

**Twenty-First Intergovernmental Group of Experts on  
Competition Law and Policy  
Room XIX, Palais des Nations, Geneva  
5-7 July 2023**

**Competition Law and Policy and Sustainability**

**Contribution**

*The Russian Federation*

*This material has been reproduced in the language and form as it was provided. The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.*

*Russian Federation*  
*Competition law and policy and sustainability*  
*21<sup>st</sup> Intergovernmental Group of Experts on Competition Law and Policy*  
*July 5-7, 2023*

FAS Russia pays great attention to finding a balance between sustainable development and compliance with antimonopoly legislation.

There is no separate regulation on sustainable environmental development in the Federal Law of July 26, 2006 No. 135-FZ "On Protection of Competition" (hereinafter – the Law on Protection of Competition). However, in accordance with the Constitution of the Russian Federation, the Government of the Russian Federation undertakes measures to preserve the natural wealth and biological diversity of Russia.

The Government of the Russian Federation is implementing measures aimed at creating favorable conditions for the life of the population, reducing the negative impact of economic and other activities on the environment, as well as creating conditions for the development of the system of environmental education of citizens, the cultivation of environmental culture.

In pursuance of the Decree of the President of the Russian Federation, since 2018, the National Project "Ecology" has been implemented, aimed, among other things, at creating conditions for sustainable development. Work on this National Project is carried out in the following areas: waste disposal and processing, elimination of landfills, conservation of forests and lakes, reduction of emissions into the atmosphere, development of environmental tourism and environmental education, conservation of biological diversity.

The main objective of the National Project "Ecology" is to reduce the volume of MSW (multiple solid waste) disposal and the subsequent reduction in the burden on industry and the population. By 2030, it is necessary to achieve 100 % sorting of municipal solid waste and reduce its direction to landfills by 50 %.

One of the global goals of the energy sector is the transition to environmentally friendly and resource-saving energy. This goal, as well as state measures to protect the environment and combat climate change, are enshrined in a number of strategic documents:

- 1) Energy Strategy of Russia until 2035 (Decree of the Government of the Russian Federation of June 9, 2020 No. 1523-r)

An indicator of reduction of the negative impact of activities of organizations of the fuel and energy complex on the climate and their adaptation to climate change is the ratio of the total greenhouse gas emissions in the current year to the volume of these emissions in 1990, not more than: 2018 (as of 2017) – 50.7%; by 2024 – 70-75%; by 2035 – 70-75%.

- 2) Strategy for the long-term development of the Russian Federation with a low level of greenhouse gas emissions until 2050 (Decree of the Government of the Russian Federation of October 29, 2021 No. 3052-r)

In the baseline scenario, Russia will reduce greenhouse gas emissions by 36 % by 2050 (from the 1990 level), to 2 billion tons of CO<sub>2</sub> equivalent. At the same time, the accumulated reduction in emissions will amount to 80–81 billion tons, or about 8 % of the global carbon budget (allowable amount of carbon dioxide that can enter the atmosphere without causing a temperature increase of more than 2 degrees).

The strategy provides several scenarios:

- Massively introduce energy-saving technologies in the energy sector, industry and buildings, in transport, to reduce energy losses.
- Increase volumes of waste processing, recultivate the largest landfills, and dispose methane.
- Encourage production and usage of products with a high-energy efficiency class.
- Strengthen the protection of forests from fires and pests, reduce clear-cutting, include in the national land register forests that have grown on abandoned agricultural lands (now landowners are forced to destroy them), etc.

- 3) Law on Limiting Greenhouse Gas Emissions (Federal Law of July 2, 2021 No. 296-FZ)

In Russia, the legal framework for limiting greenhouse gas emissions has been established. The goal is to create conditions for sustainable and balanced development of the Russian economy while reducing greenhouse gas emissions. Restrictive measures provided by law include:

- state recording of greenhouse gas emissions;
- setting targets for their reduction;

- support for activities to reduce emissions and increase absorption of greenhouse gas emissions.

FAS Russia conducts various analytics, including analyzes of the state of competition in the electricity markets. Based on the results, we see which economic entities operate in this area, what share of private business is involved in this area, what are the issues of relationships between the participants in this sphere.

An important vector of our activity is suppression of monopolistic activity, detection of violations, bid rigging, infringement of consumer rights, small and medium-sized businesses, and exclusion of economic entities from the market.

For example, in 2020, FAS Russia found the company Ecology-Novosibirsk LLC, which is dominant in the MSW management market in the Novosibirsk region, guilty in creating obstacles to access to the commodity market of other organizations, including SMEs, operating in the field of transportation of municipal solid waste in the territory of the Novosibirsk region. The Moscow Arbitration Court confirmed the validity and legality of such a decision.

In 2023, regional office of FAS Russia in Tomsk found several companies guilty of violating the antimonopoly law, in particular concluding anticompetitive agreement when taking part in tenders to select a contractor for the transportation of MSW of hazard classes 4 and 5. Contracts were concluded at a cost significantly higher than the cost of MSW transportation, established by the regional regulator. In addition, companies informed each other about the actions at the tender and maintained prices.

We also participate in the development of laws and regulations and manage tariffs for energy companies.

For instance, currently the turnover of green certificates is being actively introduced in Russia. A corresponding draft law has been developed, which provides for the design and implementation of a domestic certification system.

Green certificates are a fairly common tool for accounting (confirmation of origin) and support of renewable energy in the electric power industry. The consumer can conclude a non-regulated bilateral contract with a renewable energy generator.

Our activities also include competition advocacy and training. We prepare comprehensive clarifications for our regional offices, economic entities and regional authorities.

In addition to government policy, the companies in the electrical energy industry are actively implementing internal strategic documents on their own initiative, aiming to achieve the goal of reducing emissions into the atmosphere.

Traditional heat-power engineering in Russia includes gas and coal technology. In the Siberian and Far Eastern Federal Districts, the share of coal-fired generation is 43 %. Coal is the main fuel for heat supply and will remain so despite the planned energy transition to low-carbon sources.

The main improvement in environmental performance in terms of gas generation is connected to the transition from steam turbine units to combined-cycle plants.

Modernization measures are carried out at coal-fired power plants, such as the construction of chimneys with a height of at least 270 meters, equipping with electrostatic precipitators, decommissioning of inefficient turbine units, commissioning of new turbine equipment, and installation of automatic sensors to control industrial emissions of pollutants into the atmospheric air.

Measures are being taken to reduce emissions of harmful substances into the atmosphere (maintenance and overhaul of ash collecting and aspiration plants, scrubbers are being carried out in order to maintain the degree of flue gas purification at the standard level), work is underway to reconstruct stations in order to transfer the boiler units of the peak hot water boiler to use natural gas.

In addition, large industrial consumers are taking measures to improve energy efficiency while increasing production volumes, digital technologies are being actively introduced, which makes it possible to reduce specific electricity consumption and reduce indirect greenhouse gas emissions.