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ISSUES OF DEVELOPING INVESTMENT ATTRACTION IN THE GREEN ECONOMY

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Abstract

Modern green trends in economic development and the introduction of ESG principles have brought to the forefront the issues of investment attractiveness of enterprises, industries and regions. A study of sources has shown that not all existing methods for assessing the investment attractiveness of a region take into account the factors that determine the negative anthropogenic impact on the environment. The author sees the increase in the green attractiveness of the above-mentioned industries in the development of an effective mechanism for financing green projects, including through the issue of green bonds by enterprises and local executive bodies, as well as in the use of government regulation instruments aimed at increasing the effectiveness of green investments. Further research may be related to the justification and specification of regulatory measures.

Keywords: Green economy, investment attractiveness, environmentally responsible investments, green financial instruments, basic industries

Introdution

Current global financial and energy crises and climate change create an urgent need to find new models of economic growth focused on sustainable development while stabilizing the consumption of material goods and maintaining the pace of production [2]. In this regard, the rapidly developing concept of a green economy and the introduction of ESG principles (ESG - environmental, social, governance) into the activities of enterprises are designed to ensure a more harmonious alignment of the economic, social and environmental aspects of development [4].

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Development of a green economy and increase of its investment attractiveness is an important task for ensuring sustainable development. This is related to a number of issues, including defining the goals of a green economy, financing mechanisms, stimulating private investment and adaptation to changing conditions. The main issues of developing the investment attractiveness of a green economy:

1. Defining goals and priorities: It is necessary to clearly formulate the goals of a green economy, for example, reducing greenhouse gas emissions, increasing energy efficiency, rational use of water resources, etc.
2. Development of incentive mechanisms: It is necessary to develop a system of benefits, tax incentives, subsidies and grants to attract private investment in green projects.
3. Developing a green finance market: It is necessary to create institutions and instruments for financing green economy projects, such as green bonds, loans and investment funds.
4. Creating a favorable investment climate: It is necessary to reform legislation, improve the regulatory environment and reduce risks for investors.
5. Developing infrastructure and technology: It is necessary to invest in creating infrastructure for a green economy, for example, a network for transmitting electricity from renewable sources, and introducing new technologies.
6. Adapting to changing conditions: It is necessary to take climate change into account and develop flexible mechanisms for adapting to new conditions.

The green economy is based on clean, or green, technologies implemented in the form of eco-projects that help increase the efficiency of using existing natural resources, reduce the level of negative impact on the environment, increase energy efficiency, energy conservation, mitigate the effects of climate change and adapt to its change [1].

The outlines of the green course are proposed in the UN documents on the transition to a green economy, the green growth programs of the OECD countries. In particular, they formulate 17 new sustainable development goals and estimate the corresponding financing costs. Under the auspices of the UN, the Paris Agreements on climate change were adopted, a Working Group on the Study of Green Financing Processes was created, etc. [5]. In fact, the transition to green growth is impossible without building an effective mechanism for financing green projects that takes into account the factors of investment attractiveness of regions and ensures the activation of their investment activities [1].

In modern realities, the concept of investment attractiveness cannot be limited only to the existing investment potential of the territory and the formed investment climate, it should also include commitment to the sustainable development agenda through the integration of ESG factors into the activities of region-forming companies and strengthening the regulatory policy in this area on the part of government agencies [3]. Changing approaches to understanding investment attractiveness requires adjustments to the methodology of its assessment. Revision of existing assessment methods will allow adequately determining the investment attractiveness of regions, industries, and enterprises, taking into account compliance with the principles of green development.

Despite the special interest currently shown in the development of a green economy, financing environmentally responsible investments, the issues of the effectiveness of such investments for solving national and regional problems remain open. And here one of the main tasks facing the investor is the choice of investment objects. The basis for such a choice is the assessment and forecasting of the investment attractiveness of potential investment objects. A necessary component of such an assessment is the analysis of the investment attractiveness of individual territorial entities and sectors of the economy from the standpoint of the effectiveness of capital investment. Investment attractiveness of regions is an integral characteristic of individual regions of the country from the standpoint of creating a favorable investment climate, the level of development of investment infrastructure, the possibilities of attracting investment resources and other factors that significantly affect the return on investment and the level of investment risks.

The researchers conclude that all methods are based on the consideration of a group of various factors that influence the potential of countries as investment objects. The number and composition of factors, assessment methods and measurement methods are determined by the specific application of a particular method. The studies note that the diversity of quantitative and qualitative

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characteristics of regional socio-economic systems necessitates the use of a large number of indicators.

In the context of the subject of this study, it should be noted that not all existing methods for assessing the investment attractiveness of a region take into account ESG factors, although today a stable trend of accelerated implementation of the principles of responsible investment and green financing is forming in the global business environment [4]. It seems necessary in the context of the priority development of a green economy when assessing the investment attractiveness of regions, first of all, to take into account the factors that determine the impact on the environment, including the efficient use of energy, the use of renewable energy sources, responsible waste management, impact on land, air, water bodies, environmental friendliness of packaging, etc.

A similar approach, according to the researchers, can be applied to assess the green attractiveness of regional industries using the indicator "investments aimed at environmental protection". In addition, it is necessary to remember that the growth of investments in a particular industry implies an increase in production volumes, which, in the logic of green development, should not cause an increase in anthropogenic pressure on the environment and negative changes in environmental indicators. In this regard, it is important to achieve the decoupling effect, which is manifested in the fact that the positive dynamics of economic growth is accompanied by stable or decreasing indicators of negative impact on the environment over the same period. Achieving the decoupling effect will confirm the sufficiency of the volume of green investments in the industry to neutralize the negative impact on the environment [1].

Thus, when determining the extended index of green investment attractiveness, it is considered logical to adjust the corresponding formula by introducing the decoupling index into the denominator. Determining the investment attractiveness of a region consists of the main stages presented. In accordance with the methodology used, a gradation of index values is carried out, obtained by expert means. If the investment attractiveness of most industries is below average, this indicates the presence of problems in the investment sphere, while a significant spread in the attractiveness indicator reflects the high industry differentiation of investment processes.

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It should be noted that, despite the state policy of diversifying the economy in order to increase the share of the manufacturing industry, most investors prefer to invest in traditional industries (agriculture, construction, mining), thereby supporting the preservation of the "brown" economy. Thus, the results of the study showed that at present there is a need at the regional level to determine the directions for further intensification of green investments and measures to implement an environmentally responsible investment policy.

The most important areas of green investment should be the modernization and technical re-equipment of fixed assets of basic industries, production infrastructure in order to reduce costs, environmental negativity, increase energy efficiency and competitiveness of manufactured products. The main activities include expanding the use of renewable energy sources (solar, wind, geothermal), developing nuclear and hydrogen energy, introducing organic farming, active reforestation, improving irrigation infrastructure in agriculture, constructing green buildings and structures, increasing the energy and heat efficiency of structures, developing public transport, transport on environmentally friendly energy sources and related infrastructure, modernizing existing metallurgical production facilities in order to limit carbon dioxide emissions and achieve carbon neutrality.

The implementation of these activities requires the mobilization of a significant amount of financial resources, both public and private. The most promising green financial instruments are green bonds with favorable terms of placement and acquisition, available for issue to both market participants and local authorities.

Today, the National Banks of various countries, together with the Agency for Regulation and Development of the Financial Market, are actively working to implement ESG principles in the activities of financial organizations, and to transition in the medium term to mandatory disclosure of information on the ESG activities of companies in reporting. At the same time, it is worth noting that the development of responsible investment in various countries is hampered by low transparency of green companies, shortcomings in corporate governance, weak attention of businesses to environmental issues, high concentration of the

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financial market on raw materials companies, and the mentality of the population, which does not show noticeable interest in ESG principles.

The difficult domestic economic situation in various countries and the underdevelopment of stock markets do not currently contribute to the active attraction of domestic and foreign private investment in green projects. Since states act as both a catalyst and a coordinator for the formation of the necessary conditions for the implementation of environmentally responsible investments, it is important to determine the most effective measures of state participation that will be aimed at removing barriers that hinder the growth of investment in eco-projects and will allow the reorientation of financial flows from "brown" industries to green ones. Such measures may include tax incentives, deferred tax payments, investment tax credits, subsidizing interest rates on loans, providing subsidies to issuers of green bonds, methodological and organizational assistance from government agencies in the development and implementation of eco-projects. It seems that the use of the results of the study will make it possible to increase the effectiveness of green investments, give additional impetus to the introduction of green financial instruments and will allow taking the investment policy to a new level to increase investment attractiveness and ensure sustainable development of the economy of any state.

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