

**Intergovernmental Group of Experts on Competition Law
and Policy**

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**Roundtable on:
Prioritization and resource allocation as a
tool for agency effectiveness**

**Contribution
by
Russian Federation**

The views expressed are those of the author and do not necessarily reflect the views of
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Introduction

1. Prioritization and resource allocation are the key features of effective public authority. Prioritization and resource allocation help to use financial, human and temporal resources in the most effective way to reach the setting goals and perform all the functions entrusted. For any competition authority prioritization and resource allocation are of much importance because paying attention and resources to the major competition problems helps to make all the economic system effective, independent and transparent.

2. The Federal Antimonopoly Service (hereinafter the FAS Russia) is a federal body of executive authority responsible for adopting regulatory acts and exercising control and supervision over the legal protection of product market and financial services market competition, protection of natural monopolies' activities and advertising (within the Service's powers set by Russian legislation). The structure of the FAS Russia consists of the Central Office and 83 Regional Offices, which perform their activity on the territory of each subject of the Russian Federation. The present number of the officers of the Central Office of the FAS Russia is 578, the present number of the officers of the FAS Russia's Regional Offices is 2,436

Priority setting and resource allocation are vital parts of the internal activity of the FAS Russia. Priorities and objectives of the FAS Russia are formed according to the key program documents as in the field of economic development of the Russian Federation as a whole, so by a separate system of documents in the field of the competition policy.

Priority setting

3. Nowadays a problem of prioritization and resource allocation in public authorities attracts attention of the Government of the Russian Federation. In this regard, a number of strategic documents defining activity of the Russian antimonopoly authority for the long-term period was developed and adopted. One of these documents is the Road Map "Development of the Competition and Improvement of the Antimonopoly Policy".

The Road Map "Development of the Competition and Improvement of the Antimonopoly Policy":

- provides all-the system actions for competition development;

- includes a list of actions for competition development in separate sectors (drugs, medical services, air transportation, communication services, services of preschool education, and oil products).
- provides actions for ensuring coordination of activity of authorities, interaction with representatives of enterprise community for development of suggestions on implementation of a state policy in the field of the competition.

The Road Map "Development of the Competition and Improvement of the Antimonopoly Policy" envisages measures for inclusion of functions for competition development in priorities of executive public authorities, implementation of the best practices on competition development in the federated states of the Russian Federation, decrease in a share of public sector in economy, competition development in infrastructure sectors, including spheres of natural monopolies, simplification of activity of businessmen within antimonopoly regulation and others.

Specific terms of implementation are determined for each event of the Road Map, the system of monitoring of events and control indicators of efficiency of their implementation, including an indicator of development of the competitive environment on commodity markets and services (on the basis of a method of calculation of the PMR index applied by the OECD), the quantity of the new enterprises on 1000 people (an indicator used by the World Bank) is also developed.

4. For ensuring coordination of activity of executive authorities and interaction with representatives of enterprise community on development of the suggestions connected with realization of a state policy in the sphere of the competition in 2012 the Governmental Commission on the Competition Issues and Development of Small and Medium Business was created.

The tasks of the Governmental Commission are the measures aimed at the development of the competition and reduction of excess intervention of government bodies in activity of subjects of small and medium business, development of suggestions on modification of the legislation of the Russian Federation in order to implement the best competitive practices, control over the implementation of the actions provided by "the Road Map" stated above belong.

The Chairman of the Commission is the First Deputy Prime Minister of the Russian Federation I.I.Shuvalov; the Vice-Chairman of the Commission is the Head of the FAS Russia I.Yu.Artemiev.

5. Taking into account its tasks which were defined at the governmental level, the FAS Russia developed and adopted the “Strategy of Development of Antimonopoly Regulation in the Russian Federation for 2013-2024” (hereinafter – the Strategy) (it is approved by the Presidium of the Board of the FAS Russia in February 2013).

The Strategy substantially supplements and details the list of the measures contained in the Road Map stated above, and also offers policy vision on protection and competition development for the period the chronological frames of which are out of the terms provided by the Road Map.

6. Short-term tasks of the FAS Russia and their prioritization are formed during weekly meetings of the Presidium of the Board of the FAS Russia the members of which are the Head of the FAS Russia, his deputies and some of the heads of the departments of the FAS Russia, and also the FAS Russia Board Members.

The Head of the FAS Russia and his deputies, heads of the departments of the Central Office of the FAS Russia take part in the meetings of the Board of the FAS Russia. Due to the video conferencing the heads of Regional Offices of the FAS Russia can also participate in the meetings of the Board of the FAS Russia.

It should be noted that following the video translations of the meetings of the Board of the FAS Russia in real time or in record are available to all staff of the Central Office and the Regional Offices of the FAS Russia on workplaces that allows them to be aware of formed short-term tasks of the FAS Russia.

Besides, twice a year the Extended Meetings of the Board of the FAS Russia and the Council of Regional Offices of the FAS Russia take place. During these meetings the strategic tasks of the FAS Russia both on federal and regional levels are developed and publicly discussed.

Resource allocation in the FAS Russia

7. The FAS Russia makes a lot of efforts to strategic planning and distribution of resources according to definite purposes. Resources are distributed between managements of the Central Office and the Regional Offices of the FAS Russia according to the main priorities determined by the state policy.

In order to increase efficiency of executive authorities by maintaining a high level of their information openness and creation of an effective system of incentives for civil servants so that they honestly fulfil the duties, the reform of the budgetary process on program target method is carried out in Russia (which allows to enter a quantitative assessment and comparison of priority of the purposes, tasks and authority actions, and also to set the quantitative indices characterizing success of achievement of the objectives).

The Resolution of the Government of the Russian Federation of May 22, 2004 No. 249 "On measures for increase of productivity of the budgetary expenses" within the administrative reform approved the Concept of reforming of the budgetary process from "management of the budgetary resources (expenses)" on "management of results" by means of increase of responsibility and expansion of independence of participants of the budgetary process and administrators of budgetary funds. The model of the budgetary relations which has received in world practice the name "the budgeting, focused on result" (performance – based budgeting) underlies the concept of distribution of resources (human and material) of the FAS Russia. This model assumes coordination of financing of the subject of budget planning with results reached by it. In its turn, it caused a creation of the monitoring system in the FAS Russia which allows to trace not only the extent of achievement of the final results, but also the quality of implementation of specific actions and depending on results of monitoring to take correcting measures for redistribution of financial and human resources.

8. As for the distribution of human resources and their economy, in 2012 the new institute was developed, such as the “Specialization of the Regional Offices,” based on economic, geographic, legislative, and methodological principles.

Specialization allows to use more effectively the experience of certain Regional Offices in enforcement on regional and on federal levels, thus providing the uniformity of enforcement, In the conditions of limited financial and human resources the institute of specialization allows using these resources most effectively.

Control of the FAS Russia's effectiveness

9. To control effectiveness of the Service and adoptions of timely administrative decisions, the system of the indicators allowing to estimate the extent of achievement of strategic objectives, tactical tasks and actions is developed by the FAS Russia.

There is a united system of an assessment of achievement of the main indicators of the FAS Russia's performance which is carried out annually by the Analytical Department of the FAS Russia and by the Presidium of the FAS Russia.

By the results of an assessment, in case if the planned values of indicators are not achieved or there is a negative dynamics, the analysis of the reasons of such deviations for the purpose of adoption of administrative decisions is carried out.

Annually, the FAS Russia presents the Report on the Authority's achievements to the Government of the Russian Federation. Moreover, performance evaluation is carried out on the meetings of the Board of the FAS Russia.

At the same time, the system of a public assessment is created. At the FAS Russia and its Regional Offices there are the expert and the public advisory boards which include both representatives of public organizations and ordinary citizens. Annually an independent organization is carrying out an interview of citizens, including telephone interviews, regarding their satisfaction with the FAS Russia's performance (professionalism of the antimonopoly authority's staff, efficiency and availability of providing information by the FAS Russia).

10. The FAS Russia created the Council for Competition, the members of which are representatives of the most authoritative non-commercial associations and business associations, such as the all-Russian public organization of small and medium business "SUPPORT of RUSSIA", the Russian Union of Industrialists and Businessmen, the Chamber of Commerce and Industry of the Russian Federation, the all-Russian public organization "Business Russia", the Union of Public Associations "International Confederation of Societies of Consumers", and others. The Council carries out the monitoring of the FAS Russia's performance, draws up recommendations on the improvement of antimonopoly law and practice of suppression of its violations. Similar councils are formed under the regional offices of the FAS Russia.

There are also 27 Advisory Councils on the key markets at the FAS Russia (for example, the Advisory Council on Competition Development on the Markets of Oil and Oil Products, the Advisory Council on Competition Development on the Agro-Industrial Complex, etc.). The structure of the Advisory Councils includes participants of the markets, representatives of non-commercial associations and controlling authorities. Such practice allows the FAS Russia to estimate objectively a situation in the relevant markets and increases transparency of decisions made by the FAS Russia.

ISO 9001:2008

11. The assessment of the FAS Russia's performance was also carried out within confirmation of compliance to ISO 9001:2008 international standard requirements. The certificate confirming compliance of quality management system of the FAS Russia to this international standard was received by the Central Office of the FAS Russia in 2011.

The ISO 9001:2008 standard requirements are universal for any organization, including the ones in the sphere of public administration. The standard describes requirements which the organization has to carry out, as follows:

- to form the purposes of the performance, proceeding from requirements of consumers, citizens and to operate the purposes at all levels of the structure;
- to define processes in the organization and to operate them;
- in each link and as a whole in all system the following was carried out: activity planning; performance itself; control over achievement of the objectives; the analysis of activity and its improvement; organization and all its processes were directed on the consumer, satisfaction of its inquiries, requirements.

The FAS Russia is the first of the federal executive bodies in Russia which is certified in accordance with the international quality management standard ISO 9001:2008 (Till now, in Russia only commercial organizations received the ISO 9001:2008 Certificate).

When implementing ISO 9001:2008 the FAS Russia has defined the quality policy, in which the targets have been adopted effectively. The process model of the FAS Russia was established, including the mechanism to achieve conditional performance of public functions. A system of internal audit was implemented, and the system of continuous internal review of quality management system was created. The result of these actions was the formation of an objective evaluation of the performance of all business units.

The report on the work done by the FAS Russia and the developed experience in the framework of the international certification will be presented to the Commission on Administrative Reform at the Government of the Russian Federation and recommended for distribution in other government bodies.

Conclusion remarks

It is worth noting that the FAS Russia is highly appreciated by the President of the Russian Federation, the Government of the Russian Federation, the legislative authorities, and the business community. In particular, in 2012, six employees of the FAS Russia received state awards demonstrating a high degree of appreciation of their work in the field of competition in Russia.

The results of the internal and external assessment of the FAS Russia's performance were taken into account when the key documents reflecting strategic objectives and tasks of the FAS Russia on short-term and long-term prospect were prepared and, financial and personnel policy of the FAS Russia, including questions of the personnel training, were elaborated.

In the conclusion it is worth mentioning that today tasks of the FAS Russia of any level are formed by taking into account the best world practices in the field of competition policy and enforcement.