

# FIFTEEN YEARS OF THE MGIMO ENDOWMENT

Photo by: Igor Lileev, MGIMO Development Fund

Today, MGIMO is a leader in the Russian higher education market and one of the most prominent university brands in the country. It boasts a high Unified State Exam average (96 points for state-funded places), joint educational programs with the business community, scientific achievements of the faculty, students' accomplishments, and a well-developed alumni network worldwide.

Among MGIMO's impressive achievements in recent years is the MGIMO Endowment, one of the largest endowments in Russia, standing at 1.8 billion rubles in 2022.

In 2022, the MGIMO Endowment celebrated its 15<sup>th</sup> anniversary. Marina Petrova has been at the helm of the Endowment since 2014.

**MJ: The Endowment is now an essential part of MGIMO's structure. How did it all start?**

On March 28, 2007, the Foreign Ministry's Reception House on Spiridonovka Street hosted the founding meeting of the MGIMO Development Fund. The fund was established in accordance with the Federal Law "On the Procedure for the Formation and Use of the Endowment of a Non-profit Organization," adopted

Yes, some even struggled to grasp the principle that underpinned the idea: there is no direct spending from the endowment made up of alumni' investments; only the interest obtained from the allocation and management of funds can be paid out. The Endowment invests in the stock market, constantly adding value. It is with the investment income that MGIMO programs are financed, while the initial capital remains intact.

And today, when explaining the mechanism of the Endowment, we refer not only to the experience of foreign endowments and the common phenomenon of perpetual deposits in pre-revolution Russia but also to the well-established experience of MGIMO.

The Endowment is now a recognizable brand for most companies and graduates, as well as for grant recipients. It is a tool that shapes the tradition of living not only for today but also for planning beyond the short-term horizon. The underlying model allows focusing on long-term prospects, rather than thinking only about immediate benefits and short-term projects.

**MJ: Endowments have developed in leaps and bounds. Remember, back in 2011, endowments were allowed to accept not only cash donations but also securities, assets, and real estate?**

Yes, the endowment law responds to market conditions and the expectations of the professional community. Later, other financial opportunities were added (shares of exchange-traded funds, derivatives). In addition, tax incentives were granted for individuals for philanthropic giving. Various support measures for endowments are being developed today as well. This year, the Chairman of the Government of the Russian Federation, Mikhail Mishustin, has given the necessary instructions, primarily due to fluctuations in the stock market. For several months now, we, together with our counterparts from other university endowments and the Ministry of Science and Higher Education of Russia, have been working on a long-term endowment development strategy, specific proposals for improving legislation, and benefits for corporate donors. In the existing framework, endowments don't have



in December 2006, and became the first structure of its kind in Russia. Rector Anatoly Torkunov was elected Chairman of the Fund's Board of Trustees, which included prominent entrepreneurs and philanthropists, MGIMO alumni Vladimir Potanin, Alisher Usmanov, and Patokh Chodiev, who laid the financial foundation of the Endowment.

**MJ: The Endowment was a true breakthrough for its time.**

**The Endowment is a tool that shapes the tradition of living not only for today but also for planning beyond the short-term horizon.**

enough leeway anymore. For example, the accumulated pool of business partners and numerous students' business initiatives suggest we should consider investing in startups. We are currently discussing this with the MGIMO Ventures accelerator.

**MJ: What is the overall investment strategy of endowments?**

The Endowment is committed to a moderately conservative investment strategy. This means a heavy allocation to corporate, federal, and sub-federal bonds. These instruments enable value addition while outpacing inflation (with an average annual growth of 10 percent). Bonds of Russian companies in yuan are becoming increasingly popular.

**MJ: What projects were funded with investment income in recent years?**

We have struck a balance between expanding long-term programs and building a financial buffer for current projects. First of all, I would like to mention long-term programs. One could say that this is also an investment strategy of the Endowment, not just spending, but developing and supporting major areas of MGIMO's work. These include research, publishing, research conferences and seminars, developing the potential of students and applicants, grants for students and the faculty, international programs and internships, events for MGIMO graduates and partners, supporting honorary professors of MGIMO, infrastructure development, and IT. Starting last year, MGIMO's strategic projects have been funded through the Priority 2030 program, but the Endowment serves as a co-financing mechanism that also attracts business partners. Among large-scale projects, I would mention corporate departments at MGIMO, some of which are funded by the Endowment.

In recent years, we have been offering many corporate scholarships for students – some monthly, providing additional support, and others fully covering master's program tuition fees. We plan to expand this initiative to give talented students more opportunities.

The Endowment is indispensable when new projects are launched and corresponding expenses arise. We are always flexible and find ways to support them. Accumulated investment income allows us to think ambitiously; we are not dependent on income stemming from a single donation.

**MJ: In addition to investment income, the Endowment grows through new donations. How difficult is it to attract new potential donors?**

Fundraising is an essential part of the Endowment's operations. We put a lot of work into donation agreements, offering well-developed projects and describing benefits for companies. The Endowment has become a structure that articulates MGIMO's financial interests for potential partners and sponsors, while clearly understanding the University's strategic tasks.

forums and demo days, the MGIMO Rector's Golf Cup, MGIMO Day, and the RISA Convention.

For companies, the closest form of partnership is opening a corporate department at MGIMO. Currently, there are about 20 of them at the University. The philosophy of the Endowment is to create a socially responsible charity system, where money will work for the benefit of future generations, for centuries. The Endowment is about sustainability, stability, responsibility, and commitment.



**As the endowment grows, so do the University's goals. Our motto is "The MGIMO Endowment: Future Starts Today!" Every new idea aimed at developing MGIMO will be implemented**

The Endowment is happy to fund and participate in organizing business events together with the Alumni Association. For example, international MGIMO alumni forums (held in Baku, Moscow, Yerevan, Astana, Tashkent), startup

**MJ: How did the Endowment perform in 2022?**

Today, the Endowment totals 1.8 billion rubles. The total value of donations to MGIMO amounts to 1.5 billion rubles.

**MJ: How do you see the MGIMO Development Fund in the near future?**

We are guided by our motto, "the MGIMO Endowment: Future Starts Today!" In the long term, we would like to reach a level of investment income that would free us from having to look for funding for a particular project.

Looking at the bigger picture, in terms of the country's economy, university endowments, particularly ours, contribute to the training of qualified staff for various industries, to scientific and technological breakthroughs, and serve as major investors. This is a clear and transparent mechanism that will grow and develop with the participation of corporate partners and alumni. 