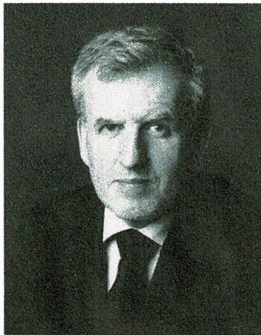


## TOUR DU MONDE DU CM / ÉTAPE 3 : RUSSIE

## “A MATTER OF TRUST AND CONFIDENCE”

Interview with  
Guillaume Sauvaget,  
by Rolland Terrin



**Guillaume Sauvaget** has an extensive experience in the construction industry: 25 years as senior in-house legal counsel and as legal manager for major companies in France and internationally (Bouygues, Suez, Colas...). Since he joined the consultancy firm PS Consulting as a Partner in 2016, Guillaume has helped his clients with a variety of services including dispute resolution, international construction contracts negotiation, claims management and has been nominated to serve as a neutral on dispute boards. Guillaume was based and has worked in Russia and C.I.S. from 1991 to 2001 on numerous projects such as the Caspian Pipeline Project and came back to work in the region in 2012 and since has been involved on numerous projects.

#### What was your role in Russia/CIS?

Since the 1990s in C.I.S., I have been involved in a variety of works and services including drafting and negotiation of construction contracts, sub-contracts, design agreements, contract implementation, contract management and claims management, merger and acquisition and arbitration.

It is usual for foreign companies to propose the draft of the contract. The Russian party will look at it and will negotiate what they consider the most important clauses. At the beginning, there were no major law firms in the C.I.S. to assist me and we had to do everything on our own. And with some learning experiences and some mistakes, I was finally able to draft, negotiate and implement contracts in accordance with the laws and the commercial practices. In one of the C.I.S. countries, I understand that one model of contract that I put in place in the 1990s is still in used by the national authorities 20 years later.

#### How did you perceive contract management in Russia/C.I.S.?

Back then, there wasn't any contract management on the client's side. But the client knew what they wanted and what we had promised to them and they did not really care about the contract: as everywhere, quality, time and the contract amount was what really mattered. On our side, we knew that contract management can be very important, and we always confirmed in writing what we were doing and reminded the client of the modalities and the terms of the contract. At the

end of the 1990s, things started to change, mainly due to the influx of foreign consultants and lawyers. Negotiations became tougher and a more formal contract management started to be implemented, mainly on large scale projects.

Now, I see less foreign lawyers and consultants and you have very good and talented Russian lawyers who are fluent in English and are able to negotiate and implement contracts. But one thing is always and will remain very important: trust and confidence.

#### Have you faced cultural specificities?

Usually international contracts are drawn up in English or French and Russian language. It is recommended to use dual versions as it would help to negotiate and manage the contract. In accordance with the Arbitration Act of the Russian Federation, both languages will be considered should conflict arise between the Parties. There is overall low contract loyalty in Russia. Russians prefer relationships based on trust over contracts and you should not betray this trust as it will be almost impossible to get it back. You should also not ignore the relationship during implementation after the contract is signed.

#### Can you give an example?

On a large-scale project in Moscow, in order to defeat competitors, our commercial department had promised orally to provide a financing that we did not have and were unable to secure. At each round of negotiation and during execution of the contract, the question always came back:

where is the financing, even if they understood that we could not secure it. It took us a long time to overcome this. We finally built the project, but the commercial people who had promised the financing were no longer welcome in the negotiation and they finally left the company.

#### What's your advice to a CM wishing to work in Russia/C.I.S.?

Be yourself and do your work the best as you can. Be ready to work long hours and to have tough discussions. Russians are known for their patience and business negotiations can stretch long hours. But you will always be respected if you do your job fairly and professionally. The counterpart will understand that your role is to defend the interest of your party and they will respect you for that. Once, I drafted and negotiated a contract (representing the contractor) and I did not add into the contract a performance bond to be issued by the contractor as it is common in international practice and the negotiating party did not see it during the long negotiation. It is only at the final round that the chairman of the client, who was not present during the early stages of negotiation, noticed the problem. He told his team they were incompetent and congratulated me for having done a good job. He did not ask that we modify the contract: it was the final stage and a question of loyalty. He was not angry against me and he understood that I was just doing what I was being paid to do: to negotiate and manage the most favourable contract for the company I was representing.