Russia’s Hardest Working Oligarch Takes Talents to Africa

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In September 2019, Russian oligarch Konstantin Malofeev sat down for an interview with the Russian news outlet RBC and announced the launch of the International Agency of Sovereign Development (IASD). It was to be a brand-new Russian investment group set to make its public debut at the Russia-Africa Summit in Sochi later that year. Malofeev has been sanctioned by both the United States and the EU for his role in the Russian annexation of Crimea. He is the same “God’s Oligarch” whose ultra-conservative Tsargrad news network was banned from YouTube for “violation of legislation on sanctions and trade rules.” Now, IASD is positioning itself to be instrumental in a Russian effort to “Pivot back to Africa” after withdrawing during more than a decade of internal strife and international decline in the aftermath of the fall of the Soviet Union. Moscow recognizes the importance of Africa for trade and industry, and IASD’s Soviet nostalgia, anti-Western sentiment, and development funds would find consumers on the continent. It has the potential to be an influential alternative to Western and Chinese interests while attracting significantly less attention than, for example, the African operations of Evgeni Prigozhin and the Wagner Group.

Organizational Debut, Outreach, and “Unworldly Connections”

IASD presents itself as a global consultancy firm, assisting both African governments and Russian companies in brokering development deals capable of violating international sanctions. The stated goal of IASD is to foster “sovereignty” and strengthen economies without interference from the “Anglo-Saxon World.”

Malofeev and IASD have a unique set of advantages they can leverage in this endeavor: longstanding Soviet nostalgia among Africa’s ruling elite; shared sanctions status, which gives Russians an air of legitimacy on the continent; and the network and connections of

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Kirsan Ilyumzhinov, the eccentric former president of the Kalmyk Republic who is currently under U.S. sanctions for aiding and abetting Russia’s allies in Syria. These factors, combined with alleged support from the Russian Ministry of Foreign Affairs, lend IASD a competitive presence.

IASD made waves at the Russia-Africa Summit in Sochi last October. In addition to serving as a General Partner of the event, the agency, represented by Malofeev himself, gave a detailed presentation of its organizational goals titled “The Plot Against Africa” to a forum audience. Once the dust settled in Sochi, it was revealed that IASD signed finance agreements for infrastructure and energy projects in Niger, DR Congo, and Guinea worth a combined $2.5 billion. Unbeknownst to the general public, IASD’s groundwork for the summit took place months in advance. In September 2019, Malofeev, Ilyumzhinov, and other IASD consultants met with leaders in Togo and Burkina Faso. The Burkina Faso meeting was held on the sidelines of an Economic Community of West African States summit attended by representatives of over a dozen African countries. In an interview with RT-Russian, Malofeev confirmed having held meetings before the October summit. “The agency was created on the eve of the Russia-Africa Summit and Economic Forum, although we conducted negotiations earlier,” he said.

Officially, IASD is a private institution. However, Malofeev and others have tellingly commented on support from the Russian Ministry of Foreign Affairs. During his interview with RT-Russian, Malofeev remarked, “We held consultations with representatives of the authorities and the Ministry of Foreign Affairs. We try to be not just in the mainstream, but in the forefront of Russian politics in Africa.” Similarly, a junior consultant commented in interviews, “It [IASD] is a private company but utilizes the support of certain Russian state structures. In some places the Foreign Ministry helps us establish relations,” and “therefore, with the support of the Ministry of Foreign Affairs, the International Agency of Sovereign Development was created.” Such statements aside, IASD’s proximity to power was evident in the organization’s high standing alongside state-run enterprises at the Russia-Africa Conference in Sochi.

Malofeev is not working alone on the continent. Ilyumzhinov is playing a key role in IASD’s African outreach. Known for—among other things—claiming to have been abducted by extraterrestrials and his purported involvement in the murder of a Russian investigative journalist, Ilyumzhinov served as president of the World Chess Federation for over twenty years before being removed in 2018 for ethics violations related to corruption and his personal sanctions status.

Yet his global networks and channels make him a useful liaison for the agency’s overseas operations. Many of his high-level IASD meetings have been documented on his public Twitter and Instagram pages, as well as his personal website. What they show are frequent sit-downs with representatives of the Pan-African Parliament dating back to as early as March 2019, as well as consultations with leaders in Sierra Leone and Kenya, in addition
to the aforementioned meetings in Togo and Burkina Faso. According to statements from one IASD consultant, once Ilyumzhinov and other high-ranking consultants establish contact, follow-up meetings are held, and proposals are drawn up by the Russians for economic restructuring, reform, and investment attraction. These and other strategic services are all offered with the express purpose of providing the type of equitable economic support for developing nations currently being denied by the West.

The Ideological Value of Anti-colonialism

These African overtures come with a heavy dose of IASD’s ideological messaging. The two most potent spins that Malofeev and others have used to paint the organization as a force for positive change in the “developing world” are Soviet nostalgia and anti-Western sentiment, both of which appear frequently in the organization’s media statements and public discourse.

In public interviews, Malofeev has openly touted the effectiveness of Soviet nostalgia on African leaders. During his sit-down with RBC he explained, “First, the USSR actively and free of charge helped the national liberation struggle. Secondly, many [Africans] studied in the USSR, and the nostalgia factor works.” The contraction of Russia’s foreign policy during the 1990s left a development vacuum, which Malofeev has shown an eagerness to fill. “Many African countries gratefully and joyfully accepted the ‘return’ of Russia to the continent. They remember how the country helped them free themselves from colonial dependence.”

Reviving Cold War tactics, IASD is coupling Soviet affinity with anti-Western sentiment and accusations of colonialism. According to Malofeev’s “Plot Against Africa” presentation at the Russia-Africa Summit, proponents of the “Washington Consensus” such as the World Bank and IMF set the stage for financial exploitation by large Western companies by requiring political and economic reforms such as democratization and free trade in exchange for financing. These reforms are veiled demands for open markets and regime change, which ultimately result in economic strife and civil war in recipient countries. According to Malofeev, such exploitation is a form of colonialism, hence the historical connection to Soviet support. Rhetorically, Malofeev is splitting the world into opposing camps—a Western colonial camp that seeks to enrich itself at the expense of Africans, and a Russian sovereign camp that has a proven history of aiding African in its struggle for liberation. He was quoted by The Moscow Post as saying, “We [IASD] are talking with these countries about decolonization.”

There are two crucial factors in IASD’s Africa mission. First, Russian business has been under heavy sanctions for over six years in response to its annexation of Crimea and state-sponsored secessionism in Donbas. Second, Moscow is eons behind Beijing in its African outreach. As a result, the economic factors in play are too large and too serious for the
creation of IASD to be solely credited to the Kremlin’s stout commitment to African liberation. Russia is addressing its own needs with its African involvement.

Contrary to the organization’s official rhetoric, statements made by Malofeev and others have indicated that IASD is focused on helping Russian companies crippled by their own sanctions to enter and exploit new markets. During his interview with RT-Russian he said, “When African countries become richer, Russian exports increase,” which was quickly followed up with, “We understand what African countries need. First of all, they need money, they need economic sovereignty. Therefore, immediately after the money, can go other interests, that are associated with Rosatom, or Rosoboronexport, or with food supplies.” Additionally, a lower level consultant said, “You can create an analogue of Rosneft in that [African] country, and this is a company, that is, it is much more profitable from an economic point of view to create a company that will accumulate an asset of one type and then, with the help of securities, attract financing.”

These two candid comments not only imply that Russian, not African sovereignty is the ultimate goal for IASD, but also that international sanctions are no obstacle for deals including state-owned oil and arms export companies such as Rosneft and Rosoboronexport, which already have a history of circumventing their own sanctions. Ultimately, the agency wants to make it possible for Russian companies to profit in Africa, filling a vacuum created by trade-inhibiting Western sanctions.

Unlike China, Russia has limited resources to expend in Africa. This disparity was highlighted by The Moscow Post’s coverage of the Russia-Africa Summit. They write, “…at the last Sino-African Summit, which took place in the Fall of 2018, Beijing announced its intention to allocate an additional 60 billion dollars to Africa in the form of loans and investments.” IASD’s $2.5 billion worth of commitments at Sochi are miniscule in comparison. However, Malofeev is trying to make every ruble count, including setting his sights on some of the continent’s most valuable materials. “The DRC contains 65 percent of the global cobalt reserves, in Russia: 5 percent. Cobalt is 21st century oil, and the DRC is very rich in it. But not only the Chinese work there… Western corporations and the largest traders—Glencore, Trafigura—work in the country. They buy cobalt in the DRC and dictate prices; that is, buyers dictate prices to an almost exclusive producer.”

Malofeev has his eyes on key minerals and resources, not only to enrich himself and his clients, but also to deprive the United States, other Western adversaries, and even China of control of such valuable deposits, used in electronics with applications in the defense sector.

The Many-Faced Malofeev

The Konstantin Malofeev who publicly represents IASD overseas seems very different from the ultra-Orthodox Malofeev known in Russia and Europe as “God’s Oligarch.”
Malofeev reserves his religious rhetoric of monarchism and family values for Russian and European consumption. Also absent from his African foray was his usual entourage, which has been known to include neo-Eurasianist and fascist philosopher Aleksandr Dugin, as well as former Lieutenant-General of the Russian Foreign Intelligence Service turned monarchist Leonid Reshetnikov, both of whom have held official or unofficial advisory roles for some high-level senior officials in the recent past.

Dugin is known for his expansionist theories and his aggressive rhetoric against Ukraine and Georgia, while Reshetnikov currently serves as “Lieutenant-General” of the Double Headed Eagle Society, a Russian historical organization that praises the martial and dynastic history of Tsarist Russia while also rebutting the belief that the rejection of monarchy in favor of socialism was the right move for Russia. Like Malofeev, both men had their online outreach capabilities slashed when YouTube removed their videos on July 28.

In Europe, Malofeev’s operations are equally dubious. Through his Saint Basil the Great Charity, Malofeev has organized summits for the World Congress of Families, a body of social-conservative leaders and philanthropists who are actively working to roll back the advances made by proponents of reproductive, LGBTQ, and religious rights around the world. Additionally, the oligarch is also known to have hosted a series of closed-door meetings in Vienna with some of Europe’s far-right and aristocratic brass, including members of the Austrian Freedom Party, French National Front, and some of the oldest money in Europe.

Conclusion

When juxtaposed with his line as a Russian monarchist in Europe, Malofeev’s rhetoric on Africa demonstrates his ideological versatility. He relies on a historical throwback to the Soviet period, mixing anti-colonial and anti-Western sentiments to gain the favor of African leaders, some of whom are pariahs in the international community and whose involvement with IASD is more as pawn than partner at this point. The inclusion of figures such as Kirsan Ilyumzhinov signals the convergence of multiple verticals of power. The organization’s purported support from the Ministry of Foreign Affairs points to at least the tacit backing—if not the full-fledged support—of the Russian state, while also providing plausible deniability for its involvement. The result is a new appendage, separate from the mercenary operations of Evgeni Prigozhin and PMC Wagner—one that is quietly serenading African leaders all the while intent on expanding operations to the Middle East, Southeast Asia, and even Latin America.

Although the agency is still young and many of its grand promises have yet to materialize, the world is slowly beginning to take notice of IASD. YouTube’s cancelation of Tsargrad on vague pretenses points to the platform’s understanding of Malofeev’s newest sanctionable offenses, even if his associates continue to rebuke YouTube for its reasoning.
IASD’s emergence is a signal that despite severe domestic economic pressure, Malofeev is making the most of the Soviet legacy in Africa to both undermine the West’s credibility while also carving out a sphere of influence on the continent for himself and whoever is working with him. As the veil of secrecy continues to lift around Wagner’s African presence, expect IASD and Malofeev to bear more of the load of Russia’s quasi-state support in Africa and beyond.