



Ministry for Economic Development of the Russian Federation



SME State Support Program Directions 2014

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2014



2014



Subsidies to support SME
\$570 mln



Co-financing of Capital
Construction
\$40 mln



CO-FINANCING LEVELS

expenditure commitments of the Russian Federation Regions are calculated taking into account the level of budget sufficiency, established by the Russian Ministry of Finance

FEDERAL SUBSIDIES LIMIT

for each Region is determined by the share of SMEs, operating in the Region, of the total number of SMEs

ADDITIONAL SUBSIDY

is available through the redistribution of the unclaimed volume of subsidies

Changes in Russian Federation Government Decree February 27, 2009 № 178

SUPPORT PROGRAM



**STATE PROGRAM (SUBPROGRAM)
OF THE RUSSIAN FEDERATION
REGION**

Obligations of the Russian Federation Regions



Placement of information on the conditions, procedure and distribution of subsidies to the support of SMEs and organizations that form the support infrastructure of SMEs in the "Internet"

Providing of annual audit of compliance with conditions, objectives and procedures of granting of federal budget funds by the state (municipal) financial control bodies

Implementation of the Russian Federation legislation on the procurement of goods, works and services for state and municipal needs from SMEs

Development and approval of the roadmaps in the sphere of SME development for medium-term perspective and their publication in the official sites

Placement of the reports on the achievement of target indicators of the roadmap on the official sites

MAIN SUPPORT MECHANISMS



FINANCE



- Grants for startups (unemployed, laid off, ex-militaries are in priority)
- Subsidies for microfinance institutions and guarantee funds

MODERNIZATION



- Subsidizing of the interest rates on loans
- Subsidizing of the purchase of new equipment
- Equipment leasing
- Energy efficiency

INNOVATIVE INFRASTRUCTURE



- Cluster Development Centers
- Regional Engineering Centers
- Prototyping Centers

EXPORT



- Regional Centers of Export Support
- Euro Info Consulting (Correspondent) Centers (part of the Enterprise Europe Network)

SOCIAL INITIATIVES



- Subsidies for the social-oriented SMEs
- Subsidies for the Afternoon Children Activities Centers, Pre-school Centers
- Youth entrepreneurship, including Youth Innovation Creative Centers
- Folk arts and crafts

SPECIAL INFRASTRUCTURE



- Business-incubators, Industrial parks (including private industrial parks)

FINANCIAL SUPPORT: Grants for startups



FINAL RECIPIENT

- Entrepreneur works less than 1 YEAR
- Mandatory training
- Unemployed, youth and ex-militaries are in priority

GRANT OPTIONS

- MAX. \$8,5 thsd
- 15% co-financing



INCREASING THE LEVEL OF ENTREPRENEURIAL ACTIVITY

FINANCIAL SUPPORT: Microfinance Organizations



FINAL RECIPIENT

- Microenterprises

CREDIT OPTIONS

- CREDIT - less than \$28 thnd
- INTEREST RATE - less than 10%
- DURATION: **SINCE 2014 IS UP TO 3 YEARS**
- (before 2014 - up to 1 year)



SMEs ACCESS TO FINANCE THROUGH MICROLOAN

FINANCIAL SUPPORT: Regional Guarantee Funds



FINAL RECIPIENT

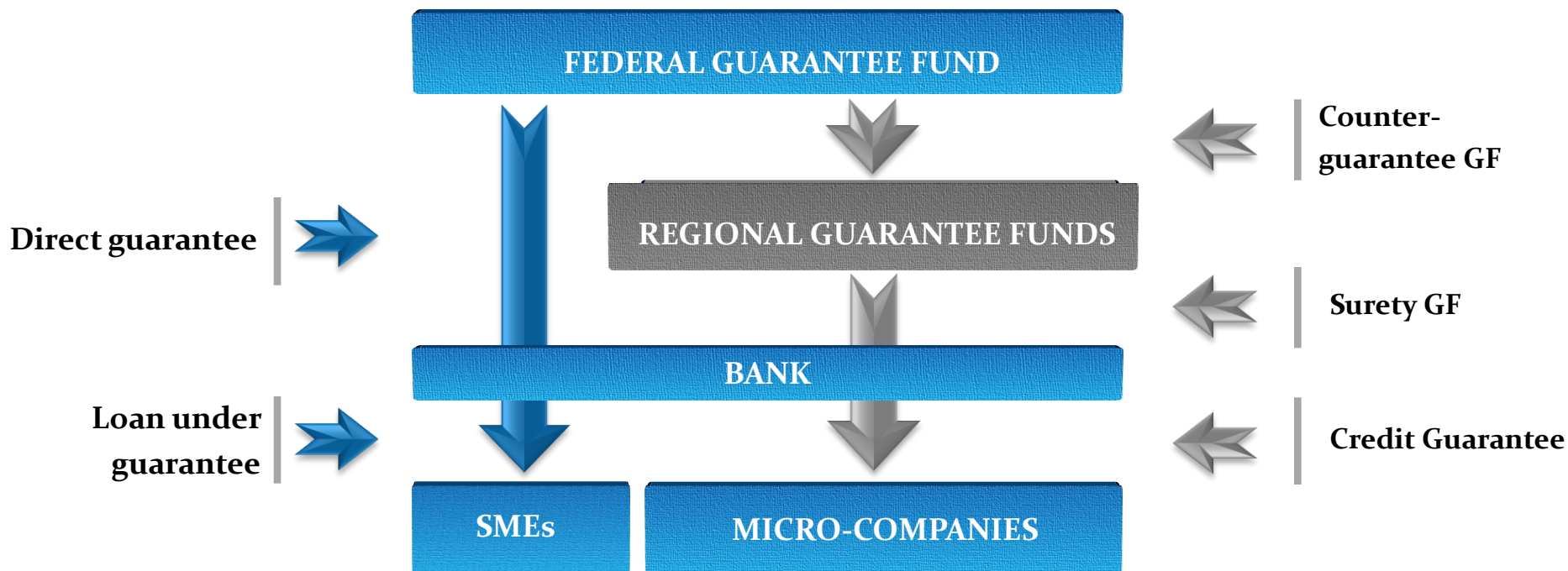
- Small Business

PARAMETERS OF GUARANTEE

- More than 1 year
- More than \$28 thnd
- Less than 70% of the loan



**SMEs ACCESS TO CREDIT FINANCE BY PROVIDING THE
GUARANTEES FOR THE OBLIGATIONS OF SMEs**



EXPECTED RESULTS FOR 5 YEARS:



- Total volume of guarantees/sureties: \$21,5 bln
- Volume of loans: \$40,6 bln

Subsidies for interest rates on loans - up to \$283 thnd

- Subsidy must be less than 2/3 of refinancing rate
- Purpose of the loan is the industrial buildings construction for own needs, purchase of equipment
- Recipients are legal entities and individual entrepreneurs
- Average number of employees: **without restriction** from 2014 (before 2014: ≥ 30 pers.)
- Payment of not less than 10% of the loan and not less than 10% of the interest on the loan

Subsidies for the purchase of new equipment - up to \$283 thnd

- Recipients are legal entities and individual entrepreneurs
- Average number of employees: **without restriction** from 2014 (before 2014: ≥ 30 people)
- Subsidizing only the expenses for the purchase of equipment

Subsidies for leasing contracts - up to \$283 thnd

- Equipment, referred to the secondary and higher depreciation groups of capital assets, the non-trading sector
- Subsidizing the first payment is \$85 thnd (if < 30 pers.) and \$283 thnd (if ≥ 30 pers.)
- Grants for startups are up to \$28 thnd if co-financed by the entrepreneur at least 15%



Upgrading and extension of the production equipment

INNOVATIVE INFRASTRUCTURE

Cluster Development Centers



Since 2010 **17** CDC have been established in **16** Regions of the Russian Federation

Regional Engineering Centers



Since 2013 **21** RCI have been established in **14** Regions of the Russian Federation

Prototyping Centers



Since 2013 **6** PC have been established in **5** Regions of the Russian Federation

Innovative Infrastructure Development: Creation of Cluster Development Centers



CDC IS A COMMON OPERATOR OF THE COORDINATION AND COOPERATION SYSTEM FOR CLUSTER MEMBERS

CDC FUNCTIONS AND TASKS



Development and implementation of joint cluster projects

Market of new products (services) of the territorial clusters participants

Providing of the legal, marketing, advertising services for the cluster participants

Organization of the conferences, seminars in the sphere of interests of the cluster participants

PROVIDED SERVICES



Consulting support of joint cluster projects

Information SMEs support

Trainings, internships, master classes

Positioning and promotion of new products



**TECHNOLOGICAL CHAINS (COOPERATIVE CONNECTION) DEVELOPMENT AMONG SMEs
IN ORDER TO CREATE DOMESTIC PRODUCTS**

Innovative Infrastructure Development: Region Engineering Centers Creation



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12

SMEs COMPREHENSIVE MAINTENANCE BY THE IMPLEMENTATION OF HIGH-PERFORMANCE TECHNOLOGIES AND KNOWLEDGE

REC OBJECTIVES



Development of engineering and design competencies

Intelligent digital design of production facilities and technologies

Support of SME projects on upgrade of the basic production assets

PROVIDED SERVICES



Consulting, technological and other types of audit, monitoring of engineering services market

Educational activities, training

Engineering and research services to develop new products and technologies



INCREASE OF TECHNOLOGY READINESS OF SMEs TO INTRODUCE NEW TECHNOLOGIES AND CREATE NEW INDUSTRIAL FACILITIES

Innovative Infrastructure Development: Prototyping Centers Creation



**PROTOTYPING CENTER IS A SPECIALIZED PROPERTY COMPLEX,
THAT PROVIDES SERVICES FOR THE DEVELOPMENT OF PROTOTYPES OF NEWEST PRODUCTS**

REQUIREMENTS TO THE CENTRE



Availability of machinery equipment or high-tech equipment

Staff of highly qualified professionals: production and design engineers, specialists in industrial design

Average production area should not be less than 20 sq.m. per PC employee

Average office area should not be less than 10 sq.m. per PC employee

DIRECTIONS OF SPENDING



Purchase of fixed assets

Communication services

Payment for the services of third parties

Utilities

Rent of premises

Other expenses



ACCESS OF SMEs TO HIGH-TECH EQUIPMENT FOR MODELING OF INNOVATIVE PRODUCTS AND WARES



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\$57 mln



F A S I E



Goals:

- Creation of new high-tech goods and services
- Creation of a competitive economy
- Expansion of infrastructure

Objectives:

- Commercialization of research results
- Sharing of primary risks of innovative entrepreneurship
- Education and development of innovative companies

Attraction of wide layer of the scientific-technical society to the projects expertise

Direct funding of projects under government contracts not requiring co-financing

Monitoring of the implementation of measures for the establishment and provision of activities of the SMEs support infrastructure organizations

INTEGRATED SUPPORT OF SMES, ENGAGED IN FOREIGN-ECONOMIC ACTIVITY

EXPORT SUPPORT CENTERS



- Marketing research
- Organization of exhibitions
- Export contracts support
- Organization of the meetings
- Information promotion on exporting SMEs
- **37** centers are established in **36** regions

EURO INFO CORRESPONDENCE CENTER (Enterprise Europe Network)



- Facilitating EU market entry
- Assistance in the search of the potential business, technological, scientific partners
- Dissemination of information about Russian companies
- Exchange of commercial offers, requests and business information
- **45** centers are established in **42** regions



Facilitate SMEs enter the international markets of goods, services and technologies, improve their competitiveness

SUBSIDIES TO SOCIAL ENTREPRENEURS

Providing employment for the disabled, mothers with children under the age of 3 years, graduates of orphanages, as well as persons released from prison - 50% of the employed

Social services to citizens, the production of equipment for people with disabilities, cultural and educational activities, social services

Maximum size of the grant is \$17 thnd

In 2013 allocated **\$2 mln** to **6 Regions** of the Russian Federation

SOCIAL ORIENTED INNOVATION CENTERS

Assistance in business planning (selection of projects, assessment of the social efficiency of the project, the development of business models)

Legal support and consulting about the rights and preferences for social enterprises,
on accounting, preparation of financial statements

Training and certification, seminars of social entrepreneurs

Selection of the social leaders and the best social practices and their presentation on the open events

In 2013 it was allocated **\$776,5 thnd** to **7 Regions** of the Russian Federation



SOCIAL INITIATIVES:

Children's Centers



CHILDREN ACTIVITIES CENTERS

Expenses include rent of premises, repair, purchase of equipment.
The grant is given in 3 stages.
Requires compliance with fire and sanitary requirements

Maximum volume of grant is \$28 thnd,
own expenses of the entrepreneur should be at least 15%

In 2013 it was allocated **\$2,6 mln** to **17** Regions of the Russian Federation

PRE-SCHOOL CENTERS

Expenses include rent of premises, repair, purchase of equipment, the provision
of educational services.
The grant is given in 3 stages.
Requires compliance with fire and sanitary requirements

Since 2014 recipient is **an individual entrepreneur** or **legal entity**
before 2014 it was only individual entrepreneur

Maximum volume of grant is \$283 thnd
covering no more than 50% of the incurred costs

In 2013 it was allocated **\$1,8 mln.** to **5** Regions of the Russian Federation



SOCIAL INITIATIVES: Youth Entrepreneurship Support



YOUTH ENTREPRENEURSHIP PROMOTION



Conclusion of the Agreement on cooperation between the Region of the Russian Federation that receive the subsidy and the Federal Agency for Youth Affairs (Rosmolodezh)



Trends in the framework of realization event, popularization, engagement, recruitment, training, support, ensuring the participation of young entrepreneurs in exhibitions, fairs

CENTERS OF YOUTH INNOVATION CREATIVITY



Maximum volume of grant to SMEs is \$198 thnd

Users are children and youth, SMEs

Priority is non-commercial use of equipment by children and youth to acquire skills on high-tech equipment

Equipment includes 3D printer, high-precision milling machine, lathe, laser cutting machine, cutting plotter, 3D scanner, soldering station, video communication, office equipment

Since 2012 the establishment of **74** Centers of Youth Innovation Creativity has been funded in **20** Regions of the Russian Federation



- ENSURING OF THE EMPLOYMENT OF YOUTH
- SUPPORT INNOVATIVE CREATIVITY OF CHILDREN AND YOUTH

GRANTS FOR SMES THAT OPERATE IN THE FIELD OF CRAFTS AND FOLK ARTS

FORMS OF SUPPORT



Establishment of special infrastructure, including chambers of crafts, crafts centers, and centers for the development of rural and ecological tourism

Grants to support SMEs in the field of crafts and folk arts in all the foreseen activities



DEVELOPMENT, SAVING AND REVIVAL OF TRADITIONS OF FOLK ART

ENTREPRENEURSHIP SUPPORT: Support Centers, Popularization, Education



CENTERS OF ENTREPRENEURSHIP SUPPORT

- financial, marketing and legal support for SMEs
- certification of goods, works and services
- recruiting services
- conferences, round tables
- consultations on the activities of the Institution of the Ombudsman under the President of the Russian Federation for the Protection of the rights of entrepreneurs

- The Board of Trustees of the center includes at least 50% of the representatives of the regional offices of All-Russian public organizations to support small and medium businesses
- The organization that provides consultancy to SMEs on the activities of the Ombudsman under the President of the Russian Federation for the Protection of the rights of entrepreneurs is on the basis of the Center

POPULARIZATION OF THE ROLE OF ENTREPRENEURSHIP

- production of television and radio programs
- publications in the media

- promotion of entrepreneurship in schools and universities

SME participation in regional, inter-regional and national forums and conferences held in order to promote entrepreneurship

Consulting for SMEs on activities of the Ombudsman under the President of the Russian Federation for the Protection of the rights of entrepreneurs

SMEs EDUCATIONAL SERVICES

- granting of certificates
- training in the university

- partial payment of education
- education for youth and social entrepreneurship



FREE CONSULTING AND EDUCATIONAL SERVICES FOR SMES ON DIFFERENT STAGES OF BUSINESS

PROVIDING GRANTS (not more than \$17 thnd)

Documentary evidences, that SMEs property has been damaged

The reimbursement of costs to restart entrepreneurship

SMEs that insured their property are in priority

MICROFINANCE ORGANIZATION

Preferential interest rate is not more than 0.5% per annum

Provision and (or) prolongation of microloan up to 3 years

Subsidy to compensate regional MFO losses incurred by the provision of microloans to SMEs



MONOCITIES SUPPORT



Monocities with a population less
than 50 thnd people



Max \$2,3 mln for
1 monocity

Monocities with a population from
50 to 300 thnd people



Max \$4,3 mln for
1 monocity

Monocities with a population more
than 300 thnd people



Max \$8,5 mln
1 monocity



PROVIDING EMPLOYMENT IN MONOCITIES

BUSINESS INCUBATORS (min area 900 sq. m.)

Granting on favorable terms spaces for rent (the 1st year 40% of the average value for the region, for the 2nd year - 60%, 3d year - 100%)

Conducting of incubation processes
(marketing, finance, investment planning, investment attraction, prototyping,
production organization)

The building is older than 1970, not more than 50% of depreciation

TECHNOPARKS (min area 5000 sq. m.)

Introducing the concept of development, business plan, financial model

Expenditures of the federal budget include construction of communications,
engineering infrastructure, purchase of equipment for collective use

PROMPARK (min area 20000 sq.m.)

Leasing of land, premises, providing of engineering, transport, logistics
infrastructure, providing of energy and water supply and sewerage

Provision of the concept of development, business plan, financial model

Expenditures of the federal budget include construction of communications,
engineering infrastructure, purchase of equipment for collective use



PROPERTY SUPPORT PROVIDES SMES ACCESS TO THE EQUIPED OFFICE AND INDUSTRIAL PREMISES



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THANK YOU FOR YOUR ATTENTION!

Moscow
2014