SPIEF 2019
OUTCOMES

ROSCONGRESS
Building Trust
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The key theme of the St. Petersburg International Economic Forum (SPIEF) 2019 was ‘Creating a Sustainable Development Agenda’. Our time requires a new, fairer development model for the world and its nations, business, society, and people.

As part of the SPIEF discussion programme, which included over 170 panel sessions and roundtables, participants touched upon the most important challenges and solutions for the sustainable development of the global economy and international cooperation. In the follow-up to the Forum, key issues on the medium-term global and Russian agenda were identified.

“The speed and scale of today’s changes in the world are unprecedented in history, and in the coming era it is important for us to hear each other and pool our efforts to resolve common goals.”

President of the Russian Federation Vladimir Putin

SPIEF 2019 OUTCOMES

The key theme of the St. Petersburg International Economic Forum (SPIEF) 2019 was ‘Creating a Sustainable Development Agenda’. Our time requires a new, fairer development model for the world and its nations, business, society, and people.

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According to SPIEF 2019 participants, the existing model of economic relations is going through a crisis. The principles of globalization and the free market are being replaced by protectionism.

- “International trade was the main driver behind the current globalization model. From 1991 to 2007, it grew more than twice as fast as global GDP... [Now] global trade has ceased to be the unconditional driver behind the global economy. The new engine represented by state-of-the-art technology is still being fine-tuned and is not yet operating at full capacity. Moreover, the global economy has entered a period of trade wars and mounting direct or covert protectionism,” Vladimir Putin, President of the Russian Federation.

- “Feelings of nationalism are growing, and protectionism is on the rise. Now we are in a situation where 50% of exports from G20 countries are to some extent affected by the policy of sanctions. This is a very important issue that cannot be discounted,” Andreas Schaal, Director of Global Relations Secretariat, Organization for Economic Co-operation and Development (OECD).

- As a result of economic growth in the developing countries and increased competition on the markets, developed countries are trying to maintain their dominance at all costs.

- “In the past three decades, the advanced countries’ share of global GDP by purchasing power parity decreased from 58 to 40 percent. In the G7 it dropped from 46 to 30 percent, whereas the share of the countries with developing markets is growing,” Vladimir Putin, President of the Russian Federation.

- “Under the circumstances, the states that previously preached the principles of free trade and honest and open competition began to talk in terms of trade wars and sanctions, and resorted to undisguised economic raids with arms twisting, intimidation and the removal of rivals by so-called non-market methods,” Vladimir Putin, President of the Russian Federation.

- “Now I think the United States looks like the main threat to this liberal global economy. They use the instruments of global trade and the dollar as a weapon, as an economic weapon against Russia, against China, even against Mexico,” Alexander Zhukov, First Deputy Chairman of the State Duma of the Federal Assembly of the Russian Federation.

- “The United States seeks to slow down the quantitative and qualitative growth of its main competitors. Examples of this include continuous expansion in the advanced countries’ share of global GDP by purchasing power parity decreased from 58 to 40%.”

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<tr>
<th>From 1991 to 2007</th>
<th>International trade grew more than TWICE as fast as global GDP</th>
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<tr>
<td>1991</td>
<td>58%</td>
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<td>2007</td>
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Creating a sustainable world order
the range of sanctions and blocking opportunities for competing companies in other countries,” Igor Sechin, CEO, Chairman of the Management Board, Deputy Chairman of the Board of Directors, Rosneft.

The further development of the downturn could result in the destruction of the global economic space.

• “The picture that is now taking shape in the world is the formation of several national development platforms, which have begun a tough battle, not for a year, not for two, but for decades. This battle will have varying degrees of success, and there will be lulls in it – a peculiar kind of Hundred Years’ War,” Maxim Oreshkin, Minister of Economic Development of the Russian Federation.

However, the primary danger is that the expansion of restrictive policies will cause a growth in inequality around the world, thus destabilizing it.

• “In essence, an attempt is being made to build two worlds, the gap between which is constantly widening. In this situation, certain people have access to the most advanced systems of education and healthcare and modern technology, while others have few prospects or even chances to break out of poverty, with some people balancing on the edge of survival,” Vladimir Putin, President of the Russian Federation.

In this situation, existing international economic institutions have proved ineffective.

• “With regard to finance, the main global institutions were created as part of the Bretton Woods system 75 years ago. The Jamaica Accords that replaced it in the 1970s confirmed the preference for the US dollar but, in fact, failed to resolve the key problems, primarily, the balance of payments and exchange rates <…> Clearly, in the wake of these profound changes, international financial organizations need to adapt and reconsider the role of the dollar, which, as a global reserve currency, has now become an instrument of pressure exerted by the issuing country on the rest of the world <…> Confidence in the dollar is simply plummeting,” Vladimir Putin, President of the Russian Federation.

• “The unprecedented growth rates and the intense competition are unfolding amid a new round of scientific and technological revolution and industrial transformation. The global governance systems and processes have become unfit for purpose and dysfunctional as never before,” Xi Jinping, President of the People’s Republic of China.

• “We had a very efficient monetary system based on the US dollar, on institutions like the IMF, like the WTO, so everything was more or less clear, understandable, and efficient. But we have a built-in contradiction – that this system is based on trust in US dollars,” Dmitriy Pankin, President, Chief Executive Officer and Chairman of the Board of Directors, Black Sea Trade and Development Bank.

• “You have the IMF, you have the World Bank. They came after the Second World War. You have all these big institutions. But are they adapted today for globalization and now regionalization within this globalization, and the return to protectionism? I am not sure,” Jean-Pierre Thomas, President, Thomas Vendome Investment.
Russia is suggesting a move away from protectionism starting with essential goods, as well as with equipment required to meet the goals of sustainable development.

"As a first step we propose, speaking diplomatically, conducting a kind of demilitarization of the key areas of the global economy and trade, namely making the distribution of essential items such as medicines and medical equipment immune to trade and sanctions wars. That also includes utilities and energy, which help reduce the impact on the environment and climate," Vladimir Putin, President of the Russian Federation.

SOLUTIONS Forum participants called for equitable dialogue, the search for a compromise, and respect for statutes of international law.

• "However, I am convinced that talk about an economic world order like this will remain wishful thinking unless we return to the centre of the discussion, that is, notions like sovereignty, the unconditional right of every country to its own development roadmap, and, let me add, responsibility for universal sustainable development, not just for one's own development," Vladimir Putin, President of the Russian Federation.

• "It is necessary to proceed from mutual respect in resolving disputes," Xi Jinping, President of the People's Republic of China.

• "We have to work out a compromise. To achieve this, mutual respect is needed, we need to show understanding for each other's interests and respect for them," Nikol Pashinyan, Prime Minister of Armenia.

• "We should come back and act again according to the international rules to support international organizations such as the United Nations and the World Trade Organization. I think that is the best we can do to come back and to respect the international rules, and not to fight against each other," Peter Pellegrini, Prime Minister of Slovakia.

• "It is vital that the world has multilateral institutions and architecture, and that international relations are based on international law," António Guterres, UN Secretary-General.

Above all, sanctions need to be dropped, while the creation of a competitive environment must be facilitated.

• "The alpha and omega of the market economy, the key driver of industrial and economic development, is fair competition. In the world of global competition, we understand that we can only take a certain share of the market by creating conditions for fair competition, particularly in the global markets," Dmitry Kozak, Deputy Prime Minister of the Russian Federation.

• "A key issue is getting back to the market. Trade wars and sanctions create uncertainties that prevent us from planning quickly and strategically," Alexander Novak, Minister of Energy of the Russian Federation.

• New rules for global trade are needed, as well as the reformatting of international institutions.

• "We need to change the real voting rights in the World Bank and the IMF. This is a genuine route towards balanced decision-making," Mikhail Zadornov, Chairman of the Management Board, Otkritie FC Bank.

• "I believe that social systems and the development paths of all countries should be respected. For example, new economies are developing and the role of developing countries is growing based on the existing world order, with consideration to the latest changes. Therefore, new countries with emerging markets and developing countries must be given the right to vote and participate in international organizations," Xi Jinping, President of the People's Republic of China.
SUSTAINABLE DEVELOPMENT OF INTERNATIONAL ECONOMIC COOPERATION
Development of integration mechanisms and bilateral cooperation is an effective tool for overcoming negative trends.

• “Integration is about the free flow of capital, labour, services, and goods. All member states, including Russia, benefit from that. Our goal is to further expand all these good sides of integration,” Anton Siluanov, First Deputy Prime Minister of the Russian Federation, Minister of Finance of the Russian Federation.

• “A large economic space is the basis for achieving national development goals. … What we are doing together is creating new, larger markets so that in Russia and in the EAEU, people can produce and sell as much as possible. This is the basis of the wealth of the ordinary citizen,” Igor Shuvalov, Chairman, State Development Corporation VEB.RF.

• “Integration is a driver, an incentive for further development. Today, integration issues are more important than ever,” Andreas Schaal, Director of Global Relations Secretariat, Organization for Economic Co-operation and Development (OECD).

Western business is interested in developing cooperation with Russia despite the sanctions.

• “The rules of the world are uncertain and constantly changing. … Despite the uncertainty, business participants in Russia, Italy and other countries need to establish adequate, reliable contacts and to have a clear idea of the future,” Antonio Fallico, President, Conoscere Eurasia Association; Chairman of the Board of Directors, Banca Intesa.

• “This year, the US presence at the Forum is the second largest after China. We did it without any support from the government. … USD 85 billion worth of US investment has now been injected into Russia. It is a fairly good result. An extra USD 1.6 billion is set to be invested this year. … Despite the problems, our relations are broad and deep,” Mitesh Rode-Zanzo, President, American Chamber of Commerce in Russia.

• “We are very much interested in being here and in significantly expanding our activity. … We have been in the business for 75 years. Over this time, the US has seen 14 presidents. We are not thinking about today’s political fights: we are thinking about long-term interests,” Seifi Ghasemi, Chairman of the Board, President, Chief Executive Officer, Air Products and Chemicals Inc.

To harness the potential of integration, we need to move away from protectionism and sanctions policy. Economic policy needs to be better coordinated by members of integration associations, and decisions need to be taken faster.

• “Working out coordinated, shared, or better unified policies in the most important areas of the economy. … It is impossible to lift all barriers and limitations without it. It will be impossible to increase competitiveness in global markets without entering coordinated, common, or unified policies, especially in a digital environment,” Viktor Khristenko, President, Business Council, Eurasian Economic Union (EAEU).

• “The formal part of decision-making takes at least a year, because everything in our union treaty is regulated, and we have to go through all those procedures. If we receive a comment from the expert level, we will waste at least two months, because we must stick to all formal procedures,” Tigran Sargsyan, Chairman of the Board, Eurasian Economic Commission.

The incompatibility of regulatory requirements is yet another hindrance to developing cooperation.

• “But there are certain issues we need to overcome to be part of the integration process, to interact with the European Union. … Technical regulations: they differ in Russia and the EU. … I admit that in some areas European standards are better. Some regulations, like phytosanitary supervision, are tougher in Russia,” Vladimir Putin, President of the Russian Federation.

• “The second aspect of our interaction and a massive barrier is the incompatibility of our legal frameworks. When we solve problems within the WTO, it is easy, we have established mechanisms and legal norms, legal customs that allow us to act within a convenient legal framework. This is not the case with Russia for the moment, the laws are totally incompatible,” Xiaojun Yang, President, 9F Group.
Development of integration in the EAEU

The authority of the Eurasian Economic Commission in making decisions on the supranational level should be broadened.

- “The Eurasian Economic Commission should have broader authority. Its level of responsibility should also rise,” Igor Petrishenko, Deputy Prime Minister of the Republic of Belarus.

- “Very good and promising decisions are being made, but, unfortunately, the implementation is not perfect. Therefore, the powers of the Eurasian Economic Union should be updated,” Zhenish Razakov, Vice Prime Minister of the Kyrgyz Republic.

Implementation of major joint projects in the EAEU can give international cooperation a significant boost.

- “We need more integration projects (like Airbus in the EU), so that every country feels involved in implementing these projects. And every country would have additional benefits and feel more engaged,” Anton Siluanov, First Deputy Prime Minister of the Russian Federation; Minister of Finance of the Russian Federation.

- “From the point of view of further prospects for development, we must focus on cooperation. We need large integration projects that would involve all our countries. The work in this area has already begun,” Alikhan Smailov, First Deputy Prime Minister of the Republic of Kazakhstan; Minister of Finance of the Republic of Kazakhstan.

One such integration project could be the implementation of digital technologies.

- “We need to take an overall look at digital transformation that is changing, among other things, the logic of our integration project. It is thanks to the EAEU that our national governments have a unique chance to enjoy their national sovereignty in terms of the digital agenda. Otherwise, individual countries would be unable to compete with transnational corporations and create ecosystems of their own,” Tigran Sargsyan, Chairman of the Board, Eurasian Economic Commission.

- “Digitalization is definitely a binding, integrating project. Digital technology, labelling, unified electronic signatures – these are things our Union cannot survive without. If we talk about integration, about building a union, it is a blood vessel, without which neither business nor state can exist. Integration projects like this should have been implemented long ago,” Anton Siluanov, First Deputy Prime Minister of the Russian Federation; Minister of Finance of the Russian Federation.

- “The development of common standards of conduct in the international digital space must be one of the priority areas of development. The BRICS nations must play a special role in drawing up these rules,” Anna Nesterova, Founder and Chairperson of the Board of Directors, Global Rus Trade; Head, Working Group on the Digital Economy; Member, Presidium of the General Council of Business Russia.

- “First of all, it is crucial to develop infrastructure and logistics centres linking various forms of transport. We also need to modernize the existing networks and transport facilities and accelerate the process of harmonizing and unifying standards in transport,” Vladimir Norov, Secretary General, Shanghai Cooperation Organization.

- “The SCO is now becoming much more active in creating the platform for this regional connectivity, <<...>> I would urge you to consider whether there is the case to create a secretariat within the SCO focused specifically on encouraging and enabling infrastructure investment that crosses the borders of the region,” Richard Threlfall, Partner, Global Head of Infrastructure, KPMG.

Promoting cooperation with developed countries

Implementation of joint projects, especially in high-tech and technology transfer is the most promising area of cooperation between Russia and developed countries, Forum participants noted.

- “First of all, we need a strategy...<<...>> It means transforming ‘made in Italy’ into ‘made with Italy’, that is, introducing know-how and new Italian technologies, which should be mastered together with Russian entrepreneurs. Thus, we need the environment, trust and the necessary tools,” Pasquale Terracciano, Ambassador Extraordinary and Plenipotentiary of the Italian Republic to the Russian Federation.

Below is the breakdown of scientific publications by Russian researchers: most papers are on physics, engineering, chemistry, and mathematics, as well as new materials. Over the last decade the number of publications by Russian scientists has doubled.

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**SUSTAINABLE DEVELOPMENT OF THE NATIONAL ECONOMY**

**Accelerating economic growth and improving people’s welfare is a key national goal in Russia**

“Our priority for the coming years is not only to become one of the world’s top five economies. It is ultimately not a goal in itself but a vehicle; we have to reach and stay at the average European level in all major parameters reflecting the quality of life and people’s wellbeing,” Vladimir Putin, President of the Russian Federation.

Below is the flowchart of the Human Development Index in Russia and various country groups calculated by the UN. The Index shows integrated statistics of various indicators describing quality of life and development potential, including life expectancy, education and income levels.
“Over 55% of our businesspeople don’t trust our judicial system, while two thirds believe it to be biased and lacking independence. <…> We have weak institutions and the rule of law can’t be achieved. When it comes to law enforcement <…> 70% are confident doing business isn’t safe.”
Alexey Kudrin, Chairman, Accounts Chamber of the Russian Federation

The results of the National Regional Investment Climate Ranking also reflect the importance of this problem. According to Svetlana Chupsheva, General Director of the Agency for Strategic Initiatives (ASI), the business environment for entrepreneurs in the regions continues to improve, but the growth in the investment climate integral indicator fell to 7.3 points, compared to 15.8 points last year.

“Indeed, it is a low tempo: 0.5% in the first quarter,” Anton Siluanov, First Deputy Prime Minister of the Russian Federation; Minister of Finance of the Russian Federation.

“People don’t take out credit to live large, it’s not the demand that is growing… <…> it’s the way to maintain a lifestyle when your income is growing slowly,” Elvira Nabiullina, Governor of the Bank of Russia.

So far, according to the Bank of Russia, an increase in consumer lending is contributing to economic growth, but in the long term a larger debt burden can create risks for the economy and welfare.

A favourable business environment still needs to be created, with administrative pressure remaining at a high level.

“The entrepreneurial climate, the confidence of entrepreneurs in the future, and power politics, which have become more acute of late, are significant issues that we have to deal with,” Kirill Dmitriev, Chief Executive Officer, Russian Direct Investment Fund (RDIF).

“Today, 84% of entrepreneurs believe that doing business is a dangerous thing, that <…> administrative pressure is increasing. Nearly 90% believe that it is growing. <…> The number of fines has increased,” Boris Titov, Presidential Commissioner of the Russian Federation for the Protection of Entrepreneurs’ Rights.

Another negative factor is the unstable legal system.

“The first barrier is nothing less than a catastrophe, especially against the backdrop of the existing successes. It is administrative pressure, pressure from law enforcement and regulatory agencies,” Andrei Belousov, Aide to the President of the Russian Federation.

A low economic growth rate and low income growth are creating new threats.

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“The task is to incentivize business participation in national projects. Business does not ask for special benefits. The initial business request is for the stability and predictability of fiscal, tax, administrative and other burdens.”
Alexander Shokhin, President, Russian Union of Industrialists and Entrepreneurs (RSPP)

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By 1 January 2021

Sustainable development of the national economy

The reform of the public administration system is intended to improve the business climate.

“This year we launched a deep and comprehensive reform of monitoring and oversight. It is the largest reform in the post-Soviet era. Starting 1 January 2021, the entire old, largely obsolete legal framework will cease to operate. It will be replaced by a clear-cut system of requirements: any duplication of government body authority should be eliminated, grounds for random inspections or audits are to be restricted and a risk-based approach will be established. The information service that is set to be launched this year will make it possible to objectively compare information from oversight bodies on the one hand and entrepreneurs on the other. Any incongruities must result in a timely response,” Vladimir Putin, President of the Russian Federation.

Digital technologies should become a tool to improve the effectiveness of the public administration system as a whole. Vladimir Putin asked the government “to present a specific plan of action in this regard” in cooperation with the regional governors.

“By implementing important infrastructure projects we set off a whole cycle of other projects that become possible in different sectors of the economy. […] How effective national projects are depends on how many business projects are then implemented on the basis of them,” Maxim Oreshkin, Minister of Economic Development of the Russian Federation.

Implementation of national projects is possible due to the sustainability of the Russian budget.

“In 2017, there were only five countries in the world that invested considerable intellectual and managerial resources into the development of national strategies. Now there are more than 30 countries. And Russia has joined the list.”

Maxim Akimov, Deputy Prime Minister of the Russian Federation

National projects are designed to stimulate growth in the Russian economy.

• “We need to instigate structural changes. We’re promoting national projects that are hitting problems where it matters the most: labour efficiency, infrastructure, export incentives, small and medium-sized enterprises. […] I am confident that this will boost economic growth,” Anton Siluanov, First Deputy Prime Minister of the Russian Federation; Minister of Finance of the Russian Federation.

The legislature to protect and stimulate capital investment is ready. It will provide stable conditions throughout the entire investment project. […] We started to push a policy to make credit cheaper and to subsidize interest rates,” Anton Siluanov, First Deputy Prime Minister of the Russian Federation; Minister of Finance of the Russian Federation.

We need to create conditions for implementing national development projects and coordinate these efforts across all levels of government.

• “There are a lot of development institutions, especially in the area of innovation. […] We proposed creating horizontal management lines and supporting each other [corporation members] with skills and capital,” Igor Shuvalov, Chairman, State Development Corporation VEB.RF.

• “It’s not for businesses to participate in national projects but for national projects to create platforms upon which businesses are able to implement their projects […] The state must participate and make the first contributions and capital grants for projects of this kind, and that includes the use of public–private partnership (PPP) mechanisms,” Maxim Oreshkin, Minister of Economic Development of the Russian Federation.

Such mechanisms of interaction are already used when implementing complex projects for the development of Far Eastern and Arctic regions. Vladimir Putin suggested creating such projects for Central and Eastern Siberia. The government together with the expert community are to draft corresponding propositions by autumn 2019.

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The topic of healthcare was given special consideration at the Forum: it was discussed both as part of the general business programme and at the Healthy Life discussion platform. In order for healthy life expectancy to grow, we need to provide universal access to high-quality medical services and medication, use cutting-edge technologies in healthcare, and ensure better funding.

“When establishing the scope of care in the obligatory health insurance system, preference is given to large medical organizations with able-bodied people. And, unfortunately, there is not much money for those that are located in remote areas. [...] Today there is a RUB 51 billion deficit in the regional segment,” Tatyana Golikova, Deputy Prime Minister of the Russian Federation.

That aside, we need to create demand for healthy lifestyles in society and the right conditions to facilitate this.

“Forty-one percent of deaths in Russia are potentially avertable. Of this figure, just under half are avertable through a comprehensive set of reasons stemming from economic, social, and other factors. We call this public health. This is about promoting health in general and encouraging people to lead healthy lifestyles,” Veronika Skvortsova, Minister of Health of the Russian Federation.
SOLUTIONS

Development of primary care needs to be combined with the creation of high-tech medical centres in the regions. Such an approach would allow for early diagnostics and timely treatment.

• “We need to develop primary care. … We need to build a new model that will focus on preventing diseases and early diagnostics. This will help reduce the frequency of severe stages,” Arman Ramalov, Director, University Clinic, Lomonosov Moscow State University; Head of the Urology and Andrology Department, Faculty of Fundamental Medicine, Lomonosov Moscow State University.

• “We have regions with a total population of less than 1 million people. … At the initial stage, we can create and support medical organizations in federal districts that would accumulate all the cutting-edge technologies.” Nelli Naiguzina, Deputy Head, Analytical Centre for the Government of the Russian Federation.

The national vaccination schedule must be expanded, and outreach efforts should be improved.

• “The federal budget for 2020 and subsequent allocates roughly 25% more money to the national vaccination schedule. This is a significant increment,” Airat Farrakhov, Deputy, Member of the Committee on Budget and Taxes, State Duma of the Federal Assembly of the Russian Federation.

Business can make a significant contribution to public health development. Such activity must be supported by the state.

• “We need to stimulate employers, to give them incentives to pay for certain advantages for those who work for them,” Maxim Topilin, Deputy Chairman of the State Duma of the Federal Assembly of the Russian Federation.

Forum participants also spoke about the importance of working out universal standards for children’s nutrition. A corresponding draft law has been developed in Russia.

• “We have drafted a law which aims to outline a good diet for a child – one which specialists claim will offer sufficient nutrition, and will support their health and all-round development. … We are working with the government to ensure that all children in primary school are provided with free hot meals. These are investments in health,” Irina Yarovaya, Deputy Chairman of the State Duma of the Federal Assembly of the Russian Federation.

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The key preventative tool must be a healthy lifestyle. The projects aimed at public health improvement must embrace the entire population, including all cities, districts, and villages.

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“When we speak about social responsibility in the business sector, it is not only about a desire for funds. … It is much more important that businesses act in a fair way, and offer goods and services which will have a positive effect on people’s health and quality of life.”

Irina Yarovaya, Deputy Chairman of the State Duma of the Federal Assembly of the Russian Federation.

A key factor for health improvement is ensuring the accessibility of medication, including innovative products. This is possible with state support and the development of clear and sustainable rules for pharmaceutical market regulation.

• “We have seen in Europe, for example, that the development of innovative drugs contributed by a factor of 75% to increasing the longevity of patients over the last 15–20 years. … I think that is an important contribution that is something to be looked at here,” Koen Berden, Executive Director for International Affairs, European Federation of Pharmaceutical Industries and Associations.

• “The ‘Pharma 2030’ programme includes state-of-the-art elements: vaccines, biomedical cell products, gene therapy drugs, the healthcare industry. … This is one of the most promising programmes. Both the sector and business are waiting for it and fully support it,” Alexey Martynov, President, Association of Biomedical Cellular Products Manufacturers.

• “Basically, today we have agreed that starting next year we will have a unified tool for financing drug research projects, which will allow us to give such subsidies up front, so that we could pay advances to companies. … Together with RVC we are creating a venture capital fund to finance early development, risky development and long-term development. … We could consider financing certain projects at early stages through venture capital instruments,” Sergey Tsyb, First Deputy Minister of Industry and Trade of the Russian Federation.
DEVELOPMENT OF EDUCATION AS A FOUNDATION FOR SUSTAINABLE ECONOMIC GROWTH

The main challenge is the mismatch between the education system and the requirements of a labour market that is rapidly changing due to new technological developments.

• “As much as technology is a vector of hope, it is also a source of fear. We know there will be a massive disruption in the labour market, with an enormous number of jobs both created and destroyed with artificial intelligence. And that is why we need a massive investment in education,” António Guterres, UN Secretary-General.

• “Just as companies have to learn how to do sustainable business, young people have to gain skills for leading sustainable lifestyles. We have to bear in mind that more than 50 percent of the world population is under 30. Youth play the central role in development. They are actors of changes; youth is at the same time an actor of environmental changes,” Peter Pellegrini, Prime Minister of Slovakia.

Russia also needs to increase investment in education.

• “Last but not least are the investments into education and technologies. We’re investing slightly over 3% of GDP. Innovative countries such as Sweden or Germany invest 5% to 7%,” Alexey Kudrin, Chairman, Accounts Chamber of the Russian Federation.

More than 50% of the world population is under 30.

One of the tools for the modernization of educational programmes is the Future Skills initiative that is being implemented as part of the WorldSkills movement and is aimed at early staff training.

• “As you may know, in August, Kazan will host the WorldSkills championships, during which, at Russia’s initiative, the first ever competition testing the competences of the future will take place, including machine learning and big data, composite materials technology and quantum technologies,” Vladimir Putin, President of the Russian Federation.

Another programme aimed at professional growth is a unified platform called ‘Russia – the Country of Opportunities’. Olympiads and competitions for people of various ages and competences from Russia and other countries are held as part of this programme.

• “A human resources project like this is unprecedented in scale. It drew over 1.6 million people in 2018 and 2019 alone,” Vladimir Putin, President of the Russian Federation.

An anthropocentric approach must lie at the heart of the education system.

• “Leadership cannot be learnt from textbooks. You can only be infected with leadership; it is a kind of fever. <…> Many people start thinking that now everything is becoming automated, artificial intelligence is being introduced, and soon people will not be needed. I strongly disagree: in my opinion, it is nonsense. People’s decisions and leadership are valued; people will always be the most important thing,” Sergei Kirienko, First Deputy Chief of Staff of the Presidential Executive Office of the Russian Federation.

Forum participants spoke about the need to provide equal access to high-quality education and summarize the data about educational practices.

• “With the support and on the initiative of the Russian Academy of Sciences, Roscongress and Innopraktika, an expert group was created that brings together all those decisions and initiatives taken at different levels on different platforms, and based on this incoming flow of information, we can generate an overall picture of the situation,” Natalya Popova, First Deputy General Director, Innopraktika.

SOLUTIONS

We need to make the most advanced education and retraining available outside of Moscow and St. Petersburg universities — in regions, so that people do not have to go to the capitals or abroad to get a world-class education.”

Mikhail Kotyukov, Minister of Science and Higher Education of the Russian Federation.
Environmental challenges are a threat to the socioeconomic wellbeing of humankind.

• “Today, more than 800 million people around the world do not have basic access to drinking water, and about 11 percent of the world’s population is undernourished. A system based on ever-increasing injustice will never be stable or balanced,” Vladimir Putin, President of the Russian Federation.

• “Climate and the environment have become an objective factor in global development and a problem fraught with large-scale shocks, including another uncontrolled surge in migration, more instability and undermined security in key regions of the planet,” Vladimir Putin, President of the Russian Federation.

• “We must address the global climate emergency. We are in a race against time, and we are losing the race.

In fact, the reality is proving to be worse than scientists had foreseen. We are also coming to recognize how climate impacts are accelerating the drivers of conflict, for instance in the Sahel, and even paving the way for the expansion of terrorism and extremism in that region,” António Guterres, UN Secretary-General.

The anthropogenic load is the key factor for climate change.

“The intergovernmental Climate Change Expert Group has determined with a certainty of 95.5% that climate change is the result of anthropogenic load,” Ruslan Edelgeriyev, Advisor to the President of the Russian Federation; Special Presidential Representative on Climate Issues.

The anthropogenic load is the key factor for climate change.

Pollution of the World Ocean is a direct threat to human health.

• “It is not only the plastic that we see floating around, but the plastic that actually gets into the food chain and, through the food chain, our bodies too. It is very unhealthy for us human beings,” René Berkvens, Chief Executive Officer, Damen Shipyards Group NV.

International cooperation for the conservation of the World Ocean is complicated by the fact that states compete for its resources.
We have taken on a serious commitment as part of the Paris Agreement and we are sticking to it. We are not giving anything up. We are reducing our anthropogenic footprint,” Vladimir Putin, President of the Russian Federation.

Implementation of the Paris Agreement is to become an important tool.

• “We have taken on a serious commitment as part of the Paris Agreement and we are sticking to it. We are not giving anything up. We are reducing our anthropogenic footprint,” Vladimir Putin, President of the Russian Federation.

Russia puts forward a policy aimed at providing incentives for enterprises to implement best available technologies and develops corresponding instruments.

• “We have adopted legislature to use best available technology. <…> It has to do with costs – considerable costs – for our businesses: a lot of resources need to go into cutting edge technologies. But we are doing it, we are introducing a penalty system,” Vladimir Putin, President of the Russian Federation.

• “Business needs help in raising its environmental standards. As a regulator, Bank of Russia is working to make green financing tools more accessible,” Elvira Nabiullina, Governor of the Bank of Russia.

• “According to the transport strategy, – Ed., by 2030, the share of vehicles running on alternative fuels, including NGV, will reach at least 49%. <…> We plan to help regions purchase passenger transport that runs on NGV. There are RUB 20 billion reserved in the federal budget for these purposes,” Evgeniy Ditrikh, Minister of Transport of the Russian Federation.

Transition to ecofriendly transport fuel is of great importance.

• “The real waste reform will start when we build 200 sorting and recycling plants.” Sergei Ivanov, Special Presidential Representative for Environmental Protection, Ecology and Transport.

• “If we sort solid waste, everything we find there – glass, plastic, metal, cardboard, biomass – everything comes from Russia. It is evident we can create a closed-cycle economy in Russia, we have everything we need for it,” Dmitry Kobylkin, Minister of Natural Resources and Environment of the Russian Federation.

When implementing the reform, best global practices need to be used and people must be stimulated to sort waste.

2024,

By 2024, the share of disposed waste is to increase from 12% to 60%, and recycled waste – from 7% to 36%

The reform for handling solid municipal waste that was launched in Russia on 1 January 2019 significantly contributes to solving this issue.

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SUSTAINABLE DEVELOPMENT OF THE SOCIETY

Economic growth is impossible without creating conditions for unlocking people’s creative potential. The key components of this process are a comfortable urban environment, dialogue between the state and the society, and the active involvement of women in economic life.

• “The mission is to use the potential of the new digitalization era and to ensure it is for the benefit of all. Digital humanism means that human beings remain the central focus of the digital transformation, while digitalization should be approached in its entirety and complexity for the improvement of people’s lives and the preservation of our planet. Digital humanism that seeks to enable people to achieve things they never believed possible, empowered by the use of technologies,” Peter Pellegrini, Prime Minister of Slovakia.

• “We need to step up efforts to build a tolerant society of universal prosperity that puts the interests of the common person at the forefront. Improving people’s wellbeing is the top priority of any state,” Xi Jinping, President of the People’s Republic of China.

• “Cities are manifestations of the national project. Everyone should get involved and contribute to the comfortability of the urban environment. The government has began allocating budget funds for these projects. Over these years we are going to spend more than RUB 300 billion on the creation of a comfortable urban environment. By 2024, we need to ensure that 50% of our cities have a comfortable environment,” Vitaly Mutko, Deputy Prime Minister of the Russian Federation.

A thoughtful approach to urban development makes it possible to achieve a fast and significant change in the environment.

• “We have achieved the synergy of various transformations, and, as a result, a pretty high-quality space in Moscow. European cities have been creating such spaces throughout their history. We had to do that in a few years. We created a space where millions of people have come to take part in celebrations and festivals, or just to walk around the city,” Sergei Sobyanin, Mayor of Moscow.

It is important to encourage municipal authorities to work on improving the urban environment and to engage in dialogue with the society.

• “If a governor asks a head of a municipality why they do not have something that a neighbour has, this is what encourages them not only to have what their neighbours have, but to make it better. This mechanism is now working pretty well as part of the national rating,” Andrei Belousov, Aide to the President of the Russian Federation.

Russia has implemented the Housing and Urban Environment project and the Development of a Comfortable Urban Environment project at the federal level.

• “We must reach out to the people. Governors and city mayors are to take on this role as it is vitally important to convey this information properly. Sometimes it could be simply listening, with the possibility of refining the strategy so that it has a concrete impact on people’s wellbeing and achieved its intended outcome,” Tatyana Golikova, Deputy Prime Minister of the Russian Federation.

Furthermore, Forum participants spoke about the need to eradicate inequality in men’s and women’s salaries, introduce gender quotas when choosing candidates for management jobs, and create positive working conditions for mothers.
Sustainable development requires investment, and business must make a significant contribution.

17 SUSTAINABLE DEVELOPMENT GOALS were adopted as part of the 2030 Agenda, but in order to achieve them we need to annually invest 7–10% of global GDP.

To expand these practices, we need to develop corresponding mechanisms, standards of financial reporting and impact assessment.

• “We need USD 5–7 trillion of global investment annually into sustainable development projects, – Ed., and that’s between seven to ten percent of the global GDP. … 60% of global GDP is created in the private sector. We can no longer rely on public funding alone. Let’s talk about how to combine public and private resources in a meaningful way. … Only 17% of businesses have actually introduced any relevant plans or policies to materialize this support. Sustainability requires a framework for business planning and decision-making,” Peter Pellegrini, Prime Minister of Slovakia.

• “We have to agree on the rules of the game. Not the short term of 2, 3 or 5 years, but 10–20 years, so that business that chooses a PPP understands that there will not be any changes for the next two decades,” Sergey Fakhretdinov, Chairman of the Board of Directors, Management Company Ruscompozit.

• “Russia does not currently have public financial reporting standards. They have not been brought in line with international standards. This is a problem that we are aware of and which we want to correct,” Ilya Torosov, Deputy Minister of Economic Development of the Russian Federation.

• “What businesses really need are examples of practical tools which could help them achieve sustainable development. It is very pleasing to see that the Ministry of Economic Development is taking systemic steps in this area, and as the regulator will provide specific tools to allow businesses to become even more closely involved in this initiative,” Alexander Plakida, Chair of the Steering Committee, National Network of the Global Compact; Vice-Chairman of the Board, ACIG Group of Companies.

• “We have chosen a pilot district with 25 schools and 5,000 students. Over the course of the next three years together with our colleagues from the Higher School of Economics we are going to test all best practices and technologies and try to find the practices that were born here, in our soil, and let them grow,” Vladimir Solodov, Chairman of the Government of the Republic of Sakha (Yakutia).
The implementation of innovative and digital technologies became a persistent theme of the Forum. Possession of modern technologies is becoming a key competitive factor for national economies.

“IT would appear that rapid digital transformation and technologies that are quickly changing industries, markets and professions, are designed to expand the horizons for anyone who is willing and open to change. Unfortunately, here too barriers are being built and direct bans on high-tech asset purchases are being imposed,” Vladimir Putin, President of the Russian Federation.

The United States and China account for 95% of the world's digital capitalization.

“Countries compete for framework and financial instruments, technological leadership. Technologies have become the main geopolitical weapon. States do not threaten each other with nuclear bombs anymore, they say: ‘We will disconnect you from technologies.’ Today this is like taking away an IV drip from a sick person: we all depend on these technologies, and that is why they gain so much importance,” Herman Gref, Chief Executive Officer, Chairman of the Executive Board, Sberbank.

Half of all jobs can be downsized by 2030 due to the development of artificial intelligence.

As Russian President Vladimir Putin noted, Russia needs to accelerate technological development: “Our priority is to be among the front-runners, those who use these technologies and convert them into a real breakthrough.”

“In order to solve this issue, we need to create a regulatory framework and in order to solve this issue, we need to create a regulatory framework and financial instruments, and closely cooperate on the national and international levels.”

“An interesting area is not just the monetization of new developments, but the exchange of those developments with other market participants,” Vladimir Potanin, President, Chairman of the Board, MMC Norilsk Nickel.

“The most important issue, as we know from the regrettable statistics, is that when we look at the amount of funds allocated for science, it is estimated that business provides only 25 to 30 percent, with the rest coming from the state. This means that we do not have the integration that exists in rapidly developing, high-tech economies where the ratio of funds provided by the state and business is almost the opposite,” Alexander Sergeev, President, Russian Academy of Sciences.

“A fundamental problem in the Russian business sector is that it is focused on profit, so a global upsurge of startups in Russia is impossible. We do not have venture investors or a stock market, so if you have not started turning a profit in three years, you are out of business,” Oleg Tinkov, Chairman of the Board of Directors, Tinkoff Bank.
Russian President Vladimir Putin announced that the country’s government together with Russian high-tech companies drawn up a technological development strategy in the field of artificial intelligence. A decree on its launch will be signed in the near future, and a step-by-step action plan has been integrated into the Digital Economy National Programme.

Moreover, the Russian President invited major Russian companies to become head partners of the state in developing comprehensive scientific and technological areas. He said that the respective agreements will be signed imminently with Sberbank, Rostec, Rosatom, Russian Railways and Rostelecom. Gazprom, Rosneft, Rosseti and Transneft have also been invited to join the project.

“Under the partnership agreement, the companies invest in research and development, they invest in competence centres, startup support, training personnel in research, management and engineering and in attracting foreign specialists. The state, in turn, will provide financial and tax incentives, generate demand for domestic high-tech products, including through government procurement, that is, it will guarantee a market,” Vladimir Putin, President of the Russian Federation.

At the same time the government is tasked with both attracting experts and the business community and adjusting the system of technical standardization and regulation, helping to make quick decisions.

The state intends to develop practical recommendations for regions that can implement digital technologies in the management process.

“This is why early next year we will give the regions a standard cloud solution with preset standard services that will help the regions to customize their services without any extra cost and to provide them effectively through our consolidated portal or through regional resources,” Maksim Parshin, Deputy Minister of Digital Development, Communications and Mass Media of the Russian Federation.
List of information sources used:

1. LAB-AIDS. Global Warming Interactive
2. Scopus citation database
3. Human Development Indices and Indicators: 2018 Statistical Update
5. World Bank DataBank Life expectancy at birth