

# Medvedev Calls for Return of Officials to State Company Boards

By [The Moscow Times](#)

January 27, 2014

**The  Moscow Times**

Prime Minister Dmitry Medvedev said Monday that government officials should be appointed to the boards of state-owned companies, in an apparent reversal of a signature reform he carried out during his presidency.

"Civil servants should be [on the boards of directors of state-owned companies] in a reasonable quantity and in the appropriate positions," Medvedev said during a meeting with his deputies, according to the government website.

Kremlin spokesman Dmitry Peskov said that the presence of government officials on the boards of state companies would increase the government's control over them, thereby improving coordination of their activities with federal agencies.

A number of state officials were included on a list of nominees for openings on the boards of many large state-owned corporations — such as Transneft, Rosneftgaz, RusHydro,

Rosseti, VTB, and the Russian Agricultural Bank, or Rosselkhozbank — which was recently submitted for approval by the Presidential Administration. Gazprom was a notable exception, with no civil servants nominated for the gas giant's board. Instead, they have put forth the names of members currently serving on the boards of Vnesheconombank, or VEB and the investment fund EOS Russia, Vedomosti reported.

In 2011 then-President Dmitry Medvedev launched a campaign to rid state-company boards of senior officials, in order to staff them with professional and independent directors to improve corporate governance.

"Boards that have no officials have lost their authority. Management communicates directly with [the state] owners, while the board performs a nominal function," a member of a working group involved in setting up Moscow as a global financial center told Vedomosti. It is necessary either to restore the practice of allowing state officials to serve on the boards, or increase the power of the boards, he added.

The idea of allowing state-officials to sit on the boards originated in the Federal Property Management Agency, according to a source at the agency. The priority is companies that will be privatized — having an official on the board allows the government to track how the road map of privatization is being implemented, the source said.

Original url:

<https://www.themoscowtimes.com/2014/01/27/medvedev-calls-for-return-of-officials-to-state-company-boards-31472-a31472>