UPDATE ON INNOVATION INITIATIVES IN RUSSIA
KEY PRIORITY AREAS

NATIONAL TECHNOLOGY INITIATIVE

NEW INNOVATION CLUSTERS POLICY

NATIONAL CHAMPIONS RAISING

STATE-OWNED ENTERPRISES INNOVATION PROGRAMS

INNOVATION ECOSYSTEM

STRATEGIC PLANNING
RESULTS 2012-2015

More than 95 K high-performance jobs created

429 billion rubles (~$13,0 billion) Increase in innovation products output within 3 years

The output per employee in cluster member companies

Federal subsidy allocation in 2012-2015

- Design and implementation of clusters development projects
- Market entry services, STI cooperation
- HR training, development, iterships
- Exhibition activities (in Russia and abroad)
- Innovation and educational infrastructure development
- Engineering and social infrastructure development

Total 5,0 bln rubles (~$ 160 mln)
27 clusters involved

Innovation products output

Number of new high-performance jobs
FOCUS ON LEADING CLUSTERS

Idea: The project's aim is to provide leading economic growth by achieving world-class efficiency of business support mechanisms, effective integration into global value chains.

NEW CLUSTER POLICY PRIORITY AREAS

1. Technological leadership – development of world-class R&D competence centers
2. Efficient technology commercialization according to international standards
3. Export, fast-growing companies and SMEs support
4. Key enterprises modernization and scaling up assistance
5. International investment attraction system designing
6. Education system adjustment to clusters needs
7. Clusters management perfection

NEW CLUSTERS

CLUSTERS SUPPORT TOOLS

- Subsidies to the Russian Federation regions and regional programs co-financing
- Special tax regime
- Subsidies for clusters' companies
- Loans guaranteeing
- Subsidies for universities and other educational organizations
- Capital investment
- Interest rates subsidizing and concessional loans
- Cooperation with government-sponsored enterprises
- International economic activities and technological cooperation
- Regional venture ecosystems

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PROJECT MANAGEMENT PRINCIPLES

Progress in implementing

The priority ministerial project

Strategic controls
(Project Board)

Project strategy

- Project “road map” until 2020
- Operation management (Project office)
- Thematic work groups
- Transparent competitive selection (11 top-clusters)
- Support agreements
- Methodical guidance and consulting
- Clusters development strategies
- Operational management (specialized organizations)
- Control points lists
- Regional working groups

Plans to 2020

- Methodical and organizational support, best practices exchange
- Regular update and coherency of plans at the federal and regional levels
- Training, certification, selection of management teams
- Development monitoring (including comparison with the dynamics of the foreign clusters), updated list of leading clusters
- Clusters “road maps” until 2020
- Regular coordination with federal center

In process

Best

11

Ministry of Economic Development of the Russian Federation

Innovation clusters

Regional authorities

Federal center
### NEW CLUSTERS

#### “NATIONAL CHAMPIONS” SHORTLIST

<table>
<thead>
<tr>
<th>№</th>
<th>Cluster home region</th>
<th>Cluster name</th>
<th>Cluster Specialization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kaluga region</td>
<td>«Pharmaceuticals, biotechnology and biomedicine»</td>
<td>Medicine and pharmaceuticals</td>
</tr>
<tr>
<td>2</td>
<td>Krasnoyarsk region</td>
<td>Technopolis «Enisey»</td>
<td>Nuclear technologies. Aerospace industry</td>
</tr>
<tr>
<td>3</td>
<td>Lipetsk region</td>
<td>«Valley of machine building»</td>
<td>Machine-tool building</td>
</tr>
<tr>
<td>5</td>
<td>Novosibirsk republic</td>
<td>Research-and-production cluster «Siberian science polis»</td>
<td>IT, Biotechnology and Pharmaceuticals, Medical Biotechnology</td>
</tr>
<tr>
<td>6</td>
<td>Bashkortostan republic</td>
<td>Petrochemical cluster of the Bashkortostan republic</td>
<td>Oil and gas processing and chemistry</td>
</tr>
<tr>
<td>7</td>
<td>Mordovia republic</td>
<td>Innovative cluster of the Mordovia republic</td>
<td>Instrument engineering. Power efficient lighting. Fiber optics and optoelectronics</td>
</tr>
<tr>
<td>8</td>
<td>Tatarstan republic</td>
<td>Kamsk innovative cluster of the Tatarstan republic</td>
<td>Oil and gas processing and chemistry. Automotive and heavy machinery</td>
</tr>
<tr>
<td>9</td>
<td>Samara region</td>
<td>Innovative aerospace cluster of the Samara region</td>
<td>Aerospace industry</td>
</tr>
<tr>
<td>10</td>
<td>Tomsk region</td>
<td>«Smart Technologies Tomsk»</td>
<td>ICT. Medicine and pharmaceuticals</td>
</tr>
<tr>
<td>11</td>
<td>Ulyanovsk region</td>
<td>Innovative cluster of the Ulyanovsk region</td>
<td>Nuclear technologies. Aerospace industry. New materials, renewable energy and eHealth</td>
</tr>
</tbody>
</table>

### PROJECT KPI

#### Investment in development

<table>
<thead>
<tr>
<th>Non-budget investment</th>
<th>R&amp;D works and projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 300 mln rubles min.</td>
<td>Up to 100 mln rubles min. (~ $5,0 mln)</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Startups invested</th>
<th>Patents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 300 startups min.</td>
<td>Up to 3 times min.</td>
</tr>
</tbody>
</table>

#### Production efficiency

<table>
<thead>
<tr>
<th>Output per employee</th>
<th>High-performance jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 20% min.</td>
<td>Up to 100 k. min.</td>
</tr>
</tbody>
</table>

#### Competitiveness

| Non-resource operating revenue | |
|-------------------------------| |
| Up to 2 times min. | |
FOCUS ON LEADING SMEs

• Idea: Providing faster growth of domestic private high-tech export-oriented companies and formation on their basis the Russian-based multinational companies

CHAMPIONS RAISING PRIORITY AREAS

1. Growth KPI development for champions, as well as a set of commitments to achieve them
2. Champions targeted assistance
3. Business missions arrangement, educational programs realization, assistance in attracting investment, promoting companies through the system of Russian trade missions
4. Forming the champions’ foreign passports and their implementation monitoring
5. Support forms definition for the project participating companies together with stakeholders

PROJECT STAKEHOLDERS

State sponsored development organizations
Interested federal executive authorities
Executive regional authorities and local governments
Industry business associations
Cluster organizations that participates in the champion companies development
Financial institutions

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PROJECT MANAGEMENT PRINCIPLES

Progress in implementing

The priority ministerial project

Strategic controls (Project Board)  Project strategy

Project “road map” until 2020

Operation management (Project office)

Advice and methodological support in the preparation of draft strategies and business plans of the participating companies

KPI setting

Best 30 companies selection (revenue from $10 to 500 mln)

Support agreements

Mentor program

Educational programs

Plans to 2020

Methodical and organizational support, best practices exchange

Regular strategies update

Training, certification, selection of management teams

Development monitoring

Coordination of interaction with development institutions in the implementation of investment projects

Targeted assistance to the companies-participants of the project

Project KPI

$ 1,0 billion revenue  4 times hi-tech export increase

Not less than 2 companies

$ 0,5 billion revenue

Not less than 10 companies

Not less than 15 companies

Private companies – leaders

Best 30

In process ➔
STATE-OWNED ENTERPRISES INNOVATION PROGRAMS

Total: 57 state-owned enterprises implements innovation programs
19 of them controls Ministry of Economic Development of the Russian Federation

- R&D funding increase: More than 39%
- R&D non-budget funding increase: More than 29%
- The output per employee increase: More than 30%
- Innovation products export increase: More than 16%

250 independent experts took part in programs evaluation

Programs quality >80%
Russian Venture Company

Strategic initiatives agency

Assistance Fund for Small Innovation Enterprises in Science and Technology (Innovation Fund)

Fund for the development and commercialization of new technologies (Skolkovo innovation center)

Russian nanotechnology corporation

Bank for Development and Foreign Economic Affairs (Vnesheconombank)

Russian export center

Russian equity fund

Agency of Russian innovation regions

Russian fund of fundamental researches

Production development fund

Industrial parks association

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The Russian Federation Innovative Development Strategy for the period until 2020

Strategy for Scientific and Technological Development of the Russian Federation for the period until 2020 and beyond

Strategy of the Russian Federation socio-economic development for the period until 2035
UPDATE ON INNOVATION INITIATIVES IN RUSSIA

Thank you for attention!
Questions, please