



ФИНАНСОВЫЙ УНИВЕРСИТЕТ
ПРИ ПРАВИТЕЛЬСТВЕ
РОССИЙСКОЙ ФЕДЕРАЦИИ

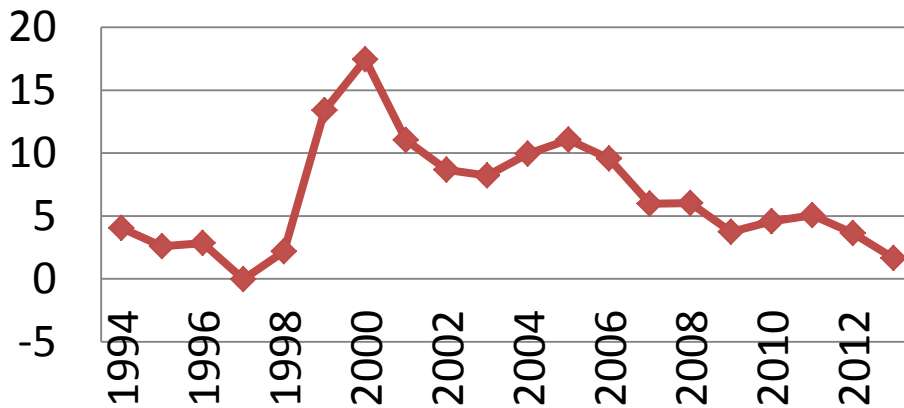
Bilateral and multilateral sources of development finance: evidence from Russia

Anna Abalkina

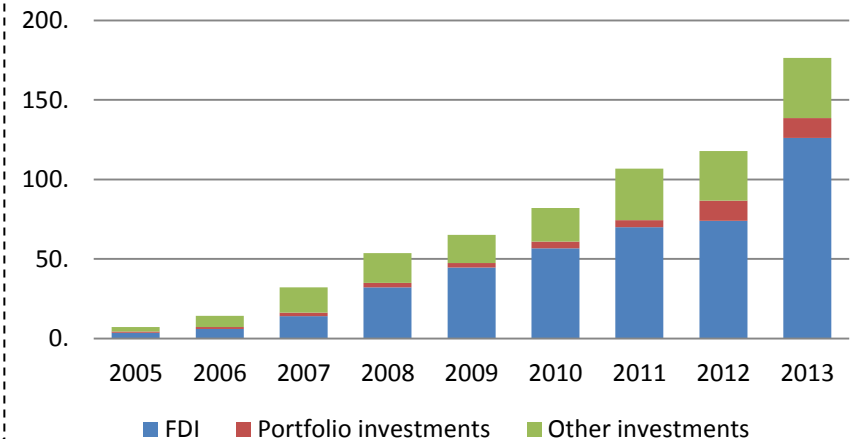
31 October-1 November, Tokyo

Russia is a net exporter of capital

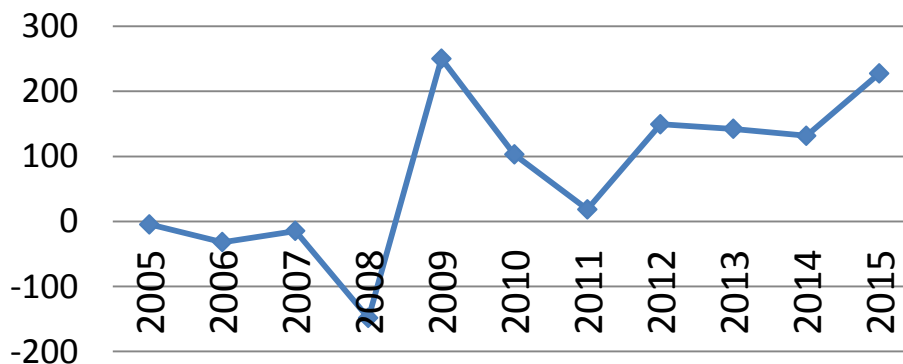
Difference between gross savings and gross capital formation



Outward stock of Russian investments, \$billion

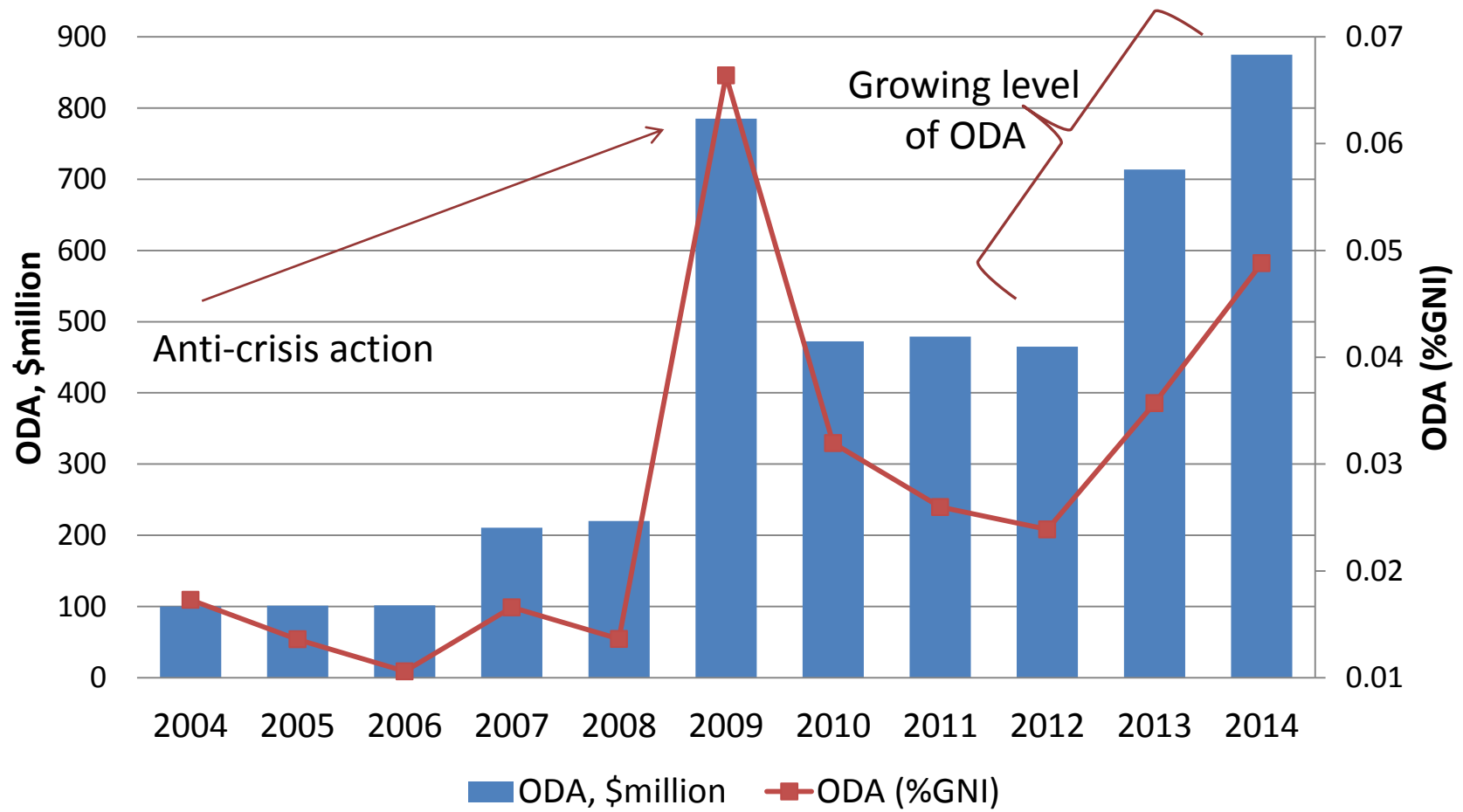


Net international investment position of Russia, \$billion



- Paradox: Russia has a relatively low level of financial intermediation and significant export of capital
- Search for additional external spheres and geographical diversification of capital application

Russian ODA



In 2014 Russian ODA represents 0,049% of GNI, the highest share since 2009

Multilateral aid

- Commitments to implement international community initiatives
- Russia designs its own multilateral aid agenda
 - Trust-funds
 - Multilateral development banks

Bilateral aid

- Bilateral aid is more targeted
- Crisis responsive
- Adopted to Russian development assistance priorities.
 - Direct budget support
 - Debt-relief. \$140 billion since 1996
 - Debt-for-development swap mechanism

Russia as a donor in multilateral development banks/funds

Bank	Share of Russia
• Eurasian Development Bank	66,67 %
• International Investment Bank	55,60%
• International Bank for Economic Cooperation	51,59%
• Interstate Bank of Commonwealth of Independent States	50,00%
• New Development Bank	20,00%
• Black Sea Trade and Development Bank	16,50%
• Asian Infrastructure Investment Bank	5,92%
• European Bank for Reconstruction and Development (donor since 2013)	4,05%
• International Bank for Reconstruction and Development	2,28 %
• International Development Association	0,31%

Multilateral development banks

- Eurasian development bank is an important source of investments for development in post-soviet area
- Sub-regional development banks are characterized by low capitalization, weak performance, lack of rating (Interstate bank of Commonwealth of Independent States, International Bank for Economic Cooperation)
- Russian-Kyrgyz development fund (RKDF) creation
- Eurasian Fund for Stabilization and Development (former EurAsEC Anti-Crisis Fund)
- Proposal to create Bank of Shanghai organisation cooperation

NDB and AIIB

- Geographical expansion of Russian development finance to Asia, Latin America and Africa
- New instrument of development finance
- Participation of Russian business

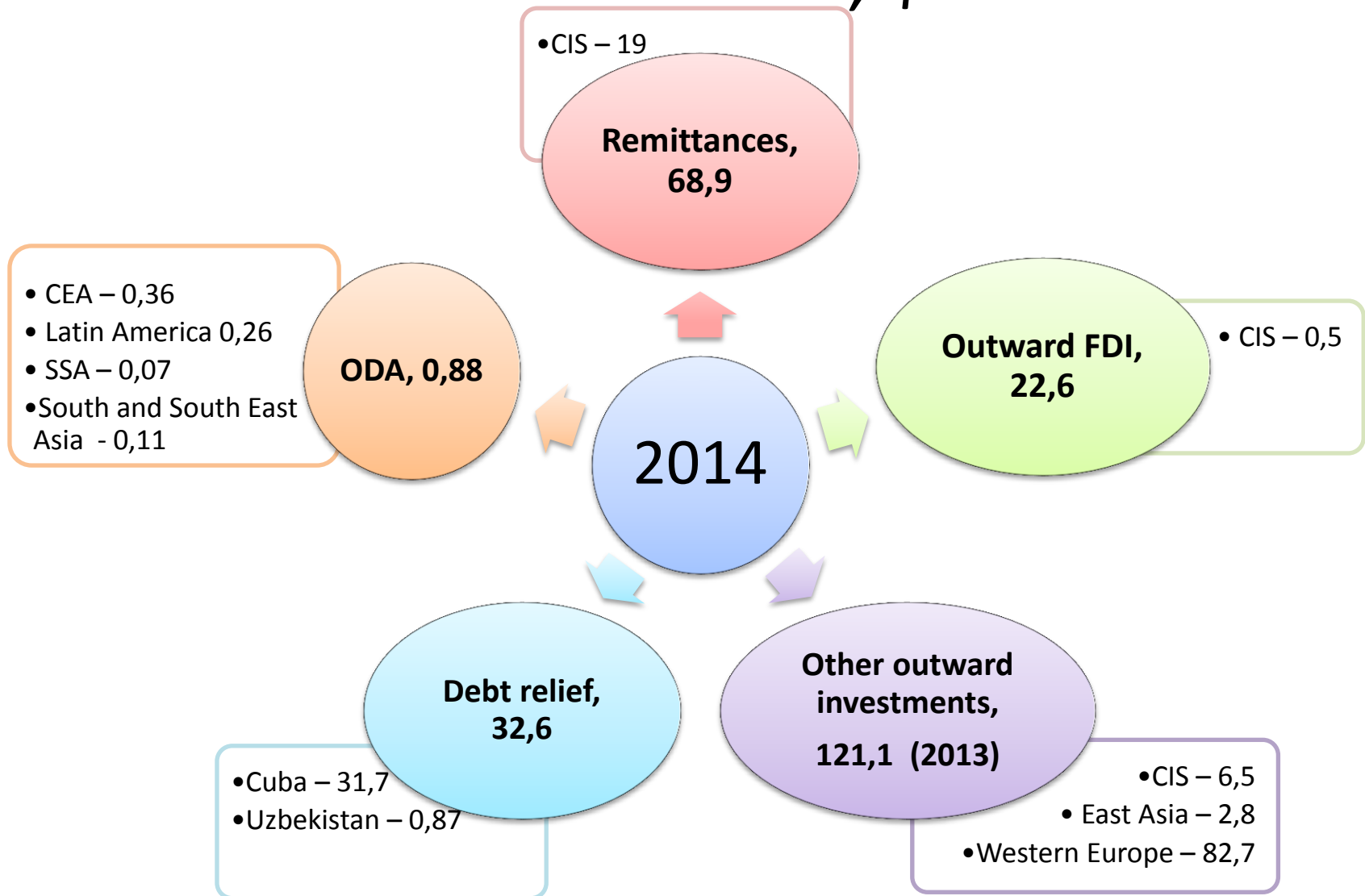
New Development Bank

- Effectiveness of NDB would depend on management and transparency policy
- Rating downgrade of Brazil and Russia will influence the rating of the bank
- Development finance network
- Priorities of Russian cooperation within BRICS are mining, machinery, manufacturing industries, energy and innovative technologies sector

Asian Infrastructure Investment Bank

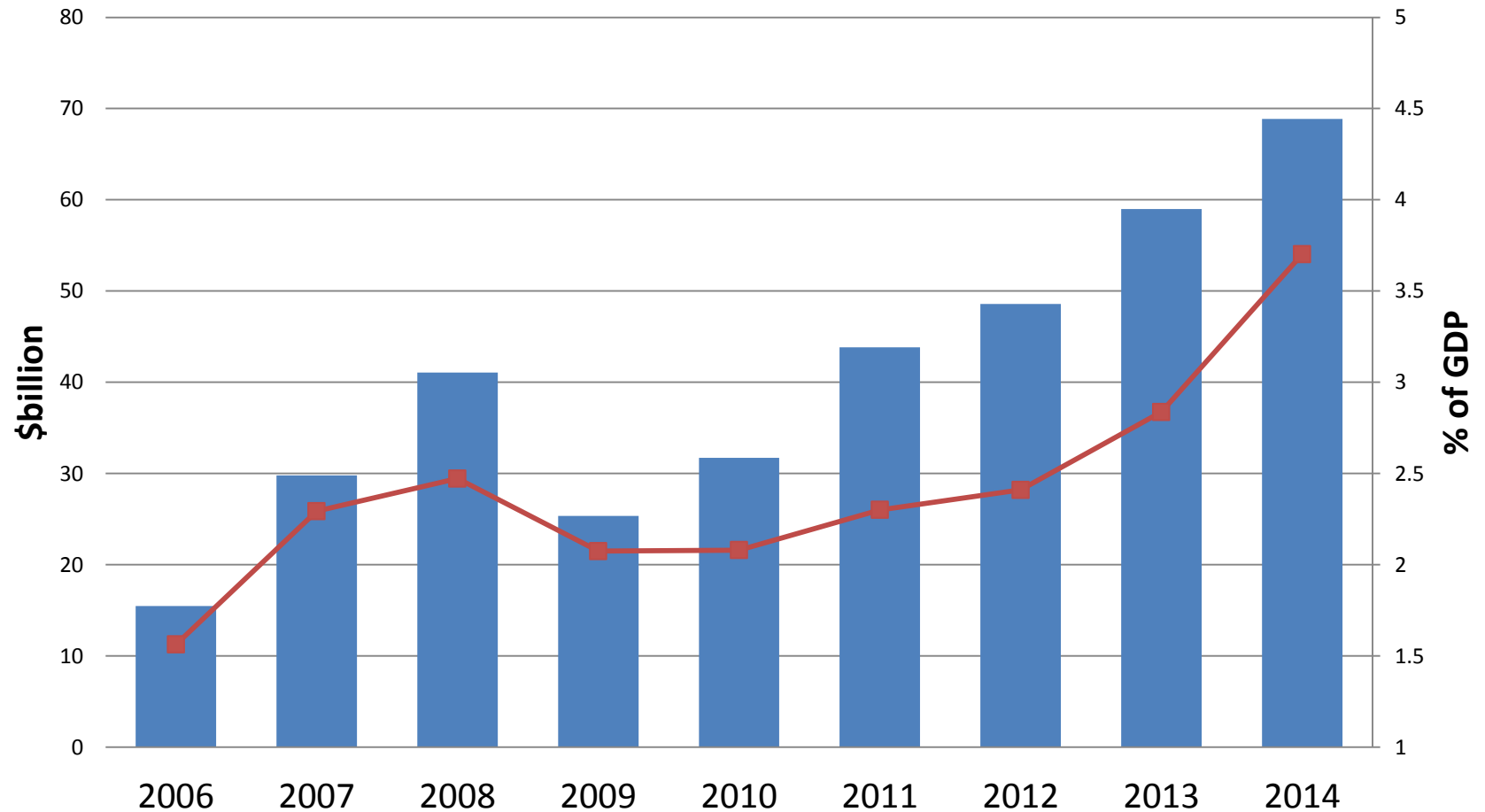
- Sound institution
- Broad membership
- AAA rating
- Good possibilities to attract capital on international markets
- Ambitious plans of infrastructure development

Regional distribution of development finance in 2014, \$billion



Remittances from Russia

(\$billion, % of GDP)



Discussion on the possible role of private capital

- Private FDI - a financial source to achieve SDG
- Dilemma: 1) strong demand for long-term FDI in developing countries 2) the lack of high-quality investment projects
- Global crisis reduced capital offer
- Empirical research shows (Galindo et al. 2003) that financial capital is more likely to expand to countries with the same level of institutional development.
- But.... Capital from developing countries also looks for riskless assets
- Private investors are ready to invest in developing countries if they receive sovereign guarantee.

Thank you for your attention!

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