

**DRAFT AS OF 23 JUNE 2015  
INTERNATIONAL INVESTMENT FORUM SOCHI-2015**

**BUSINESS PROGRAMME**

2 October

3 October

<p><b>Friday, 2 October 2015</b> <b>DAY ONE OF THE FORUM</b></p>
<p><u>Plenary session</u> <b>TIME FOR CHANGE, ANTI-CRISIS MEASURES AND DEVELOPMENT PRIORITIES</b> The Russian government adopted a large-scale anti-crisis plan in early 2015 that is aimed at maintaining the nation's stable social and economic development. In addition to implementing these steps, a discussion about the visibility of conducting a series of far-reaching structural reforms is taking place. Participants in the plenary session will discuss the tactical and strategic challenges facing the Russian economy and share their ideas on what measures need to be taken in planning for medium-term economic development.</p>
<p><b>Economic Pulse</b></p>
<p><u>Roundtable</u> <b>REALIZING EXPORT POTENTIAL. THE DEVALUATION EFFECT AND MEASURES OF STATE SUPPORT</b> The devaluation of the national currency by almost half has created a strong competitive advantage for domestic manufacturers operating on international markets. At the same time, high interest rates, foreign investment outflows and restricted access to credit markets in a number of countries significantly affect the ability of exporters to increase their output. This situation raises the issue of state support for domestic exporters. The anti-crisis measures taken at the beginning of this year include lending instruments and the lifting of certain administrative barriers. How successful have these measures proven to be? What tools of state support for export potential are the most effective? What new state support measures need to be taken? Is the structure of exports changing?</p>
<p><u>Roundtable</u> <b>IMPORT REPLACEMENT. CHECK-UP ON THE IMPLEMENTATION OF INDUSTRY-SPECIFIC PLANS</b> The issue of dialling down the reliance on imports has moved to the forefront after economic sanctions were imposed on Russia. This has been particularly important for sensitive industries, such as hi-tech machine-tool building and the production of oil and gas equipment. In early 2015, the Ministry of Industry and Trade of the Russian Federation developed 18 industry-specific import-replacement plans aimed at reducing the dependence on imports from its current level of 86% to 40% by 2020, even in the most exposed sectors. At the same time, foreign manufacturing localization initiatives, which are also attractive for international businesses, are no less important for the Russian economy. Is it feasible for Russian manufacturers to produce competitive substitutions for a number of products? What additional support mechanisms need to be introduced in order to achieve the full-scale implementation of import-replacement plans? What measures are required to support the localization processes?</p>
<p><u>Roundtable</u> <b>THE EVOLVING STRUCTURE OF THE RUSSIAN ECONOMY. INDUSTRIES, OWNERSHIP, GROWTH MODELS</b> The economic shock of 2008-2009 has revived a discussion in Russia about replacing the economic growth model and transitioning to a different economic structure. The crisis-ridden events of 2014-2015 have made these issues even more urgent, requiring an analysis of the dynamics of changes in Russia's economic structure in terms of its dominant industries, employment, the balance between public and private property, etc. How has Russia's economic structure evolved over the recent years and to what extent can the current economic downturn be explained by various structural disparities? What economic structure does the country need to have in order to get out of the current situation and switch to sustainable development? What scenarios of changes in Russia's economic structure can now be forecast and implemented?</p>
<p><b>Investments</b></p>
<p><u>Roundtable</u> <b>RUSSIA FOR SALE AT BARGAIN PRICES. WILL CHEAPER RUSSIAN ASSETS ATTRACT A WAVE OF STRATEGIC INVESTMENT?</b> The sharp drop in the value of the ruble and the cost of Russian assets caused by geopolitical turbulence and unfavourable external economic conditions can also be regarded as a window of opportunity for investors to enter a number of sectors of the Russian economy. Cheaper assets have become an attractive</p>

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buy both for speculative purposes and for the long haul.  
 How can the inflow of strategic investments be stimulated under the existing economic circumstances?  
 How can we identify and work with investors that are ready to invest in the current situation?

Roundtable/debate

**THE INNOVATION ECOSYSTEM. FROM BROAD-BASED SUPPORT FOR STATE INSTITUTIONS TO A FOCUS ON BREAKTHROUGH PROJECTS**

Since it was created, the system of Russia's development institutions has been largely geared towards investment and institutional support for a broad range of projects and companies in a variety of subsectors. Its focus has been on the development of an innovation environment.

Now that a number of tasks related to the development of this ecosystem can be considered accomplished, and in view of the existing economic situation, development institutions are contemplating shifting their focus to selecting and supporting a briefer list of breakthrough projects that, if implemented, would ensure accelerated development of entire technology sectors. Such projects are being developed and implemented, taking long-term economic and technological trends into account, and with an understanding of how demand is shifting.

Does it make sense for development institutions to adopt new principles for selecting and financing projects? How are such "tugboat" projects developed and carried out? Can this approach be replicated in other areas and industries?

**Finance**

Debate

**FISCAL POLICY FOR 2016-2018: SHORT-TERM CHALLENGES AND LONG-TERM PRIORITIES**

Russia's public spending has been growing steadily in recent years. However, the sharp drop in prices for its main exports, coupled with declining economic activity within the country and growing inflation, mean that the federal government and regional authorities need to optimize spending in order to meet their social commitments and continue to implement approved investment programmes. The Ministry of Finance of the Russian Federation is planning to cut at least 2.7 trillion roubles (around \$47 billion) in spending in 2015 alone. Does this sequestration go deep enough, or is the challenge of a serious adjustment of fiscal policy upon us?

What are the first steps towards optimizing public spending and what are the implications for the social sphere and economic activity? What are the real fiscal policy priorities for 2016-2018 in light of shrinking reserves and economic stagnation?

Panel discussion/debate

**THE VALUE OF MONEY AND THE EFFECTIVE INTEREST RATE. BALANCING THE NEED FOR GROWTH AGAINST MACROECONOMIC STABILITY GOALS**

The actions of the Central Bank to tighten monetary policy at the beginning of the year have spawned a lively discussion about how to strike a balance between stimulating economic growth and suppressing inflation to preserve macroeconomic stability. The steep increase in the primary rate has led to a substantial rise in borrowing costs, seriously hurting the interbank market and putting the implementation of a majority of investment projects in doubt.

What tools, besides the primary rate, can the Central Bank and the government rely on to meet the demands of growth? And has the adopted strategy of inflation targeting proven itself to be justified? What are the outcomes and effectiveness of the stabilization measures taken in the monetary sphere? Does the current situation in the forex market allow for a transition to a softer monetary policy? And what risks does this entail for the economy?

Brainstorming session

**DOES FIGHTING INFLATION MANUALLY MAKE SENSE?**

A stubbornly high inflation rate, coupled with a high primary rate, has a negative effect both on real household incomes and savings and on economic growth. The government has taken administrative steps to control prices, and has also cut some public spending.

Is there a limit to the effectiveness of administrative price controls? Is a renewed surge in inflation possible if the primary rate goes down? Can inflation be reduced in the nearest future?

**Industries**

Case study

**AGRICULTURE AND THE AGRO-INDUSTRIAL COMPLEX. HAS IT BEEN A DIFFICULT YEAR OR A GOOD YEAR?**

It has been a year since sanctions were introduced on the import of a substantial range of agricultural products from Europe and the United States. This happened against the background of a devaluation of the rouble that is potentially beneficial for Russian agricultural producers. The state is carrying out a programme to support the agrarian sector and is subsidizing agricultural producers' loan repayments.

What has the past year brought the industry?  
 What successful agricultural projects have been carried out during the past year? What has the effect of the rouble's devaluation and the sanctions on the agrarian sector been? What regions have benefited? What additional steps are still needed?

Roundtable

**CONSTRUCTION AND THE HOUSING MARKET. FINANCIAL SUPPORT MECHANISMS.**

Raising investment in the housing sector, making mortgages more affordable, providing federally owned land for development and developing infrastructure are the tasks that have been set for the Housing Development Agency, a development institution being established on the basis of the Agency for Housing Mortgage Lending. Stimulating loans for the construction of housing and engineering infrastructure facilities and issuing social mortgages as part of the Housing for the Russian Family programme are some of the measures included in the plan for the sustainable development of the economy.

What problems will the merger of the Russian Housing Development Foundation and the Agency for Housing Mortgage Lending help resolve in the near future? What will the synergistic effect of the newly established agency be?

Roundtable

**THE FUEL AND ENERGY COMPLEX. HOW TO GROW IN A LOW-PRICE ENVIRONMENT?**

Lower prices and the redistribution of energy demand on the global market has led to the freezing of geological exploration and a number of investment projects in the Russian fuel and energy complex.

Will Russia be able to remain a leading energy producer while simultaneously increasing processing volumes? What projects will be the most attractive in terms of investment for businesses and state-owned companies in this new environment? What steps are being taken to increase returns on investment in projects that are already under way?

**International Cooperation**

Conference

**RUSSIA AND ITS EURO-ATLANTIC ECONOMIC PARTNERS. WHAT ARE THE CHANCES OF A RELATIONS RESET?**

Against the background of a temporary cooling of political relations with the Euro-Atlantic community, Russia has been afforded the opportunity to advance its foreign economic policy in the alternative markets of the Asian macro region, the Arab world and a number of African countries. Russia's economic position on the global map has thus become more balanced.

However, the scope of economic cooperation with Europe and North America is so great that, even at a time of considerable political disagreements, coordination of actions among the business and economic government agencies of Russia and its traditional economic partners has remained extremely strong. How can economic expediency influence the behaviour of politicians today? What can business do to harmonize economic interaction in this difficult political context?

Roundtable

**THE EURASIAN ECONOMIC UNION'S INTEGRATED CURRENCY MARKET AND SETTLEMENTS IN NATIONAL CURRENCIES**

Financial integration plays an important role in the development of integration processes within the Eurasian Economic Union (EAEU). Settlements in national currencies among the EAEU member states have been on the agenda for quite a long time now. However, the severe weakening of some of those national currencies has shed a new light on this issue.

What is the outlook for completing the formation of an integrated currency market of EAEU member states? Is it feasible to switch to settlements in national currencies in the near future given the difficult economic situation in the union countries? What key factors continue to hamper integration among the member states in the financial sector?

**Public Administration**

Debates

**IS A NEW QUALITY OF STATE CONTROL AND SUPERVISION WITHIN REACH?**

Improvement the control and supervisory functions of the state is one of the steps towards increasing the quality of public administration and creating better conditions for economic development. The new law on state and municipal control and supervision will change the principles of the control and supervisory activity in Russia.

The introduction of a risk-oriented approach, the disclosure of mandatory requirements and the creation of a single information system are but a part of a set of measures aimed at transforming Russia's control and supervisory system. How prepared is the Russian government at the federal and regional levels to embrace the changes? What changes will the new system bring for business, society and government? How can we measure progress on the path towards reforms? Can it be said that the new system is already

working and has brought results?

**Questions for the debates:**

1. Can the new law become a workable mechanism?
2. Can the introduction of a risk-oriented approach considerably reduce the amount of inspections and relieve the burden on business?
3. Will the delegation of control and supervisory functions to the regions help create a comprehensive supportive environment for business at the regional level? Are regional governments motivated or not?
4. State control and supervision vs. self-regulation
5. Will the reform of the control and supervisory functions help free up resources and save public funds?

**Roundtable**

**IS THE STATE AN EFFICIENT MANAGER? IMPROVING GOVERNANCE AT STATE-OWNED COMPANIES**

Improving the quality of the system of public administration and increasing the operating efficiency of major state-controlled companies open up significant potential for economic growth. The considerable stake held by the state in the nation's economy makes it strongly dependent on the efficiency of state-owned asset management. Long-term development programmes, new regulations for increasing the investment and operating efficiency of state-owned companies, risk management and spending cuts: How prepared are state-owned companies to be efficient?

**Regions**

**Brainstorming presentation**

**INVESTMENT CLIMATE AT THE LOCAL LEVEL. KEYS TO SUCCESS**

It is impossible to raise the efficiency of the Russian economy without involving all levels of governments in developing and implementing advanced management solutions. Experience shows that many solutions are conceived and implemented at the municipal level. This practice has produced solid results, while certain solutions can serve as a model for improving conditions for doing business in other Russian regions.

In order to identify the best management solutions, the Ministry of Economic Development of the Russian Federation has conducted a competition among the regions to select the most effective solutions for improving the entrepreneurial climate.

**Brainstorming**

**THE FISCAL SITUATION IN THE REGIONS. SEQUESTERING AMID SHRINKING ACCESS TO CREDIT**

The difficult fiscal situation and the federal budget sequestration will doubly affect regional budgets. The regions have been forced to sequester their budgets too, look for spending optimization opportunities and find additional sources for servicing existing commercial and public debt -- all amid sharply narrowed access to external financing and the need to meet earlier obligations, including those to the federal government.

Where should we look for additional sources of financing? What successful regional practices should be taken into account in current financial planning? What will the federal government's policy be with regard to the additional co-financing of regional budgets?

**Brainstorming**

**A NEW BUT FAMILIAR CHALLENGE FOR REGIONAL POLICY. DO WE NEED A NATIONAL STRATEGY FOR SHRINKING SMALL AND MEDIUM-SIZED TOWNS?**

Taking global migration patterns into account, as well as the difficult economic situation in a number of small and medium-sized industrial towns, some 15-20 million people could migrate to Russia's big cities over the next 20 years. Small and medium-sized towns have been losing residents, above all economically active residents, for years.

What will the strategy for shrinking small and medium-sized industrial towns be at both the federal and regional levels? What regional policy will be followed to ensure the population remains there? Is it worth trying to reverse the current trends? Or does it make more sense to focus on preparing big cities for a new wave of migrants?

**Debates**

**ARE REGIONAL DEVELOPMENT STRATEGIES SUFFICIENT TO ENSURE REAL CHANGE IN THE REGIONS?**

In 2014, Russia passed the Law on Strategic Planning, which has given additional impetus to the development of regional strategies. Many of the nation's regions have developed and adopted strategic documents over the past years, yet their effectiveness and impact on social and economic development remain to be seen.

Under what conditions does a regional development strategy become effective? What other resources and factors are required for real changes to be launched and implemented in regions? What examples are there of such regions in Russia? What does international expertise say? What are the mechanisms for developing and translating strategic plans into real-life development projects?



**Individuals and Society**

Roundtable

**WHAT KIND OF UNEMPLOYMENT DO WE NEED?**

As economic activity decreases in Russia, unemployment inevitably rises. In its anti-crisis action plan, the government has set avoiding staff cuts at companies and maintaining employment levels in the economy as key goals. However, unemployment in a market economy can have positive implications, as it reduces average wages in the economy, intensifies competition for jobs and encourages mobility among the population. What rate of unemployment is optimal for the Russian economy? What tools should be used to maintain employment? What unemployment structure is optimal for restarting economic growth?

Roundtable

**MAKING GOOD ON SOCIAL COMMITMENTS. RESPONSIBILITY OF THE FEDERAL AND REGIONAL GOVERNMENTS**

Maintaining social stability is one of the top priorities of the government's anti-crisis plan, which includes extra budgetary allocations to Russia's regions to reduce tensions in the labour market and protect the most vulnerable populations. At the same time, the nation's social spending remains at a high level and, given the difficult position that the regions are in, increasing such spending further creates competition for resources to maintain investments. Striking a balance between the goals of maintaining social stability and ensuring economic growth requires new approaches and coordination between the federal and regional governments. What difficulties do social obligations create for the economy under the current circumstances? What reforms of the social security system are required? What measures are available to the federal and regional governments to maintain social stability?

**Infrastructure**

Roundtable

**ENERGY EFFICIENCY OR MASSIVE INVESTMENTS IN INFRASTRUCTURE? A STRATEGIC DILEMMA FOR RUSSIA'S ENERGY SECTOR**

The unstable macroeconomic situation and falling hydrocarbon prices have been discouraging Russian energy companies to cut operating and investment expenditures. Under these circumstances, companies find it increasingly difficult to implement the massive capex programmes that had been announced before while sticking to their commitments to increase the energy efficiency of the economy. The industry faces a strategic choice between betting on the implementation of a comprehensive energy efficiency stimulus and continuing to invest in new large projects.

What are the strategic priorities of the state and energy corporations regarding this matter?

Panel discussion

**THE FEDERAL PPP LAW: NEW OPPORTUNITIES TO RESOLVE OLD PROBLEMS**

At its spring session, the State Duma passed the Federal Law On Foundations of Public-Private Partnership and Municipal-Private Partnership in the Russian Federation. The law opens up fresh opportunities both for government officials, by enabling them to use new models for working with business, and for private investors, by reducing the risks of investing in infrastructure projects. The new law gives a chance to new infrastructure projects across Russia that had previously been put on hold.

Yet despite the positive aspects, there are also a number of issues that need to be worked on, including the risks and challenges of law implementation practices, structuring difficulties, the need for project performance assessment and clear regulations of the tender procedure. These issues can be resolved through further refining regulations regarding the implementation of laws.

Hands-on workshop for the regions

**FIVE ASPECTS OF THE SUCCESSFUL IMPLEMENTATION OF PPP PROJECTS IN RUSSIA'S CONSTITUENT ENTITIES**

New opportunities require a clear operating manual. This includes the implementation of PPP projects in the regions under the new Federal Law. What future do regional PPP laws have? What should the regions pay attention to above all while studying the Federal Law? To answer this question, the workshop will feature a discussion on five aspects that have an impact on the successful implementation of the Federal Law in Russia's constituent entities. These include identifying a responsible authority and a governance system for the PPP sphere, implementing project performance assessment mechanisms, setting up a competitive selection process, building efficient interaction with the investor and credit institutions, and finally, organizing the efficient management of the project throughout its life cycle.

**Saturday, 3 October 2015  
DAY TWO OF THE FORUM**

Plenary session

**A TIME OF OPPORTUNITIES. THE ECONOMY ON THE STARTING BLOCKS**

In September 2015, the period of significant external shocks and fluctuations of the national currency

exchange rate will largely be over. The response to what has happened has been developed, anti-crisis measures are beginning to take effect, and players have developed a fundamental understanding of the context and their respective strategies.

In this situation, it is important to move from discussing the results of the anti-crisis policy to analysing the strategic and tactical opportunities for the Russian economy as a whole, and for its separate segments and players. Participants in the plenary session will discuss Russia's economic situation in terms of the most probable prospects of post-crisis development.

**Economic Prize**

Case study

**WHO HAS PROFITED FROM THE CHEAP ROUBLE? CASES COVERING THE DEVELOPMENT OF PROJECTS, COMPANIES AND INDUSTRIES**

In September, it will be almost a year since the rouble weakened significantly against the dollar, and more than a year since the introduction of restrictions on food imports into Russia. Despite a number of negative effects related to devaluation, this has inevitably re-oriented internal demand to domestic products and services, boosting the competitiveness of Russian exports in different segments and industries.

Which industries have gained momentum for development as a result of devaluation? What success stories in tourism, the food industry and information technology can we see? Who was able to take advantage of the chance afforded to them? What resources and opportunities did they use to achieve their success? Did they resort to government support? What further steps are needed to give more positive dynamics to these sectors?

Discussion of research results

**CROSSROADS OF ECONOMIC POLICY. TACTICAL DECISIONS AND LONG-TERM PRIORITIES**

The changes in the economic situation that took place in 2013-2014 have forced the economic authorities to take active steps to enhance economic stability and decide which way to go at the crossroads in the monetary, fiscal and industrial policy.

By definition, anti-crisis measures should be decisive and capable of quickly stabilizing the situation. However, this does not solve the problem of how these decisions affect the long-term trajectory of the country's economic development.

The research carried out as part of preparation for the forum is aimed at analysing the crossroads of Russia's economic policy in the medium term, also considering possible impact of this or that decision on the country's long-term development scenarios.

Roundtable

**WILL "THE RUSSIAN QUALITY SYSTEM" HELP TO BOOST COMPETITIVENESS?**

The problem of the quality and competitiveness of Russian products is more urgent today than ever. The "Russian Quality System" project plays an important role in boosting the quality of products and increasing the loyalty of customers towards domestic products.

What systemic and regulatory measures can facilitate an overall increase in the quality of Russian products? Will the new "quality label" help promote products not only on the domestic, but also on foreign markets? Can this project help attract investments into Russian products? What are the first results and roadmap for the implementation of this project?

**Investment**

Brainstorm

**THE PENSION SYSTEM: CITIZEN, BUSINESS AND STATE. ANY GOOD NEWS?**

At the beginning of this year, the decision was made to preserve the mandatory savings part of the pension. Thus, the problem of the effective investment of pension funds is once again on the agenda. However, high level of inflation makes it more difficult for pension fund managers to achieve positive real returns.

At the same time, pension funds may become the main source of "long" and "cheap" money to finance long term investment projects, both for the government and for businesses. From this point of view, the government is interested in limiting the tools that can be used by managing companies and non-state pension funds.

Will managing companies and non-state pension funds be able to show real positive returns from investing pension savings given the restricted set of tools? Can Russia's pension system become a mechanism for long-term investment?

Brainstorm

**INVESTING IN EDUCATION AND MEDICINE. THE PLACE OF BUSINESS IN SOCIAL INDUSTRIES**

The long-term tasks of developing human capital necessitate the search for new investment sources in the key areas of social policy. The development of the private healthcare and education sectors in Russia renders the use of public-private partnership mechanisms possible in these spheres, too. One example of such a mechanism is a cluster approach, when state-owned and private companies coexist and

complement each other within a single structure.  
 How can PPP mechanisms enhance the quality of services and the economic efficiency of companies in the social sphere? How do private and public entities cooperate with each other? What legal measures are needed to develop PPP in the social sphere? What measures are needed to develop and scale special-purpose capital funds in Russia's higher education establishments? How can we use Russian and foreign experience in developing such funds in Russia?

Cases and presentations

**IN SEARCH FOR "NEW GAZELLES". ARE THERE ENOUGH YOUNG AND FAST-GROWING COMPANIES?**

Apart from the traditional leaders of the Russian economy – large infrastructure and raw material companies – a new layer of dynamically growing mid-sized companies has formed in Russia over the past ten years. In many countries, companies growing at a rate of 30% a year over a period of three to five years play a key role in spreading innovation and enhancing efficiency in their respective industries. New macroeconomic conditions can have a mixed effect on "Russian gazelles": an increase in the export potential sharply reduces borrowing opportunities, both on the domestic and foreign markets. Can some of these companies become new engines for the Russian economy? How were they affected by the shock changes of last year? Which industries are the most favourable for "gazelles"? What separate companies have shown high growth rates at a time of general economic crisis?

**Finances**

Roundtable

**SUCCESSFUL STRATEGIES IN A PERIOD OF VOLATILITY. RECIPES FOR SUCCESS IN THE FINANCIAL SECTOR**

Last year saw wild fluctuations in the prices for different classes of assets, including the exchange rate of the national currency, shares and bonds of Russian issuers and raw material prices. Many private and institutional investors suffered losses, but many investors used the crisis period as a unique opportunity to make speculative super-profits.

What strategies have paid off in the turbulent period? Who came out on top – large players or small investment companies and funds? How has the period of volatility influenced the structure of the financial market?

Roundtable

**ENHANCING THE SUSTAINABILITY AND EFFECTIVENESS OF THE BANKING SYSTEM. IS THERE A NEED FOR CONSOLIDATION?**

The Central Bank of Russia consistently pursues a tough policy of "clearing" the banking system and consolidating banks. Measures to ensure additional capitalization of the banking system also provide favourable conditions for large banks.

What is happening in the banking system is assessed differently by the markets and experts. On the one hand, consolidation improves the sustainability and manageability of the system. On the other hand, a high level of consolidation may have a negative impact on the competitive environment, the flexibility of the banking system and its orientation towards a broad spectrum of consumer demands.

How does the Central Bank's policy of "clearing" the banking system affect its functionality? What advantages and risks for economic development are generated by the consolidation of the banking sector during a period of low economic dynamics? Can we expect further government involvement in the banking sector? How many banks are needed in Russia?

Roundtable

**DE-OFFSHORIZATION. CHECK-UP REFORMS**

The passing of the Russian law on controlled foreign companies (CFC) was supposed to reduce the scale of offshore schemes in order to optimise taxation and to reduce capital flight from the country. Apart from economic consequences, the passing of the CFC law is designed to disclose the ultimate beneficiaries of offshore companies, also returning large Russian companies back into the country's legal field. This is the first year that the new law is being implemented.

Has tax collection increased thanks to the abandonment of offshore schemes? How has the new law affected Russia's financial system? What amendments have to be made from the business point of view?

**Industries of economy**

Conference

**THE DEFENCE SECTOR: THE NEW DRIVER OF THE RUSSIAN ECONOMY?**

The Russian military-industrial complex is traditionally one of the leading industries, concentrating on innovative activity, providing a significant share of employment, and accounting for a sizable portion of technology exports. The past few years have seen an increase in defence spending, including by a third in 2015. In addition, the rouble's devaluation should have a positive impact on the returns of Russian arms exporters.

How has increased defence spending affected the development of the military-industrial complex? Can it



become an important engine for the development of the Russian economy? What are the prospects for further increasing arms exports?

**Roundtable**

**MODERNIZATION OF THE HOUSING AND UTILITIES SECTOR. WHAT DO PUBLIC-PRIVATE PARTNERSHIPS HAVE TO OFFER?**

The creation of favourable conditions for the development of public-private partnerships in the housing and communal sector is an important problem for Russia's economic development. Today, Russia has an almost complete legal base, which renders it possible for the housing and utilities sector to be seen as a profitable and, most importantly, reliable business sector.

Already at this point, many investors have realized the significant potential of the housing and utilities sector. And yet they often face difficulties, including a lack of understanding on the part of regional authorities. Ensuring an efficient and mutually beneficial public-private partnership in housing and utilities, both on the legislative and practical level, is certainly an urgent and important task.

What has already been done, and what is still to be done, for businesses to feel comfortable in the Russian housing and utilities sector? How can dialogue between investors and regional authorities be built? How can we attract investors and help implement large projects in this sphere?

**Roundtable**

**WHAT WILL THE DEVELOPMENT STRATEGY FOR SMALL BUSINESSES BE? THE RESULTS OF STATE COUNCIL MEETING ON SMALL AND MEDIUM-SIZED ENTREPRENEURSHIP**

At the meeting of the State Council of the Russian Federation devoted to the development of small and medium-sized businesses, instructions were given to prepare proposals for the strategy to develop small and medium-sized businesses with a view to significantly increasing the number of employees at small and medium-sized companies by 2020. The strategy shall define the vectors of state support for the development of small and medium-sized entrepreneurship. At the same time, discussions continue as to whether small and medium-sized businesses require state support, or whether priority should be given to the creation of a favourable business environment.

Are such strategies needed for the development of small and medium-sized businesses? What tools are already at hand in "successful regions"? Will the strategy not become another multi-page document of no use? Can the percentage of people employed by small businesses reach 40%, thus doubling the number of small and medium-sized companies?

**International cooperation**

**Roundtable**

**RUSSIA-ASIA. CHECK-UP ON MEASURES TO BOOST INVESTMENT COOPERATION**

Of late, Russian cooperation with Asian countries has received a new impetus for development thanks to the newly announced policy of diversifying its foreign economic relations. There exists and continues to develop a whole number of mechanisms designed to boost cooperation with Asian nations, from intergovernmental commissions and interstate associations to inter-state institutes of development and bilateral contacts between state-owned and private companies.

What areas and mechanisms of developing cooperation have proved the most fruitful? Have there been any visible changes in Russia's relations with Asian countries? What joint projects have been launched? And which of these are expected to have the greatest effect? What is special about investing in the Far Eastern projects?

**Conference**

**ECONOMIC STRATEGIES OF RUSSIAN CORPORATIONS ON FOREIGN MARKETS**

The favourable macroeconomic situation means that conditions have ripened for Russian companies to enter foreign markets. In the new economic reality, successful international activity may become an even more important factor for the development of the national economy. Corporations go beyond traditional spheres of influence such as the post-Soviet space, and are ready to expand abroad (which is still called "the far abroad" as opposed to "the near abroad"). At the same time, the development of economic ties with the closest neighbours remains a priority of the foreign economic policy pursued by a number of Russian corporations. In this situation, there is a need for a diversified and balanced approach considering the increased foreign political risks taken by businesses. How do foreign economic policy priorities change for Russian companies operating in the post-Soviet space? What role is played by integrated associations? What international projects will play a key role in the next few years? How effective are state institutions for supporting the foreign economic interests of businesses?

**Public control**

**Roundtable**

**MINORITY SHAREHOLDERS. CAN PUBLIC CONTROL MAKE INSTITUTES MORE EFFECTIVE?**



The potential of the civil society is being increasingly used to help the state perform its obligations. The Federal Law "On the Basics of Public Control in the Russian Federation" has been passed; work is under way to enhance independent monitoring of the quality of social services; efforts are being made to develop a system of public councils as part of the executive authorities; consumer councils have been created to oversee the activity of natural monopolies; a system of public control over major purchases has been introduced; and new mechanisms of public control are arising in the regions and municipalities in the areas of housing and utilities, road construction and other spheres. Society has the instruments to influence government activity and "the quality and volume of public goods". Are these instruments real or imagined?  
How much do we need public control at the level of the federal and regional authorities, in state corporations and natural monopolies? Has public control indeed become an effective tool in Russia? Is the government ready not just to let the public express its opinion, but also to lend an attentive ear to its advice? What steps should the government take to render public control useful both for the state and for the people?

**AWARDING THE A.P. POCHINOK PRIZE TO THE WINNERS OF THE ALL-RUSSIA COMPETITION FOR REGIONAL SOCIAL DEVELOPMENT PROGRAMME**

For the second year in a row, the A.P. Pochinok Prize will be awarded during the Sochi Forum based on the results of the all Russia competition for regional social development programmes. The competition involves the selection and assessment of initiatives and projects that address, with the help of public-private partnership mechanisms, social problems faced by the Russian regions. The competition is held among the constituent entities of the Russian Federation with the support of the Expert Council of the Government of the Russian Federation, the Ministry of Economic Development of the Russian Federation and Natalia Pochinok, Rector of the Russian State Social University.

**Regions**

**Roundtable**

**MASTER PLAN FOR THE ECONOMIC DEVELOPMENT OF CRIMEA. INITIAL RESULTS AND NEW PLANS**

The development of Crimea is a top priority for the Russian authorities: the territory shall be integrated into Russia's economic space at an accelerated rate, becoming a platform for advanced infrastructure and technological projects. The Federal Targeted Programme "The Social and Economic Development of the Republic of Crimea and Sevastopol until 2020", approved in 2014, envisages the allocation of almost 700 billion roubles (around \$12 billion) for projects related to infrastructure, industrial facilities, and the development of tourism potential.

How has the economic situation in Crimea changed over the past year? What projects are a priority today? What is being done to develop Crimean cities, infrastructure and tourism? What is the role of private investment?

**Roundtable**

**YEAR OF TOURISM AFTER THE OLYMPICS. WHAT ARE THE ECONOMIC RESULTS OF THE WINTER AND SUMMER SEASONS IN SOCHI?**

After the 2014 Olympic Games, Sochi has seen one winter and two summer tourist seasons. As part of preparations for the Olympic Games, a tourist infrastructure was created that is unprecedented in terms of volume and quality, and the devaluation of the national currency shall have a positive impact on the region's tourist industry.

How have Sochi's tourist industry figures changed following the Olympic Games? To what extent are the Olympic facilities and infrastructure needed? What changes have occurred in the living standards and employment structure of the population? How does the Sochi real estate market look?

**Roundtable**

**INVESTING IN THE CAUCASUS. PROJECTS AND OPPORTUNITIES FOR INVESTORS**

The session involving the representatives of the official and business circles of the Russian Federation and foreign countries will focus on the four basic areas of investment in the North Caucasus: the development of the tourist cluster; agriculture; the development of the Caucasian Mineral Waters; and the improvement of the investment climate.

Investors interested in the North Caucasus regions will be able to ask the most pressing questions connected with the granting of state guarantees, the search for local partners and the allocation of land plots, as well as tax benefits.

**Individuals and Society**

**Brainstorm**

**PRIVATE SOCIAL INVESTMENT: INFRASTRUCTURE, TOOLS, CASES**

The sphere of social investment, which is developing following an increase in the scale of corporate social responsibility, is becoming a separate area of investment and requires standardized instruments and an infrastructure of its own.

As of now, a total of 1276 investment funds and other entities managing assets worth more than \$45

trillion have signed six Principles for Responsible Investment of the UN, undertaking obligations to consider environmental, social and management factors when making decisions. Russia, too, has examples of such funds, including special-purpose capital funds financing similar projects, as opposed to charity funds supporting only targeted charity aid. What is the role of private capital at the current stage? What advantages for business are offered by such investments? What instruments are already in operation or should be developed to implement such projects?

**Brainstorm**

**THE CHANGING NATURE OF ENGINEERING. WHAT ARE THE NEW DEMANDS FOR EDUCATION AND TECHNOLOGICAL INFRASTRUCTURE?**

The content of engineering work is changing. And the problem is not just the quantitative complication of engineering facilities, the increasing number of their components and links and the expanding volume of scientific knowledge used by engineers. The close cooperation and mutual penetration of fundamental and applied research and inter-disciplinary nature of new technology, as well as the influence of cyber infrastructure, sharply change the character of the engineering work. New technology (NBIC), comprehensive systemic mega-problems arising in modern society change the nature of engineering education, demanding that engineers should master a much broader spectrum of key competencies than the narrowly specific scientific, technical and engineering subjects. How can we ensure the creation of a modern engineering infrastructure? What measures should be taken to increase cooperation among business and educational structures in the process of preparing engineers to meet the needs of the global economy? What is the role of the government in these processes?

**Moderator:**

**Elena Panina**, Chairperson of the Organising Committee of the Moscow International Engineering Forum, President of the Institute for Economic Strategies, Deputy of the State Duma of the Federal Assembly of the Russian Federation

**Infrastructure**

**Roundtable**

**CAN INVESTMENT IN THE PUBLIC TRANSPORT INFRASTRUCTURE BECOME A DRIVER OF ECONOMIC DEVELOPMENT?**

The level of transport insurance in Russia remains very low. The plans for the construction of transport infrastructure financed through state funds and private investors have been cut further in connection with the crises of 2008-2009 and 2014-2015. The business community, including RSP, points to the impressive foreign experience of overcoming economic crises, not through decreasing but, on the contrary, through increasing transport infrastructure construction as an additional powerful driver of economic growth. Is Russia able to significantly increase transport construction rates? Will this have multiplicative effects on the economy?

**Case study**

**THREE YEARS BEFORE THE FIFA WORLD FOOTBALL CUP. HOW READY ARE RUSSIAN CITIES?**

There are less than three years to go before the FIFA World Football Cup. Over the past few years, Russia has demonstrated its ability to carry out large-scale sporting projects at the highest level, however, the 2018 FIFA World Cup will become the largest challenge of its kind in the Russian history. Therefore, particular attention is being paid to its preparation. World cup games will be held in 11 cities, with the entire European part of Russia, from Kaliningrad to Yekaterinburg, involved in the preparations. What infrastructure projects accompany the preparations for the World Cup? How are they influencing, and how will they influence, the country's economy over the next few years? What additional effects and opportunities will the host cities have? What are the problems in preparing for this difficult challenge?