Kazakhstan** the amendments of the Law, dated July 21, 2007 № 303-3 «On Public Procurement» were introduced, - the list of methods of placement of orders was specified, most of them were converted into electronic format, cases of procurement from a single supplier were stipulated in accordance with the Agreement. Public procurement web-portal was put into operation - http://www.goszakup.gov.kz, which also acts as an electronic trading platform



Legal basis

International level

- Treaty on the Eurasian Economic Union, dated May 29, 2014
- ➤ Treaty on Accession of the Republic of Armenia to the Treaty on the Eurasian Economic Union, signed on October 10, 2014
- Treaty on Accession of the Kyrgyz Republic to the Treaty on the Eurasian Economic Union, signed on December 23, 2014

National level

- ➤ Law of the Republic of Armenia, dated December 28, 2010 № 3P-206-H
- «On Procurement»
- Law of the Republic of Belarus, dated July 13, 2012 № 419-3 «On Public Procurement of Goods (Works, Services)»
- ➤ Law of the Republic of Kazakhstan, dated December 4, 2015 № 434-V 3PK
- «On Public Procurement » (forth law, 1997, 2002, 2007)
- ➤ Law of the Kyrgyz Republic, dated April 3, 2015 № 72 «On Public Procurement»
- Federal law of the Russian Federation, dated April 5, 2013 № 44-FZ «On the Contract System in State and Municipal Procurement of Goods, Works and Services» (second law, 2005)



Treaty on the Eurasian Economic Union

Section XXII

STATE (MUNICIPAL) PROCUREMENT

Article 88 Objectives and Principles of Regulation in State (Municipal) Procurement

Annex № 25 Protocol On the procedure for procurement regulation

Annex 1 to the Protocol Requirements to organization and carrying out of tenders, price proposal requests (requests for quotation), requests for proposals, auctions and procurements from a single source or a single supplier (performer, contractor)

Annex 2 to the Protocol The list of cases of procurement by means of request for proposals

Annex 3 to the Protocol The list of cases of procurement from a single source or a single supplier (performer, contractor)

Annex 4 to the Protocol The List of goods and services subject to procurement by means of an auction

The Treaty do not apply to the public procurement, the details of which constitute a state secret (state secrets)



The EAEU Treaty has in general kept the rules, stipulated in the Agreement on State (Municipal) Procurement, including the provisions on national treatment regime, and the Commission's authority to decide on the necessity to cancel exemptions from the national regime, established by the Member States.

- ➤ The list of procurement methods has been extended (request for proposals and different forms of open competition have been introduced)
- ➤ The unified list of cases of procurement from a single source or a single supplier has been defined for all the Member States, and the list has been shortened (from 81 to 64)
- > The Treaty provided the provisions aimed at increase of :
 - procurement effeciency (planning and rate setting, public control, discussion over procurement) and
 - transparency of procurement (all information on the procurement process, excluding procurement, the details of which constitute a state secret, must be published on the procurement web-portal),
 - electronification of procurement (provisions on the intention of the Member States to proceed to electronic format for all the procurement methods and conclusion of contracts).



125,8 bln US dollars* (7% of the Member States' GDP)



^{*} According to authorized authorities' reports as of 2015



The terms of public procurement

- ❖ «procurement» state (municipal) procurements, that mean purchase of goods, services, and other purchases <u>using budget funds</u>, <u>as well as other funds</u> in the cases stipulated by the procurement legislation of a Member State, as well as relationships associated with the execution of the procurement contracts;
- ❖ «customer» <u>a government body, local authority, budget organization</u>
 (including government (municipal) institutions), <u>as well as other bodies</u>
 as specified by the procurement legislation of a Member State carrying
 out procurement in accordance with that legislation;



The Treaty do not apply to the public procurement, the details of which constitute a state secret (state secrets)

There are no monetary thresholds in the scope of the Treaty activity



National treatment regime

Starting from 01.01.2015 national treatment regime is applied for 4 EAEU countries



The Republic of Belarus

The Republic of Armenia

National treatment regime means the regime, when each Member State for the purposes of procurement provides with respect to the goods, works and services, originating from the territories of the Member States, treatment no less favorable than that accorded to the goods, works and services, originating from the territory of that State.



The Republic of Kazakhstan



*For the Kyrgyz Republic the national treatment regime will be ensured starting from August 8, 2017



Authorized bodies

Ministry of
Finance of the
Republic of
Armenia

E-mail: secretariat@minfin.am

Ministry of
Antitrust
Regulation and
Trade of the
Republic of
Belarus

E-mail: mail@mintorg.gov.by

Ministry of
Finance of the
Republic of
Kazakhstan

E-mail: administrator@minfin.gov.kz

Ministry of
Finance of the
Kyrgyz
Republic

E-mail: minfin@minfin.kg

Ministry of
Economic
Development of the
Russian Federation

E-mail: mineconom@economy.gov.ru

Federal Antimonopoly Service

E-mail: delo@fas.gov.ru

responsibility:

- > Regulation of public procurement sphere
 - > Control of public procurement
- > Consideration of complaints and applications
 - > Warning and detection of violations
- > Taking measures for elimination of violations
- > Administration of the register of unfair suppliers



Pre-court procedures (before conclusion of the procurement contract)

The Republic of Armenia

Council for Procurement Contestation*

The Republic of Belarus

Ministry of AntitrustRegulation and Trade

The Republic of Kazakhstan

Ministry of
Finance
(Committee for
Financial
Control and
other bodies of
financial
control)

The Kyrgyz Republic

Independent
Intergovernment
al Commission*

The Russian Federation

Federal Antimonopoly Service Court
procedures
(as a rule
after
conclusion of
the
procurement
contract)

^{*} The Council and the Commission include representatives of state and municipal bodies, social organizations, certified specialists in the sphere of public procurement



Ensuring transparency

National web-portals in the sphere of procurement:

- ➤ The Republic of Armenia http://www.procurement.am
- ➤ The Republic of Belarus—http://www.icetrade.by
- ➤ The Republic of Kazakhstan—http://www.goszakup.gov.kz
- ➤ The Kyrgyz Republic http://www.zakupki.gov.kg
- The Russian Federation http://www.zakupki.gov.ru



Web-portals must contain, <u>including in Russian</u>, legal acts in the sphere of procurement, the register of unfair suppliers and the following information on public procurement:

- notice of procurement
- **procurement documentation** (including the draft procurement contract)
- changes to such notices, documentation
- procurement documentation clarifications
- protocols executed in the course of the procurement process
- information on the result of the procurement procedure
- details of procurement contracts
- information about the result of execution of the procurement agreement
- **information on the receipt of complaints** (their contents, decisions upon consideration and warrants)



Electronic trading platforms



Armenia

www.armeps.am ETP

Kazakhstan

http://www.goszakup.gov.kz Web-portal of RK / ETP

Kyrgyzstan

http://www.zakupki.gov.kg web-portal of KR / ETP

Belarus – 2

http://www.icetrade.by
Web-portal of RB / ETP

http://zakupki.butb.by
(ETP OJSC «БУТБ)

http://www.etp-micex.ru
(ETP CJSC «ММВБ-ИТ»)

http://www.zakazrf.ru
(ETP AΓ3 Tatarstan)

http://www.rts-tender.ru
(ETP LLC «PTC-tender»)

Russia - 5

http://sberbank-ast.ru (ETP CJSC «Sberbank-ACT»)

http://etp.roseltorg.ru
(ETP OJSC «ΕЭΤΠ»)

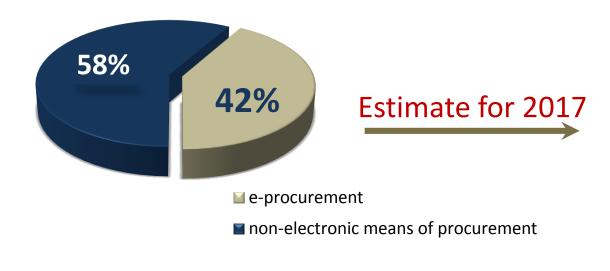


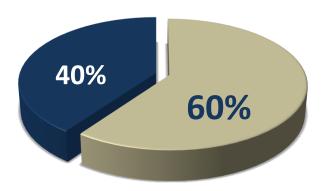
Non-electronic means of procurement:

- price proposals request (request for quotation)
- request for proposals
- procurement from a single source or a single supplier



- open competition
- open auction
- ✓ exchange trading





Member States aim at transfer to electronic format for all the methods of public procurement and contracting

^{*} As per procurement costs



EEC plans for 2017



- 1. Ensuring trans-border acknowledgment of digital signature, including in Armenia, Kazakhstan, Kyrgyzstan
- 2. Elimination of restrictions and barriers to mutual access to public procurement
- 3. Development of the single catalogue of goods (works, services)
- 4. Ensuring publication on web-portals of information on procurement and procedures
- 5. Developing methods of confirmation of manufacture deficiency in the Member States and the country of origin of goods (works, services)
- 6. Improvement of the procurement regulation process
- 7. Collection and preparation of reports in the sphere of procurement
- 8. Creation of the single informational platform on procurement in the EAEU



1. Ensuring trans-border recognition of digital signature, including in Armenia, Kazakhstan, Kyrgyzstan

From the territory of customer

From the territory of potential supplier

Establishment of a branch or representative office on the territory of a EAEU Member State

Implementation of steps for trans-border acknowledgment of digital signature

Implemented between Belarus and Russia
Decision of the EEC Board, dated 23.08.2012 № 144

In the process of implementation
between Belarus, Kazakhstan and Russia
Decision of the EEC Board, dated 17.12.2013 № 302

In the process of development
between Armenia, Belarus, Kazakhstan and Russia
the draft Decision of the EEC Board has been executed

Between the EAEU Member States
the process of implementation will start in 2017



To ensure identification and classification of procurement objects following the corresponding work by the Russian Federation for the purposes of:

- ❖ Simplification of the procurement object description
 - Efficiency of search
 - Increase of competition
 - Elimination of corruption
- Improvement of procurement data processing and analysis



In the EEC the joint working group for improvement of the EAEU Treaty provisions was established (Order of the EEC Council, dated 12.02.2016 № 3)

In the area of public procurement the following issues are considered:

- ✓ Development of the single public procurement platform;
 - ✓ Russian version of national web-portals;
- ✓ Requirements to administrators of national web-portals;
- ✓ Adjustment of the list of goods (works, services), subject to procurement by means of e-auction;
- ✓ Confirmation of the country of origin of goods (works, services) from the EAEU Member States;
 - ✓ Definitions and other.



WEB-PORTAL

7. Collection and preparation of reports in the sphere of procurement | 25

REPORTS

❖ 329. Value of the concluded procurement contracts **Procurement plan** 330. Number of completed procurement procedures 331. Number of procurement procedures without **Procurement notice** result 332. Number of filed applications (proposals) **Protocols** 333. Number of not qualifying applications (proposals) Results of the procurement 334. Number of withdrawn applications (proposals) 335. Volume of costs spent for organization and Information on the conducting procurement procurement contract 336. Number of winners



8. Creation of the single informational platform on procurement in the EAEU



BASIC FUNCTIONS OF THE PLATFORM ON PROCUREMENT:

- Single point of access to data on procurement
- Smart search, filter, data export
- Subscription for interesting procurements
- General information on procurements of all the Member States
- Statistics
- Decisions in the sphere of procurement taken by the EEC and other Union's bodies
- Publication of analytical and informational content





Thank you for your attention!

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