

Report Says G7 Will Freeze New World Bank Projects in Russia

By [The Moscow Times](#)

August 01, 2014



World Bank President Jim Yong Kim listens to a question during a news conference in New Delhi, India.

The Group of Seven countries intend to veto new World Bank projects in Russia in line with a new wave of sanctions imposed by the West over the Kremlin's alleged backing of separatist insurgents in Ukraine, Bloomberg reported Friday, citing unidentified government officials.

Such a decision could put a hold on 13 projects worth more than \$1.5 billion that the bank was considering financing in Russia. The World Bank currently supports ten Russian projects worth \$668 million, although less than half of that sum has been handed over so far.

The G7 countries, which include the United States, Canada, Germany, France, Italy, Britain and Japan, hold more than 40 percent of votes on the World Bank's board. Russia is also a member, with a voting share of less than 3 percent.

Another global development bank, the European Bank for Reconstruction and Development,

announced last week that its board of directors — which is dominated by the United States and European Union — had decided to freeze financing to new projects in Russia. The development bank will continue work on its 305 active projects in Russia, where it has an operating portfolio worth 8.4 billion euros (\$11.3 billion).

The World Bank drew international attention and criticism in late May when it proceeded with a 250 million euro (\$187 million) investment in French supermarket chain Auchan's expansion in Russia and other emerging markets, despite U.S. and EU sanctions over Russia's actions in Ukraine.

World Bank President Jim Yong Kim said in late July that his organization had good ties with both Russia and Ukraine and would try stay on the sidelines of the political conflict.

"It is extremely important for the world community to have an organization that remains apart from the politics and focuses on economics," Kim said, Bloomberg reported.

The World Bank supports projects worldwide devoted to fighting poverty, protecting the environment and improving infrastructure, education and living standards.

See also:

[As Crisis Deepens, EBRD Freezes New Investment in Russia](#)

[Faced With Western Freeze-Out, BRICS Bank Is a Coup for Russia](#)

Original url:

<https://www.themoscowtimes.com/2014/08/01/report-says-g7-will-freeze-new-world-bank-projects-in-russia-a37920>