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Skolkovo Foundation to Get $15Bln in 2013-2020

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Despite the controversy around the ongoing corruption probe into the Skolkovo Foundation, it will get over 500 billion rubles ($15 billion) in state and private funding more than the next seven years to bring in innovations to the domestic economy, according to a state program revealed Thursday.

Spending on the Skolkovo project, which is run by the foundation and involves creating an innovation hub on the outskirts of Moscow, will amount to 502 billion rubles in 2013 through 2020, with 73 percent of the sum to be contributed by private investors, Economic Development Minister Alexei Ulyukayev said at a Cabinet meeting chaired by Prime Minister Dmitry Medvedev.

The remaining 27 percent of the funds, or 135.6 billion rubles, will be set aside in the federal budget, he said. Of that amount, the government intends to spend 57 billion rubles on creating favorable conditions for developing innovations.

A total of 42 billion rubles will be channeled to develop the Skoltech Institute to educate specialists in high-tech industries, while 37 billion rubles will be spent on building the hub's infrastructure.

The figures are outlined in the state program to develop the Skolkovo center, unveiled by Ulyukayev. Implementing the program is part of a broader move by the government to create an innovative economy.

The government counts on Skolkovo as one of the major drivers of economic modernization amid the efforts to diversify the country's economy away from the oil and gas industry. Skolkovo Foundation President Viktor Vekselberg claimed Thursday that the return on investment in the innovation hub was likely to exceed state spending significantly.

The effects of Skolkovo investments will be visible by 2030 when the project becomes fully operational, Vekselberg told Interfax. The overall contribution of the innovation hub to the country's GDP might reach up to 1.5 trillion rubles by that time, he added.

Construction of the Skolkovo innovation hub, a brainchild of then-president Medvedev, began in 2010, with a number of international high-tech companies like Siemens, Nokia and Samsung signing agreements to establish their research and development centers there.

Among the biggest participants in the project is U.S. technology giant Cisco Systems, which pledged to invest $1 billion in developing innovations in Russia over the next 10 years.

The Skolkovo project got mired in a corruption scandal earlier this year when investigators opened a few cases against its former and current executives. The move was followed by the resignation of Deputy Prime Minister Vladislav Surkov, who oversaw the project, jeopardizing the Skolkovo project's future development.

However, there are no threats to the project at the moment, Vedomosti reported Thursday, citing an unidentified Kremlin official. The presidential administration is committed to further developing the hub, he said.

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