

Voluntary Report – Voluntary - Public Distribution

Date: March 19,2020

Report Number: RS2020-0011

Report Name: Russian genetic technologies accelerate

Country: Russian Federation

Post: Moscow

Report Category: Biotechnology and Other New Production Technologies, Policy and Program Announcements

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Report Highlights:

On March 2, 2020, Mikhail Mishustin, Chairman of the Russian Government, signed Decree # 481 which stipulates conclusion of an Agreement between the Russian Government and the “Rosneft” Oil Company to expedite development of genetic technologies in Russia. The Agreement provides for establishment of a comprehensive research center which will serve as a foundation for conducting research in the field of genetic technologies and genome editing. The report contains an unofficial translation of the designated Degree.

General Information

On March 2, 2020, Mikhail Mishustin, Chairman of the Russian Government, signed Decree # 481 authorizing conclusion of an Agreement between the Russian Government and the joint stock company “Rosneft” (Russian Oil Company) to unite and coordinate efforts for the purpose of accelerated development of genetic technologies in the Russian Federation and achieving global leadership in this sphere.

Decree #481 follows from Decree #680 “On development of genetic technologies in the Russian Federation” signed by President Vladimir Putin on November 28, 2018, which set the goal to accelerate development of genetic technologies, including genome editing for application in the fields of public health, agriculture and industry. Decree # 680 instructed the Government to draft a Federal scientific-technical program for developing genetic technologies during the 2019-2027 timeframe and to create a coalition of various ministries to be involved in the program, as well as to engage the “Rosneft” Oil Company, one of the most prominent oil and gas companies in Russia. Decree #680 also established a Council made up of government officials and representatives of various scientific and educational institutions that oversee implementation of the Federal program and the Russian Ministry of Science and Education was appointed as the Program’s coordinating body.

Decree #680 was followed by Decree #479 signed on April 22, 2019, which approved the Federal scientific-technical program for genetic technologies development in 2019-2027 (available at <http://government.ru/docs/36457/>) and ordered the Ministry of Science and Education and the Federal State Institution “The Kurchatovsky National Research Center” to report on the Program implementation to the Russian Government on an annual basis.

The new Program sets such ambitious goals as to accelerate the comprehensive development of genetic technologies in Russian, including genome editing, and to create scientific-technological capacities in the fields of medicine (creation of vaccines), agriculture (creation of plant and animal lines) and industry (immunology and microbiology), as well as to make Russia independent from foreign resources, equipment and technologies. The Program also sets the criteria and indicators to monitor Program’s implementation, such as:

- Creation of not less than 36 new genetic technologies;
- Establishment of not less than 65 research infrastructure sites (laboratories and research centers);
- 3,000 individuals trained;
- Development of at least six scientific-laboratory equipment testing samples;
- Creation of not less than 20 genetic-therapeutic medicines and cellular products;
- Development of 30 new lines of plants and animals;
- Creation of 25 virus strains, ferments, vitamins and amino acids.

Genome editing is seen to improve existing treatment of cardio and cancer diseases.

Decree #481 is an Agreement between the Russian Government and the “Rosneft” Oil Company and describes each Party’s responsibilities under this Agreement. Among the main objectives thereof are establishment of a comprehensive research center in the field of genetic technologies and genome editing, development of specialized equipment samples as well as sites where these technologies will be applied.

Below please find an unofficial English translation of Decree # 481. Please note that translation of Decree # 479 will be available in late March 2020.

BEGIN UNOFFICIAL TRANSLATION:

GOVERNMENT OF THE RUSSIAN FEDERATION

DECREE

481-p dated March 2, 2020

MOSCOW

In order to execute the Order of President of the Russian Federation # 680 "On development of genetic technologies in the Russian Federation" dated November 28, 2018,

1. To accept the proposal of the Ministry of Education and Science of the Russian Federation, aligned with the Russian Ministry of industry and trade, Ministry of economic development and Ministry of finance, on signing the Agreement on cooperation between the Government of the Russian Federation and the public joint stock company "Rosneft" in order to accomplish the objectives of accelerated development of genetic technologies in the Russian Federation (attached).
2. T.A. Golikova, Deputy Chairperson of the Russian Government, to sign the Agreement specified in item 1 of the present decree on behalf of the Government of the Russian Federation, with possibility to make amendments of no fundamental nature to the draft.

Chairman of the Government
of the Russian Federation

M. Mishustin

Official seal

AGREEMENT

On cooperation between the Government of the Russian Federation and the public joint stock company “Rosneft” for the purpose of accomplishment of accelerated development of genetic technologies in the Russian Federation

The Government of the Russian Federation represented by T.A. Golikova, Deputy Chairperson of the Government of the Russian Government, who acts based on the Order of the Government of the Russian Federation # 481-p dated March 2, 2020, and co-chairs the Council for implementation of the Federal scientific-technical program for genetic technologies development in 2019-2027 period, which had been established by Presidential Decree # 680 dated November 28, 2018 “On development of genetic technologies in the Russian Federation” (hereinafter – the Council), on one part, and the public joint stock company “Oil company “Rosneft” (hereinafter – the Company) represented by I.I. Sechin, Chief Operations Director, acting based on Charter, on the other part, hereinafter referred to as “the Parties”, have concluded the present Agreement as follows below.

Article 1

Subject of Agreement and principles of its implementation

1. The Subject of the present Agreement is uniting efforts by the Parties and coordination of actions for the purpose of accelerated development of genetic technologies and achievement of leadership by the Russian Federation in this highly technological field.
2. Cooperation of the Parties is intended to achieve the objectives set under the Federal scientific-technical program for genetic technologies development in 2019-2027 period, approved by the Decree # 479 of the Russian Government dated April 22, 2019 “On approval of the Federal scientific-technical program for genetic technologies development in 2019-2027 period” (hereinafter – the Program), including:
 - a) Creation of conditions for development of scientific, scientific-technical activities, obtaining and implementation of the results necessary for creation of genetic technologies, including the genetic editing technologies.
 - b) Reduction of critical dependence of Russian science and industry on foreign genetic and biological databases, on foreign specialized software, devices and chemical agents.
 - c) Assistance in development of testing samples of Russian scientific equipment and chemical agents for development of Russian genetic technologies and reduction of technological dependency of the Russian Federation (including through localization).
 - d) Development of human resources capacity of Russian science and highly professional competencies of researchers in the field of genetic technologies.
3. During implementation of the present Agreement, the Parties observe the following principles:

- a) Priority of development of the Russian science and domestic industrial production while following the principle of openness to international cooperation.
- b) Attraction of industrial, scientific, educational and other organizations on conditions of mutually beneficial cooperation, uniting efforts for which is required to accomplish the objectives of accelerated development of genetic technologies.
- c) Exclusion of actions aimed at restriction of competition in the field of genetic technologies development and other spheres of activities in the Russian Federation.

Article 2

Main areas of cooperation

The main areas of cooperation under realization of the present Agreement by the Parties are the following:

- Creation and development of the comprehensive research center in the field of genetic technologies and genetic editing (hereinafter – the Center) with engagement of scientific and educational organizations and its technical support.
- Creation of conditions for fostering genetic research for industry and medicine.
- Drafting proposals for changing the normative and legislative base to provide for development and implementation of genetic technologies.
- Support of development of the equipment testing samples produced in Russia and chemical agents required for conducting research and solutions with application of genetic technologies, as well as projects for organization of highly technological production based on the developed genetic technologies.
- Creation of competitive scientific and scientific-technical results including expansion in the number of domestic laboratories and research centers applying engineering approaches.
- Creation of conditions for preparation of highly qualified human resources and research teams within the Program's fields including development of new educational programs in the field of genetic technologies, as well as genetic editing technologies.
- Development and creation of information resources and databases for the purpose of genetic technologies development.

Article 3

Obligations of the Parties

1. The Government of the Russian Federation within its competence and for the purpose of accelerated development of genetic technologies in the Russian Federation provides for the following:
 - a) Coordination of interaction between federal executive bodies, scientific, research, educational and other organizations and other stakeholders engaged in implementation of the Program and the present Agreement.

- b) Assistance in creation of conditions for establishment and functioning of the center including provision of the building and (or) land area for its establishment, in accordance with legislation of the Russian Federation.
 - c) Creation of comfortable regulatory environment for development of high technologies, including elimination of administrative and technologies barriers, improvement of standardization, modes of technical regulation and production conformity assessment, produced with application of such technologies.
 - d) Review of proposals for improvement of the normative and legislative basis in the sphere of genetic technologies for the purpose of fostering demand for domestic highly technological products.
 - e) Elaboration of tax Incentive measures and other state support instruments to support projects in the field of genetic technologies development.
2. The Company within its competence and for the purpose of genetic technologies development in the Russian Federation provides for the following:
- a) Participation in Program's implementation in capacity of Program's technological partner through:
 - establishment of the center in the organizational and legislative format as an autonomous non-commercial organization and provision of its activities including creation and maintenance of the center's material-technical base at the functional level.
 - Engagement of industrial, scientific, research, educational and other organizations, partners and stakeholders in mutually beneficial cooperation for the purpose of implementation of objectives of the present Agreement.
 - Order placement in case commercial potential of the Russian genetic technologies developed under the program are proved.
 - Synchronization of the scientific-research and testing-industrial activities conducted by the Company, with the Program.
 - Creation and provision of proposals for improvement of the normative-legislative base in the field of genetic technologies to the Government of the Russian Federation in order to foster demand for domestic highly technological products.

Article 4

Management system and mechanisms of implementation of the Agreement

1. Coordination of Parties' actions is done through participation of the Company's representative in the Council's activities.
2. In order to implement objectives of accelerated development of genetic technologies, a consultation Council for development of Russian genetic technologies chaired by Company's Chief Operations Director, has been established in the Company.
3. From time to time, but at least once a year, the Parties conduct monitoring of implementation of the present Agreement. Procedure of conducting such monitoring (incl. the form of conducting the monitoring (on site and distant), reporting) is specified by the Parties separately.

Article 5

Other terms and conditions

1. The Parties agree that fulfilment of conditions of the present Agreement does not violate legislation of the Russian Federation.
2. The present Agreement does not restrict the rights of the Parties to participate in agreements with other industrial, scientific, educational and other organizations and is not intended to restrict competition.
3. Execution of the present Agreement may be conducted by the Company with engagement of the Company's subsidiary companies.
4. Amendments made to the present Agreement are made in writing through conclusion of additional agreements.
5. The present Agreement comes into force on the date of its signature and is active until the Parties fulfil their obligations under the present Agreement in full.
6. The present Agreement is made in two copies, fully identical and of equal legal force.

Signatures and requisites of the Parties

On behalf of the Government
of the Russian Federation

On behalf of the public joint stock company
"Oil company "Rosneft"

Deputy Chairperson
of the Government of the Russian Federation
/
/ T. Golikova

Chief Operations Director
/
/ I. Sechin

Affix seal

Affix seal

END UNOFFICIAL TRANSLATION.

Attachments:

No Attachments.