

PUBLIC-PRIVATE PARTNERSHIP AGREEMENT AND CONCESSION AGREEMENT

Public-Private Partnership's goal is to stimulate the private investment raising in the services, work and consumer goods production to be provided by public law entities at the respective budget's expense, as well as state's participation reduction in economic turnover, when the same tasks may be performed more efficiently by business.

Comparison table of the Concession Agreement law and Public-Private Partnership Agreement law

Feature	Concession Agreements Law	Public-Private Partnership Agreement Law
Objects list	In relation to the objects, referred to in Section 4 of the Concession Agreements Law	In relation to the facilities, referred to in Section 7 of Public-Private Partnership Law
Minimum agreement term	Absent	3 years
The agreement object transferring opportunity as the collateral to the financing organization	Absent* * The concessionaire is not entitled to transfer the Concession Agreement object (part 6 of article 3 of the Concession Agreements Law) The concessionaire's rights within the concession agreement terms can be used as a way to ensure the concessionaire's obligations fulfillment to creditors (part 2 and part 4 of article 5 of the Concession Agreements)	Available* * Only when the direct agreement is available
Mandatory agreement object operation by the concessionaire / private partner	Available	Absent There is a chance for a private partner to carry out technical maintenance of the agreement object (repair, maintenance), without obligations for operation (targeted use), i.e. the services provision to consumers (the relevant responsibilities may remain with the public partner)
Feature	Concession Agreements Law	Public-Private Partnership Agreement Law
The project effectiveness	Absent	Available *

assessment and its comparative advantage determination		* The assessment procedure was approved by the Russian Federation Government Decree, dated December 30, 2015 No. 1514
Private initiative opportunity	Available* * The initiative proposal form and requirements were approved by the Russian Federation Government Decree, dated March 31, 2015 No. 300	Available* * The initiative proposal form and requirements were approved by the Russian Federation Government Decree, dated December 19, 2015 No. 1386
Agreement signing with a foreign legal entity	Available	Absent* * The foreign investors participation is available through the Russian legal entities creation

Public-private partnership features:

1. The long-term partnership (at least 3 years public-private partnership agreement)
2. Both risks and responsibilities distribution between partners by involving a private investor to both object creation as well as its subsequent operation and (or) maintenance
3. Full or partial public infrastructure facility financing by a private partner