SUMMARY

Subject matter of the Graduation Thesis: The Improvement of the Investment Policy of the Municipality (by the Example of the City Council of the Municipality of the City Grozny)

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Information about customer organization: the City Council of the Municipality of the City Grozny.

Topicality of the research: The promotion of investment activities is one of the primary tasks of local governments, the solution to which not only a wide range of problem-solving depends on at certain municipalities, but on the whole the fate of the local government does to some extent.

The prerequisite for a successful investment resources attraction and their efficient utilization is the availability of a targeted investment policy, that is based on the assessment and estimates of the investment climate of the Municipality and which takes into account all participants’ interests in the investment process.

The aims and objectives of the investment policy of the city, its forms, techniques and tools for its implementation depend on the social and economic environment, the Municipality and its investment potential are in.

Objectives of the research: are to work out some theoretical propositions and elaborate practical recommendations to make and implement a long-term investment policy of the Municipality.

The tasks of the research are:

to examine the content and specific features of investment activities at the Municipality’s level; to study the theoretical concepts about the essence of the «Municipal Investment Policy» notion; to reveal the criteria and principles of the investment policy-making at the Municipality; to characterize the modern social
and economic development of the Municipality «the Urban District the City of Grozny»; to give an analysis of the investment policy carried out by the local authorities in the city of Grozny; to outline main areas to work out a long-term investment policy of the Municipality.

The theoretical and practical significance of the research is determined by its topicality and lies in the possibility and feasibility of the theoretical and methodological approaches elaborated in the research work to be used in the activities of local governments in the process of investment policy-making, its implementation and improvement at the Municipality. Some practical recommendations can be applied directly in the activities of the local governments of the city Grozny in order to work out a long-term municipal investment policy.

The findings of the research: The local authorities of the city Grozny are carrying out an active investment policy which has no clearly defined strategy for action and is characterized by the following features:

- in the city of Grozny in 2011-2013 there was a steady growth of investments in the fixed capital by private investments per I inhabitant of the city;
- there is a specialized division in the structure of the executive authority – the City Council of the Municipality of the City Grozny; its major task is to make and implement an efficient investment policy. During 2013 the given division drew up a list of priority investment projects, the registry and directory of investment areas. However, there are no clear criteria for the selection of the investment projects priority in the drawn-up list;
- there is an active involvement of the local entrepreneurial community into investment activities. The main forms of support of the investment activities entities by the local authorities of the city Grozny are: assistance in obtaining some technical and methodological help, holding seminars and conferences on investment activities issues.

Recommendations: We consider it necessary to propose the following sequence of actions in order to make a long-term investment policy:
1) to adopt by the Council of Deputies of the city of Grozny the regulatory act which will regulate the procedure and conditions for the support of the investment activities on the part of the Municipal Administration.

2) to work out a concept of the investment policy based, first of all, on the creation of a favourable investment climate and stimulation of investment activities of business entities.

At the same time stimulating the investment activities of business entities presupposes the involvement of fund raising of both local and foreign investors.

The basic tool to increase the level of the above mentioned constituent part is to implement the principle of the competitive selection of projects for them to participate in various investment programmes, different forms of financial and non-financial support, allocation of the government and municipal contractual work at the local level.

In order to increase the level of foreign investment further, the major areas of the policy to attract direct foreign investment to the economy of Grozny should be as follows: the improvement of the regulatory-legal framework for foreign investors’ activities taking into account the strategic interests of the city Grozny; an active positioning of the city as a favourable investment object which will represent a target marketing of investment opportunities of specific sectors for specific foreign countries; an active promotion of positive information about the business and investment climate of the city, about the City Administration’s activities to improve the investment climate; the creation of incentives for the branch structure of direct foreign investments favourable for the city.