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# Innovation Depends On Image and Angels

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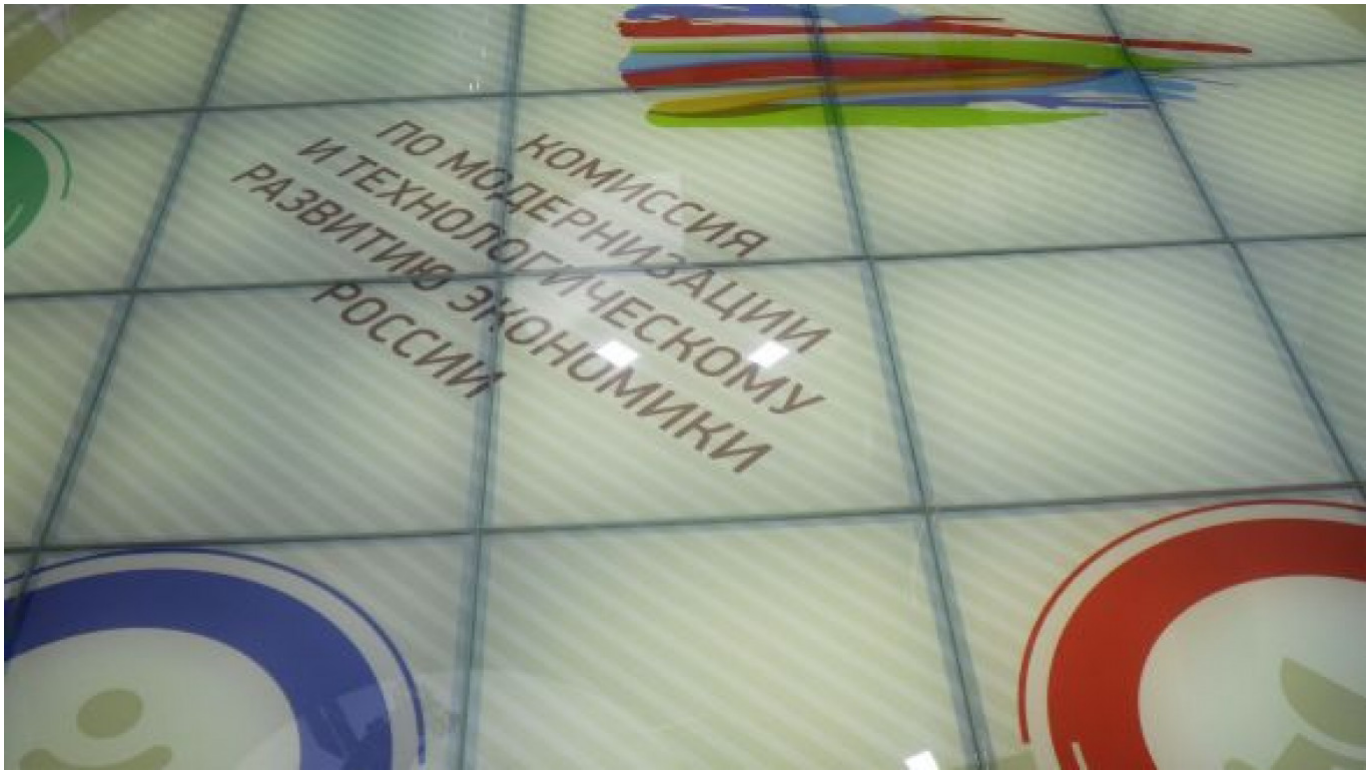


The Skolkovo Foundation, Russian Venture Company and eight other Russian innovation companies signed a cooperation agreement in early April to facilitate a so-called innovation "boost" for the country
**Scott Rose**

European venture capitalists think Russia must work to change the perception of being a difficult place for investments in innovation, the secretary of the European Private Equity and Venture Capital Association, or EVCA, Georges Noël, said Tuesday at a news conference at the Global Innovation Partnerships forum.

As President Dmitry Medvedev is rolling out his modernization and innovation agenda, attracting foreign investors and hawking Skolkovo on every street corner, foreign venture capitalists are finding themselves invited to innovation forums and conventions with increasing frequency.

One of the key sentiments that emerges during these conferences is the difference between

Russia's potential as an innovation hub and its perception by foreign investors.

"The trick here is to overcome the perception that doing business in Russia is more difficult than it really is," Noël said.

If this happens, as much as 15 percent of the total portfolio of between five and 15 European venture capital firms will be invested in Russia, and this number will continue to grow, he said.

"You really need to facilitate the work on the legal side and the bureaucratic side. I am sure you are already making steps in that direction," he said.

"Russia should convince American and European companies to directly invest in Russia," Noël said.

The media might be a key element in addressing this problem, he said, as foreign investors rely heavily on the press to determine whether they will enter a new market.

Igor Agamirzyan, who heads Russian Venture Company, said more than 70 companies across the country are now registered as Russian Venture Company's venture partners.

Agamirzyan also spoke of a boom of business angels in Russia — individual investors who are focused on startups and entrepreneurs and take a personal interest in their target's success.

This trend was confirmed by the country's business angels association.

"We estimate that by 2015 Russia will have approximately 10,000 to 15,000 business angels, and the volume of their investment will reach $500 million per year," Konstantin Fokin, president of the National Business Angels Association, said at the Third Annual Business Angels Association Congress.

The Skolkovo Foundation, Russian Venture Company and eight other Russian innovation companies signed a cooperation agreement in early April to facilitate a so-called innovation "boost" for the country, which will involve them pooling their efforts to create conditions favorable for research and development.

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