

World Bank Could Back Kremlin Fund

By [The Moscow Times](#)

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The private equity fund that President Dmitry Medvedev is creating may get World Bank guarantees to lure foreign investors and expertise, Deputy Finance Minister Dmitry Pankin said.

The fund may start with as much as \$10 billion of capital and be managed by Vneshekonombank, the state development bank overseen by Prime Minister Vladimir Putin, Pankin said in an interview last week. The fund will allow the government to share risks with foreign investors and help "modernize" the economy, Medvedev said in January.

"If VEB is issuing some kind of instrument, then it will be guaranteed by the World Bank," Pankin said. "This money will be channeled to the private equity fund."

Goldman Sachs Group chief executive Lloyd Blankfein met with Medvedev in Moscow last week to discuss the U.S. bank's possible participation in the fund, according to the Kremlin's web site. Pankin said details of the fund's structure and size are still being discussed.

Goldman is one of 23 banks helping Russia manage its \$34 billion privatization program over three years and Blankfein is among the 27 executives Medvedev named to a board advising the Kremlin on how to turn Moscow into a global financial center.

Other board members included Jamie Dimon of JPMorgan Chase, Citigroup chief executive Vikram Pandit, Bank of America's Brian T. Moynihan, Morgan Stanley's John Mack, Deutsche Bank's Josef Ackermann and Blackstone Group's Stephen Schwarzman.

Marina Vasileva, a World Bank spokeswoman in Moscow, declined to comment immediately, as did Timothy Krause, senior regional manager for financial markets at the International Finance Corporation, the World Bank's lending arm. Yekaterina Karasina, a VEB spokeswoman, also declined to comment immediately.

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