

Impact investing as a tool for achieving the targets for sustainable development of the region

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Abstract. The article focuses on the research of investment opportunities of the region in the context of implementing the sustainable development goals (SDGs). As applied to Russian conditions, achieving the targets of sustainable development requires the use of new innovative investment types as a driver of socio-economic development of the region. The role of such investments is impact investing, the main purpose of which is to overcome poverty, to solve social and environmental problems, to improve the life quality and standard of living, to increase business responsibility, to reduce social tension. Reasoning of the directions and amounts of impact investing in ensuring the SDGs achievement requires a preliminary analysis of the conditions prevailing in the region for their implementation on the basis of a number of indicators. The paper focuses on the social component of impact investing aimed at the development of the social sector of the region in the context of achieving the targets of the three sustainable development goals on the example of a specific region: SDGs 3,4 and 8. The object of research was the Sverdlovsk region, based on the dynamic indicators of which for the period 2012-2021 the rationale for the development of the region to achieve the selected sustainable development goals was carried out. The study concluded that the implementation of impact investing as a tool for achieving the sustainable development goals should be aimed at the development of healthcare, maintaining employment, overcoming gender inequality in the employment structure.

1 Introduction

The concept of sustainable development adopted by the UN for 2015-2030 [1] provides the solution of pressing concerns about protecting the planet and improving human well-being and is a guideline for all countries, including Russia. Solving the issues of sustainable development set by the UN within the framework of 17 goals, it is necessary to use new approaches in organizing economic processes at the macro and meso levels in order to overcome a possible economic and social crisis, which is especially relevant in the context of overcoming the consequences of the Covid-19 pandemic, existing sanctions from Western countries. In this regard, in our opinion, the importance of impact investing increases, the essence of which, according to the work of E.Bugg-Levin [2], consists in

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choosing such areas (objects) of investment that are aimed at maximizing the economic and social value created by these objects. The impact investing industry assumes a conscious (on the part of the investor) investment in projects that provide a positive impact on the environment and society as a result of the implementation of these transformational projects. At the same time, the impact should be measurable, development assessment is provided at all levels and for all stakeholders [3] who receive positive changes under the influence of these investments.

Various aspects of impact investing are presented in the early papers, reflecting the essential characteristics and principles of these investments [4], its theoretical platform [5], infrastructural aspects of sustainable development under the influence of impact investing [6], evaluation issues [7], etc.

It should be noted that the Russian government has approved a list of initiatives for the socio-economic development of the Russian Federation until 2030 [8], which opens up certain investment opportunities when they are implemented in a number of areas (there are six of them). As part of the research, the intersection with the directions of impact investing in the context of sustainable development is reflected in such areas of initiatives as "I. Social sector", "III. Ecology" and "VI. State for citizens".

The impact investing can be a tangible tool for sustainable development aimed at the solving a block of social concerns, given the fact that 10 goals out of 17 sustainable development goals reflect social issues in one way or another. The Russian Federation actively supports the UN concept, adapting the indicators presented in the system of global SDG indicators [9] for Russian conditions, introducing sustainability indicators in strategic documents, the list of which is defined in accordance with the Federal Law "On Strategic Planning in the Russian Federation".[10] Monitoring of current strategic planning documents was carried out in the work of A.G. Sakharov [11], where the author evaluates the «degree of reflection of SDGs objectives and indicators in Russian strategic planning documents» for each of the 17 goals, the «presence of indicators identical/similar to SDGs indicators» and the «intersection with SDGs objectives». The analysis suggests that there are unaccounted tasks "concerning the implementation of the SDGs in the regions", not all indicators reflecting the implementation of the SDGs in the regions are presented; there are gaps in the «conceptual elaboration of current trends in the field of sustainability in a broad sense», due to the fact that not all goals are priorities for Russia (for example, the fight against hunger).

The implementation of impact investing, the main forms of which are investments in human capital, in the development of education, environmental areas and social infrastructure, will allow our country and its regions, according to A.A.Golub and V.Y. Potashnikov, to get out of the so-called «development traps» to overcome over time «the gap in real GDP between Russia and the developed countries» [12], in which our country found itself as a result of «hypertrophied development of raw materials industries» and high investment risks. To overcome the lag, new sources of economic growth are required, the replacement of the «resource sector with human capital». However, the current situation in the Russian regions, which have been experiencing the fourth crisis over the past 15 years, is extremely difficult. The latest crisis caused by sanctions may, according to the studies cited by N.V. Zubarevich, lead to structural transformations and be «longer in scale and duration» [13]. The author identifies various risks that show a different trend, depending on the regions. Thus, in relation to some the Urals regions, they are more characterized by the risks of underemployment.

The prospects for impact investing are reflected in the UNCTAD World Investment Report 2023 [14], according to which sustainable investment strategies in 77% of cases reflect impact investing strategies. A survey conducted in 2020 among transformative

investors showed that the main priorities for them are the implementation of SDGs 8, SDGs 2 and SDGs 3 [15].

2 Method of Research

The research methodology provides for a certain algorithm involving the following procedures:

- theoretical justification of sustainable development goals and impact investing; presentation of the results of scientific discourse on the issues under study;
- justification of the subject and object of research;
- selection of research methods (methods of analysis and synthesis are used in the work; dynamic method; methods of tabular and graphical visualization of research results);
- justification of indicators reflecting the implementation of the sustainable development goals (SDGs 3,4 and 8 were selected for the purposes of the study);
- selection of initial data (data from the Rosstat of the region, national SDGs indicators adapted to Russian conditions for the Sverdlovsk region were used);

This methodology is standard and provides a comprehensive view of the study object.

3 Results

In the early authors' papers, it was already pointed out that «impact investing is often associated with the sustainable development goals (SDGs), which were adopted at the UN in 2015» [6], which provides for the need to adapt global goals to the conditions of development of our regions and substantiate investment opportunities for their development.

Specific weight of investments in education, healthcare and social services in the total volume of investments in fixed capital is quite low and shows unstable dynamics. However, it should be noted that investments in the social sector since the participation of the Sverdlovsk Region, among the first four regions, in the Program «Regions of Russia and sustainable development goals», which is implemented by the Russian Association for UN Assistance with the support of the Russian Ministry of Foreign Affairs from 2016 to 2020 increased by 4 percentage points (from 2% to 6%). But in 2021, a downward trend again manifested itself and only 4.8% of investments were invested in the development of the social sector (Figure 1). Such instability of financing is a limiting factor in achieving the SDGs that determine the development of the region's social sector.

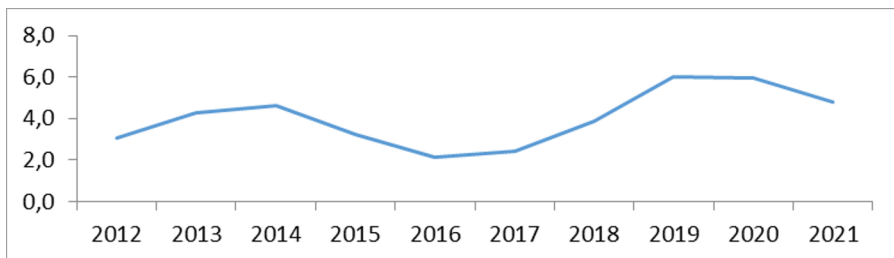


Fig. 1. Specific weight of investments in education, healthcare and social services in the total volume of investments in fixed capital, %.

As it was noted earlier, we have selected indicators reflecting the achievement of sustainable development goals in the Russian interpretation, the most appropriate for the development of the region's social sector.

The list of national SDGs indicators covers in sufficient detail various aspects that affect the achievement of the goals, therefore, for analysis we have selected indicators that can be considered as resultant ones.

As part of the SDGs 3 achievement, the indicators of infant mortality and mortality in working age are considered, which show a steady decline, the indicator «life expectancy at birth» has an ambiguous trend. Until 2019, growth is demonstrated, life expectancy increased, although at a low pace, 2020 and 2021 show a decrease. The deterioration of values in 2020 and 2021 in the field of health care cannot be indicative, because the COVID-19 pandemic has made its own adjustments, and the mortality rate of the working-age population has increased, which has led to a decrease in life expectancy at birth (Table 1).

Table 1. National indicators characterizing the achievement of the SDGs 3 - Ensuring a healthy lifestyle and promoting well-being for everyone at any age.

Indicators	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Infant mortality (per 1,000 live births) (ppm)	7,4	6,9	6,2	5,5	5,8	4,9	4,7	4,7	4,1	4,0
Mortality of the working-age population, per 100 thousand population	621	617	642	650	644	581	576	553	638	694
Life expectancy at birth, years	70,2	70,8	69,8	69,8	70,0	71,2	71,3	71,8	70,2	68,8

As part of the achievement of SDG 4, the indicators of coverage of preschool, secondary vocational education in the Sverdlovsk region are considered, which demonstrate steady growth, but the coverage of the population aged 17-25 years with higher education begins to decline in 2018, which indicates the formation of a trend of partial reorientation of applicants to secondary vocational education with a slight decrease in interest in higher education (Figure 2).

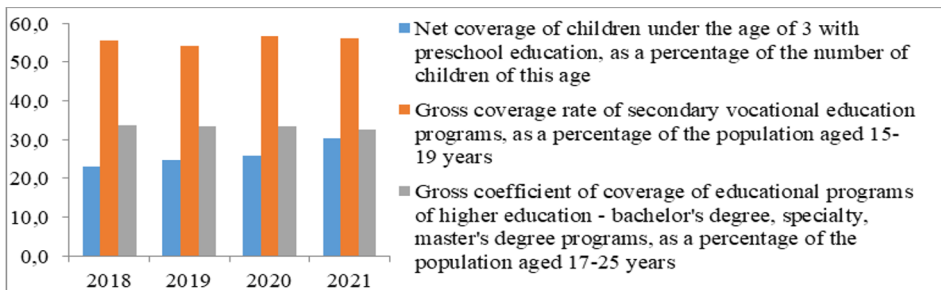


Fig. 2. National indicators characterizing the SDGs 4 achievement - Ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all, %.

As part of the achievement of SDG 8, all three indicators under consideration demonstrate unstable wave-like dynamics. The greatest problems are manifested in the employment of the population, where since 2016 there has been a significant decline in the

level of employment, and the employment of men has been fairly stable throughout the study period, and the employment of women has been declining until 2020, and in 2021 there was a noticeable increase of almost 1 percentage point (Figure 3).

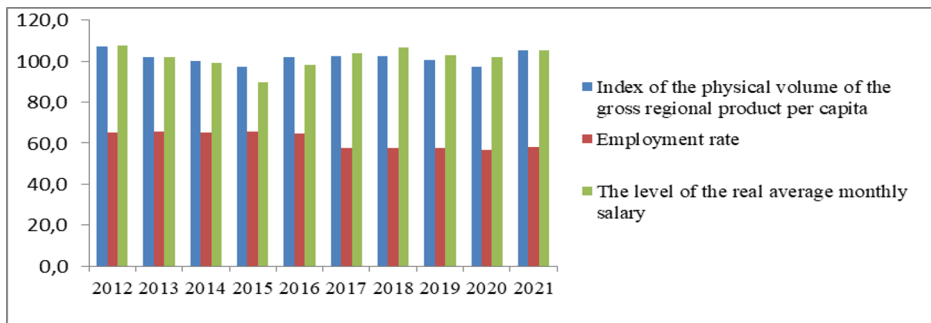


Fig. 3. National indicators characterizing the SDGs 8 achievement - Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, %.

This set of indicators can be expanded both quantitatively and temporally. However, while investigating the issues of adaptation of the SDGs to Russian conditions, the authors encountered incomplete provision of indicators with data from territorial statistics.

4 Conclusions

The analysis of indicators reflecting the implementation of the SDGs in the social sector of the Sverdlovsk region revealed positive trends in the development of preschool education, a significant reduction in infant mortality, the formation of sustainable growth of the gross regional product per capita and real average monthly wages. However, in recent years, the influence of external factors, such as sanctions, the COVID-19 pandemic, has not allowed the region's social sector to fully develop sustainably. Overcoming the consequences of negative factors is possible only by ensuring sufficient investment in the social sector.

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