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Crisis Forces Russia to Rethink Spending From 'Rainy Day' Fund, Report Says

By The Moscow Times

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Russian officials will have to revise infrastructure spending plans tied to one of Russia's two "rainy day" funds, a news report said Monday, as Moscow scrambles to find ways to fight a deepening financial crisis.

Citing sources in Russia's financial and economic sectors, the Vedomosti business newspaper reported that officials are searching for ways of funding a recently discussed "anti-crisis program," which Russian ministers have said will cost 1.375 trillion rubles ($21 billion).

Some 550 billion rubles would now come from the National Wealth Fund, Vedomosti quoted an official as saying. The fund was valued at 4.39 trillion rubles on Jan. 1.

The government had hoped to use the fund to finance infrastructure projects, such as a new

ring-road around Moscow, to spur the economy, brought to the brink of recession by weak oil prices and Western sanctions over the Ukraine crisis.

"We will give up those projects that have been approved for financing from the National Wealth Fund," a source described as a high-ranking official by Vedomosti was quoted as saying.

"We will be left with only those where private investors are ready to increase their share."

Another source said it was not clear which projects would be scrapped.

Some companies such as gas producer Novatek, state oil producer Rosneft and Russian Railways, or RZhD, have also asked for financing from the fund to help with their projects.

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