WORLD BANK – RUSSIAN FEDERATION

KNOWLEDGE EXCHANGE PROGRAM
2021–2024

Leveraging Russia's potential as a global development partner
Why a Knowledge Exchange Program?

Throughout **the 30 years of partnership between the World Bank Group and the Russian Federation**, knowledge sharing has been an important aspect of support to the country and the demand for the World Bank's advisory services and analytics across an array of sectors and themes has remained high. The proposed Knowledge Exchange Program represents **a new phase in the relationships between the World Bank and the Russian Federation**. It reflects the country's development achievements, remaining challenges, and aspirations, while also aligning with the World Bank Group's approach to middle-income and high-income clients. It builds on Russia's contributions as a donor and proposes to support its efforts to contribute more, and in a systematic way, to the regional and global public goods agenda.
Country Context

From 2000 through 2019, Russia’s annual GNI per capita* increased more than six times, from $1,710 to $11,260.

\[
\begin{array}{cc}
\text{2000} & \text{2019} \\
$1,710 & $11,260 \\
\end{array}
\]

GNI per capita*

Economic growth has translated into significant poverty reduction. The share of the population living in poverty fell from a high of 29 percent in 2000 to just under 12.1 percent in 2020.

\[
\begin{array}{cc}
\text{2000} & \text{2020} \\
29.0\% & 12.1\% \\
\end{array}
\]

Reducing the level of poverty in Russia

Russia has made good progress on strengthening its institutions and policies, and the country does well on the World Bank Human Capital Index.

Despite these notable achievements, however, Russia’s development momentum has slowed since 2013, and spatial inequality remains high. To realize its ambitions of becoming a high-income country, continued attention is needed to address remaining development challenges, particularly at the subnational level.

* Atlas method (current US$)
Strategic Pillars of the Program

The new Knowledge Exchange Program will comprise two mutually reinforcing elements: a domestic component, to address Russia’s remaining development challenges, and an outward-facing component, to share Russia’s development knowledge at the regional and global levels and strengthen its role as a responsible and impactful development actor.

Domestic component.
Bringing Cutting-edge Global Knowledge to Russia

Jointly with the Government, the World Bank has identified three thematic streams of knowledge work that will contribute to Russia’s development:

- Productivity-led economic growth
- Human capital, voice, and equity
- Green transition and building resilience

The governance topic will cut across the knowledge program, as will the need to build resilience during the post-COVID-19 recovery.
Outward-facing component.
Sharing Russia’s Knowledge and Expertise with the World:
The Development Knowledge Platform

Like many countries that have successfully reduced poverty and increased shared prosperity, Russia has accumulated a wealth of knowledge that can contribute to improved development outcomes. As part of the new phase in the World Bank—Russian relationship, the Government will collaborate with the World Bank to establish a Development Knowledge Platform that will help it share this knowledge, with the goal of contributing to better development outcomes with low and middle-income countries around the world.

In consultation with the Russian Government, the World Bank has identified four thematic areas where Russia has developed capacity and leadership of global relevance:

- Public finance management and digital government
- Human capital (quality of education)
- Pandemic preparedness and response
- Sustainable agriculture (food security)

Potential areas supported by the Platform could be:

- Knowledge exchanges
- Research and analytics
- Capacity building

The World Bank will leverage its regional and global experience and reach across these thematic areas. World Bank staff will provide quality assurance and ensure that the knowledge shared meets global demand and standards.
## Summary of the Program

### Inbound component

<table>
<thead>
<tr>
<th>Supporting productivity-led growth</th>
<th>Strengthening human capital, voice, and equity</th>
<th>Promoting green growth and resilience</th>
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<tr>
<td>Enabling environment for productivity of firms</td>
<td>Inclusive post-COVID-19 recovery and resilience</td>
<td>Building back better: greener, less polluting, less emission-intensive growth</td>
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<td>Role of the state as policymaker, regulator, and market actor</td>
<td>Quality and equity of human capital</td>
<td>Energy transition</td>
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<td>Export competitiveness of goods and services</td>
<td>Voice, citizen engagement, and inclusion</td>
<td>Sustainable mobility services</td>
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**Cross cutting area:** Governance

### Outbound component

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<th>Enhancing Russia's development role through a new Development Knowledge Platform</th>
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<td>Public sector management and digital government</td>
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<td>Human capital formation (quality of education)</td>
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<td>Pandemic preparedness and response</td>
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<td>Sustainable agriculture (food security)</td>
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Engagement Model

Advisory Services and Analytics (ASA) financed by the Bank, and Reimbursable Advisory Services (RAS) financed by the government will be at the core of the World Bank’s engagement with Russia. More emphasis will be placed on ASA that is multisectoral, innovative, addresses development issues at the subnational level particularly in Russia’s poorest regions, and that appropriately integrates post-COVID-19 recovery and resilience considerations.

The RAS program will support both components of the World Bank’s engagement in Russia.

The Development Knowledge Platform will be a new modality for knowledge exchanges, joint research and analytics and capacity building that aims to share Russia’s development knowledge and expertise with low and middle-income countries around the world.

Results-Based Approach

A results-based approach, accountability and transparency will be an integral part of the program. A results framework will be developed and tracked to ensure that the Program is meeting its goals and objectives.
Program Highlights

Russia’s largest potential contribution to the global public goods agenda, by far, is on climate change. Russia already plays a critical role in global weather and climate modeling efforts. By strengthening its focus on green hydrogen, stepping-up efforts to curb gas flaring and developing lower-carbon intensity value-chains, Russia could emerge as a major player on the global climate stage.

Given Russia’s size and diversity, the subnational focus is critically important for growth, equity and institutional outcomes. More activities will include subnational components, such as case studies and pilots in select regions and municipalities.

Knowledge activities will aim to be scalable, replicable within the country and region, and have spillover potential across the globe.