

# Russia's development assistance, with a focus on Africa

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## ■ Executive summary

It was not until 2007 that the concept of development assistance became part of the Russian foreign policy toolkit. This policy brief explains Russia's development assistance policy – mainly towards Africa – as an effect of the country's global commitments and socialisation dynamics, on the one hand, and Moscow's growing interest in exploring the potential of soft power as an indispensable element of its diplomacy, since both aspects are interrelated. The policy brief also looks at the mismatches between Russia's normative discourse in its assistance towards Africa, and the economic and geopolitical interests it pursues simultaneously. This provides room for reflection on the specificities of so-called South-South cooperation, with which the BRICS grouping in particular is often associated.

## Development assistance as part of Russia's global policies

The Kremlin's attention to development assistance is both the result of Russia's socialisation into the global milieu shaped by commitments to normative principles of foreign aid and good governance, and a strategic means through which the country's economic and political interests can be achieved. International socialisation is a double-edged process. On the one hand, by assisting governments in need, Russia contributes to their better integration with the global system. On the other hand, Russia socialises itself as a great power eager to legitimise its status by taking on global responsibilities. By increasing its development assistance Russia demonstrates that its dependence on foreign aid is a thing of the past and that it is part of the global community of donors, while effectively adding a new tool to its policies of global reaffirmation.

Russia's development assistance started in 2004 with a joint United Nations (UN) Development Programme-Russian Ministry of Foreign Affairs (MFA) project entitled "Russia as Emerging Donor" aimed at assisting Russia to establish its development assistance agency. In 2005 Russia signed the Paris Declaration on Aid Effectiveness – a key international document in this field. It was Russia's G8 presidency in 2006 that provided the political impetus

for Moscow's embrace of an aid agenda. Legal preparations started in 2005, and in 2007 President Putin signed a concept paper outlining Russia's participation in development assistance (Russian MFA, 2007). This document explicitly mentions the consonance of Russia's policy with major international landmarks such as the UN Millennium Development Goals, which constitute the guiding principles of the Organisation for Economic Cooperation and Development, World Bank and International Monetary Fund. Russia has undertaken a number of normative commitments; e.g. it pledged to base development assistance on the eradication of poverty and corruption, and adherence to sustainable development. Democratic change and human rights are also on the list of Russia's development assistance policies (RCICD, 2014).

The first Russian national report on development assistance was issued in 2011 as an extension of the G8 Gleneagles summit Africa Communiqué and explicitly refers to a number of international landmarks as the guiding points for the country's policies (Russian MoF, 2012b). It also mentions Russia's financial contributions to a series of developmental initiatives. In most cases the country's financial assistance was channeled through earmarked trust funds and UN programmes, as well as the World Bank, World Health Organisation (Democratic

Republic of the Congo, May 2012) and International Civil Defence Organisation (Libya, April 2012). Thus, Russia's commitments to development assistance incorporate the country into the Western-led normative order. However, Russia has also been actively supporting the development of a BRICS Development Bank, having pledged \$18 billion together with India and Brazil to the project at the G20 summit in St Petersburg in September 2013. This suggests that Russia's development policies are highly multifaceted.

### Practising soft power through development assistance in Africa

By the same token, the concept of development assistance is part of Russia's great-power strategy to achieve a multipolar world order. The country is also set on recovering its position in areas where its influence has receded since the cold war, such as Africa. The 2007 concept paper acknowledged that Russia's development assistance is based on its interests in averting global risks of economic imbalances and strengthening collective security (in particular in terms of peacekeeping and energy supplies). This illustrates reliance on normative affirmation, along with pursuance of interest-based and business-oriented policies, including arms sale and foreign direct investment in Africa's resources. Thus, Russia can be seen to rely on a relatively cheap strategy to exercise political influence, paying lip service to development goals while reinforcing its political interests in an increasingly contested African context. We analyse below the "Concept paper for Russian participation in development assistance" (Russian MFA, 2007) with reference to the Foreign Economic Strategy of the Russian Federation to 2020 (Russian MoE, 2008) to identify the contradictions and points of convergence.

#### *Priorities in development assistance*

The list of regional priorities in the concept paper is indicative of Russia's interests: it starts with post-Soviet area, followed by the Asia-Pacific area, sub-Saharan Africa, the Middle East, North Africa and Latin America. Yet in practice the distribution of Russian funds looks different, with Eastern Europe and Central Asia receiving as much assistance as sub-Saharan Africa (30%), followed by Latin America and the Caribbean (20%) (Russian MoF, 2012a).

In terms of sectoral priorities, Russian development assistance is mostly focused on food security and global health. Being the world's third-largest wheat supplier, Russia seeks to strengthen its position in this sector not only by demonstrating the scale of its food resources, but also by tying assistance contributions to Russian producers. Russia also invests its resources in implementing medical support projects with training components, partly based on the legacy of the Soviet era.

#### *Forms of development assistance*

The main forms of Russia's development assistance are:

- *debt relief*, in line with the Heavily Indebted Poor Countries Initiative. Russia's policy is coordinated with

the World Bank programme on debt relief in exchange for development;

- *grants* to international organisations, i.e. through the UN World Food Programme (assistance to Somalia, Guinea-Bissau and Djibouti) and the UN High Commissioner for Refugees (Kenya);
- *bilateral aid*, which might include transferring funds to international organisations for targeted assistance to specific receivers;
- *trade preferences*, e.g. exempting about 80% of African imports to Russia from customs duties;
- *educational assistance*, by providing scholarships for African students administered by Rossotrudnichestvo, Inkorvuz and the Association of Foreign Students. In 2008 Russia, in cooperation with the World Bank, established the Russia Education Aid Development Trust Fund with funding of up to \$32 million earmarked for, among other countries, Angola, Ethiopia, Mozambique and Zambia; and
- *corporate charity*, by encouraging the business community to fund international development programmes (Borisenko et al., 2011). In particular, the Rusal Corporation operating in Guinea-Bissau runs a scholarship programme for study in Russia, yet this policy better fits this company's public relations campaign in response to the negative social effects of its activities in this country.

#### *Problems with Russia's development assistance*

There are three basic problems with the format of development assistance as practised by Russia. The first one is the balance between bilateral and multilateral aid. According to the Ministry of Finance, the current proportion is 40% to 60%, respectively, yet many Russian experts agree that Russia has to change this in favour of bilateral mechanisms that can raise the visibility of the country's contributions.

Secondly, Russia mostly uses a distributive model of development assistance, based on disbursing emergency funds as humanitarian aid (Brezhneva & Ukhova, 2013). The bulk of assistance funds are usually transferred from the Reserve Fund of the Russian government (e.g. the case of Mozambique in April 2000) and from the federal budget's allocation for economic and humanitarian assistance. Some experts call for shifting Russia's programmes to what is dubbed "corrective justice", mainly grounded in financing infrastructure projects by means of accessible credits and loans (Degtiariov, 2013: 76).

Thirdly, as the director of the International Assistance Department of the Russian Ministry of Finance has argued, Russia, in accordance with the Paris Declaration, "does not use its donor funds for stimulating national exports" (Russian MoF, 2012a). Yet other bodies (e.g. the Ministry of Industry and Energy) lobby for giving preferences to programmes whose implementation would involve Russian producers. The latter suggests that "Russian developmental assistance is often closely linked to the implementation

of Russia's particular goals" (Kaczmarek, 2011), which means that Russian policy is more interest-oriented than normative.

This conclusion is further reinforced by an analysis of the priorities of Russia's Foreign Economic Strategy in Africa. This strategy is clearly focused on the exploration of mineral resources; energy development and facilities, including oil, gas and nuclear power; and to some extent investment in infrastructures and industrial development. Moscow is also actively supporting Russian companies' participation in privatisation processes in the African continent. Although these economic projects might be seen as contributing to the development of African economies in line with the global consensus on the need for the participation of private business in development policies, they have been mainly contributing to reinforcing Russia's strategic position in the continent and assuring its access to cheaper resources and the development of the country's political clout in these markets. Poverty alleviation and concern for democratic practices or sustainable development, for instance, have not been clearly articulated in Russian economic policies for Africa.

### Critiques of Russian development assistance

There are two major areas where Russian developmental policies can be questioned. One is related to *policy implementation*. Many of the measures envisaged by the 2007 concept paper still remain only on paper. These measures include elements such as the financial monitoring of the efficiency of Russian assistance, the analysis of implementation programmes, forecasts of optimal demands for assistance funds and available resources, etc. The Ministry of Finance and MFA were tasked with issuing annual reports on the state of Russia's development assistance to be based on a set of criteria (measuring the impact of the assistance funds and their sustainability, their intended and unintended results, their contribution to Russia's bilateral relations with recipient countries, the justification for new aid, etc.), yet it was not until 2012 that the first report appeared.

Moreover, the idea of a donor-style aid agency that the Russian government intended to establish was in fact abandoned, basically due to an administrative conflict between the Ministry of Finance and the MFA over control of aid resources. The MFA supports transferring the functions of the aid agency to *Rossotrudnichestvo*, an agency that is oriented toward developing programmes mainly with Russia's neighbours, while the Ministry of Finance's position is closer to the international understanding of aid programmes as being relatively detached from geopolitical interests and focusing on hunger and poverty reduction, as well as accountability and transparency.

The second set of issues is *conceptual*. One may see some pitfalls in Russia's positioning "as neither properly of the

North nor properly of the South" (Gray, 2012), which is quite a sensitive issue for development assistance. For many commentators, "Russia does not sound like a 'Southern development partner' – like Brazil, China and India. The usual refrain about 'South-South cooperation' does not permeate through Moscow's rhetoric. Russia sounds more like a Great Power returned" (Chin & Malkin, 2012), which might constrain Russia's policies in non-Western regions.

### Conclusion

The above analysis reveals the double nature of Russian development assistance. On the one hand, Russia's transition from a recipient role to donor status was streamlined by the international financial community as part of the country's gradual convergence with the Western-centric world. On the other hand, Russia wishes to present its developmental assistance programmes as aiming to break the Western monopoly in this sphere and to contrive a non-Western model of development assistance that is allegedly bereft of conditionality and closer to the Chinese model. However, non-interference in recipient countries' internal affairs remains a figure of speech and the Russian government seems to be more sympathetic to funding programmes that in one way or another suit Russia's priorities. The alignment of economic, financial and political interests with Russia's aid policies thus illustrates the country's views on development assistance as a tool for global affirmation and thus indicates that this Russian policy is plagued by the same limitations as Western and South-South assistance.

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