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Applied aspects of Russian regions ESG-transformation

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ORIGINAL ARTICLE

Abstract. The development and implementation of regional ratings/rankings by Russian rating agencies, universities or sustainable ESG development companies contribute to the improvement of Russian national statistics on sustainable development. Rating agencies use different methods in compiling ESG ratings. Consequently, the same regions can rank different positions with the same initial data. Therefore, there is a need of unified methodological approach. It allows ones to assess the parameters of regional sustainable development and ESG transformation, measure the level of sustainability and determine the trends of their sustainable development. In this article, we will analyze the three most popular ESG ratings of Russian regions. The paper presents the results of the ESG rating/ranking of the Central Federal District regions, the Russian Federation. The main 3 analytical methods are as follows: The National Rating Agency, the RAEX rating Consortium, and the Center for Sustainable Development and ESG Transformation at the Moscow State Institute of International Relations (MGIMO). The ranking of regions according to the methodology of the National Rating Agency and the RAEX rating group considers components E, S, and G; MGIMO 2023 methodology considers Sustainable Development Goals within clusters (economic, environmental, social, and institutional ones). According to the research, there is a necessity to enhance the Sustainable Development Goals indicators in order to improve the position of the particular Central Federal District region.

Keywords: sustainable development; regions ESG transformation; ESG ratings/rankings of regions; sustainable development goals; recommendations of regional authorities

JEL codes: O14, O18, R11, R58

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Introduction

The Russian scientific literature dwells on the ESG agenda in the development of regions and the institutional environment for supporting regional ESG transformation, establishment of their best practices, occurrence of leading and outsider regions, etc. [3]. Theoretical aspects of ESG modernization of regions and regional economy are being developed [4].

Ratings and rankings in the field of ecology, social policy, and management (ESG) are becoming increasingly popular; they show the degree of ESG transformation principles in the activities of regions. There are a lot of foreign countries ratings: S&P Global ESG Evaluation, ESG Risk Ratings, Bloomberg ESG Disclosure, MSCI ESG Rating, ISS ESG Corporate, FTSE Russell's ESG Ratings, CDP (Carbon Disclosure Project), RepRisk Rating, Moody's ESG Solution, Refinitiv, etc. [7]. At the beginning of 2024, there is no single methodology in Russia; the existing ratings of Russian regions on the SD and ESG agenda presented by different number of rating indicators:

– the SBER regional ESG rating index includes 16 factors; it is based on more than 80 indicators obtained in terms of special requests from the group to regional public authorities;

– the RAEX rating consortium includes 29 indicators;

– the rating of the Center for Sustainable Development and ESG Transformation at MGIMO includes 169 indicators grouped for each of the Sustainable Development Goals (SDGs);

– the rating of the National Rating Agency (NRA) includes 45 indicators divided into three key blocks: E-block (environment, ecology) – 14 indicators, S-block (social policy) – 17 indicators, G-block (quality management) – 14 indicators.

There are many regional ratings and rankings according to individual indicators and areas of regional assessment: the rating of investment attractiveness of Russian regions (RAEX); the rating of the Russian Federation regions on the level of public-private partnership development (Ministry of Economic Development of the Russian Federation); the rating of regions for achieving national goals (Consortium Leontief Center AV Group); the rating of regional efforts executive authorities assessment to establish a high-quality environment for citizens lives (Agency for Strategic Initiatives), etc. There are social, environmental, and managerial indicators in the Decree of the President of the Russian Federation «On Assessment the Effectiveness of Senior Officials (Heads of Supreme Executives) of the Regions of the Russian Federation and the Activities of Executive Authorities of the Russian Federation» (2021) [13].

The ratings are of practical importance for the development of regional sustainable development strategies. The MGIMO Center for Sustainable Development and ESG Transformation concluded the relevance of involving experts in analytical work on determining indicators of regions sustainable development: specialists of regional authorities, universities, businesses, volunteering groups, etc. Their proposals can be included in roadmaps and provided for legislative initiatives, research projects, the establishment of centers of interaction between the state and business, increasing public initiative, and control over the implementation of the goals and objectives of the sustainable development strategy [15].

According to M. Trachenko, the level of the regional ESG rating is an important guideline for regional authorities; its increasing is one of the priorities of their activity. Therefore, the effective implementation of a regional ESG policy is an important factor in attracting investments and subsidies. The benefits of the region are savings on debt servicing, attracting public funds to reimburse the cost of infrastructure and new facilities development, special investment contracts to stimulate industrial investments, etc. [10, p. 93].

Domestic scientific publications analyse the ESG ratings of individual regions [7] or conduct a comparative analysis of regions in terms of Federal Districts – Volga [6], Ural [12], Far Eastern ones [5], etc. For instance, S. Nikonorov and P. Bogomazov propose using the polar index in respect to the regions of the Russian Arctic as an alternative/addition to ESG ratings [8].

In 2023, the first ESG ranking was presented for 23 regions, and the largest cities of the Eurasian Economic Union countries. It was prepared by the Department of Investment and Industrial Policy of Moscow and the National Rating Agency. The top five are Moscow and St. Petersburg (Russia), Mogilev region (Belarus), Alma-Ata region (Kazakhstan) and Minsk (Belarus). The Republic of Tatarstan, and the Rostov Region (Russia) also have the indicators above the median value [1].

Scientific publications on ESG regional ratings concern with improving the methodological support of the ESG approach [11], the methodology for assessment and ensuring the reliability of information [7], urgency to expand the use of ESG ratings of Russian rating agencies in the domestic regulatory framework by analogy with credit ratings, and providing wider use of national ratings to stimulate ESG activity of Russian business.

The Report of the Research Institute of the Higher School of Economics (HSE) highlights the shortcomings of international ESG ratings in respect to companies as follows:

– a high Subjectivity Level (SL) in terms of the indicators choice, their aggregation, and assessment;

– ESG ratings are consistent in 6 out of 10 cases; there is a weak correlation between the ratings, which distinguishes ESG ratings from credit ones coincide in 99% of cases;

– voluntary reporting on SL and ESG presented by companies allows them to present themselves advantageously and manipulate the information disclosure process [20, pp. 10-11].

According to T. Altufyeva, there is negative relationship between the levels of ESG and regional economic development (on the examples of the Republics of Tatarstan and Bashkortostan) and the necessity to improve the indicators for assessing the ESG transformation of regions in block G. The author notes the expansion of the ESG indicator system and suggests the following:

– to increase the number of indicators for assessing the quality management (Governance block) in comparison with the indicators used by the rating agency RAEX;

– expand the number of indicators (the Economy block) to the integrated ESEG system; maintain the

predominance of the environmental and social blocks over the economic one. Moreover, in the context of the current economic sanctions against Russia, the author suggests to select an appropriate financial indicator showing the degree of the region's economy availability to eliminate the shock effect and restore the economic proportions of the territory for each risk-oriented economic indicator [2, p. 128].

However, N. Perekrest and O. Zatepyakin note the absence of a unified methodological approach in assessing the degree of sustainable development and implementation of the ESG agenda in the regions. Moreover, the rating agencies use different methods in their compilation. As a result, the same regions may be in different positions with the same initial data [9]. Indeed, we will conclude this later in our research. In this article, we will analyze the three most popular ESG ratings of Russian regions.

Methods

The study of sustainable development and regional ESG transformation is based on the use of general scientific methods of analysis and synthesis, induction and deduction; it is also uses the special research methods: the method of economic publications content analysis, statistical one, etc. The main source of information was the data of the national ESG ratings and rankings of the Russian Federation regions.

The objects of the study were the regions of the Central Federal District. In some aspects the information is detailed for the Vladimir, Ivanovo, and Yaroslavl regions.

Results

Analysis of three ESG ratings of Russian regions data:

– National Rating Agency [14],

– the RAEX Rating Consortium [17; 18; 19],

– The Center for Sustainable Development and ESG Transformation at the Moscow State Institute of International Relations (MGIMO) – MGIMO'2023 [15].

Rating No. 1. The regional ESG rating of the National Rating Agency identifies 5 levels: advanced, developed, moderate, developing, and initial one. The following statuses have been assigned to the regions of the Central Federal District:

– advanced level (5 regions of the Russian Federation) – Moscow city, Belgorod, Moscow, Kaluga, Kursk regions;

– developed level (4 regions of the Russian Federation) – Voronezh, Tula, Lipetsk, Tambov regions;

– moderate level (4 regions of the Russian Federation) – Oryol, Bryansk, Yaroslavl, Ryazan regions;

– developing level (3 regions of the Russian Federation) – Kostroma, Vladimir, Smolensk regions;

– initial level (2 regions of the Russian Federation) – Tver and Ivanovo regions (Table 1).

Table 1 – Results of regional ESG rating of the Central Federal District presented by the National Rating Agency (NRA)

Rank / Region of the Russian Federation	Index	Level	Index		
			E	S	G
1. Moscow city	0.781	advanced	0.714	0.794	0.833
2. Belgorod region	0.702	advanced	0.679	0.735	0.692
3. Moscow region	0.648	advanced	0.643	0.647	0.654
4. Kaluga region	0.611	advanced	0.571	0.529	0.731
5. Kursk region	0.604	advanced	0.607	0.588	0.615
6. Voronezh region	0.600	developed	0.643	0.618	0.538
7. Tula region	0.575	developed	0.714	0.588	0.423
8. Lipetsk region	0.568	developed	0.571	0.441	0.692
9. Tambov region	0.560	developed	0.536	0.529	0.615
10. Oryol region	0.543	moderate	0.607	0.559	0.462

Rank / Region of the Russian Federation	Index	Level	Index		
			E	S	G
11. Bryansk region	0.543	moderate	0.679	0.559	0.462
12. Yaroslavl region	0.518	moderate	0.536	0.441	0.577
13. Ryazan region	0.504	moderate	0.607	0.559	0.346
14. Kostroma region	0.483	developing	0.393	0.441	0.615
15. Vladimir region	0.460	developing	0.429	0.529	0.423
16. Smolensk region	0.460	developing	0.536	0.382	0.462
17. Tver region	0.419	initial	0.393	0.441	0.423
18. Ivanovo region	0.413	initial	0.393	0.500	0.346

Source: [14]

Rating No. 2. We analysed the results of regional ESG ranking of the Russian Federation by the RAEX rating consortium [17].

This rating is based on the principle of combining the level of risk exposure and assessing the effectiveness of its leveling. According to it, each negative indicator should have the positive one to level the existing risks. For instance, in the Environmental section for the indicator «Emission of pollutants into the atmosphere from stationary sources» we use the indicator «Share of captured and neutralized pollutants in the total amount of pollutants from stationary sources», etc. The higher the first indicator (negative), the higher the second one (leveling the risks) should be. The imbalance indicates risks are not being adequately addressed. It applies in the methodology of assessment E-risks and S-risks. The exception is group G (Governance) – the quality management. In this particular group assessment is based on the availability of tools to improve the quality of public administration and transparency in the regions: anti-corruption commissions, disclosure of information about the income of administration employees, etc. [18].

In March 2024 RAEX presents a draft of a new Methodology for assigning ESG ratings to companies and financial institutions [19].

The top 10 of this ranking includes regions (places in descending order): Leningrad region (1), St. Petersburg (2), Moscow city (3), Republic of Tatarstan (4), Khanty-Mansi Autonomous Okrug-Yugra (5), Lipetsk region (6), Kursk region (7), Tyumen (8 – without autonomous districts), Sverdlovsk region (9), Moscow region (10).

Among the regions of the Central Federal District (CFD), the top 10 included Moscow city, Lipetsk, Kursk, and Moscow regions. The Voronezh, Kaluga, Ryazan, Tver, and Tula regions are in the top 20. The middle ranked regions are the Vladimir, Oryol, Smolensk, and Yaroslavl regions. Regions with low ranking are Bryansk, Ivanovo, and Kostroma regions. The lowest ranking is in the Tambov region.

According to the E-component, the Lipetsk, Orel, Smolensk, Tver regions are in the top 10; the Voronezh, Kaluga, Kostroma, and Kursk regions are in the top 20. The Vladimir, Tambov and Tula regions have a low ranking. The Ivanovo region has the lowest rank.

According to the S-component, Moscow city, Belgorod and Moscow regions are in the top 10; Lipetsk, Ryazan, Tambov, and Tula regions are in the top 20. The Smolensk region ranks the lowest one among the regions of the Central Federal District.

According to the G-component, Moscow, Kaluga and Tula regions are in the top 10; Vladimir, Ivanovo, Kursk, and Ryazan regions are in the top 20 (Table 2).

Table 2 – Regional ESG-ranking of the Russian Federation by the RAEX rating consortium

Regions	Ranking of regions	Including components		
		The E-component	The S-component	The G-component
Moscow city	3	37	5	5

Regions	Ranking of regions	Including components		
		The E-component	The S-component	The G-component
Belgorod region	21	47	10	39
Bryansk region	57	35	40	66
Vladimir region	36	63	55	12
Voronezh region	16	18	23	32
Ivanovo region	54	74	51	17
Kaluga region	11	17	31	8
Kostroma region	58	12	63	74
Kursk region	7	11	21	13
Lipetsk region	6	7	14	24
Moscow region	10	36	6	34
Oryol region	32	8	52	58
Ryazan region	17	38	20	16
Smolensk region	43	3	72	70
Tambov region	71	64	19	73
Tver region	13	2	42	50
Tula region	19	68	15	9
Yaroslavl region	38	59	33	36

Source: [17]

Rating No. 3. The ranking of the Central Federal District regions according to the indicators of achieving the UN SDGs (Sustainable Development Goals) of the Center for Sustainable Development and ESG Transformation at the Moscow State Institute of International Relations – MGIMO. Compared with other ratings/rankings of Russian regions, the MGIMO 2023 ranking uses a larger number of indicators. It is explained by the necessity to ensure the most complete monitoring for all SDGs. The methodology of this rating is based on the UN methodology. It includes 169 indicators grouped for each of the Sustainable Development Goals. The first regional ranking of the Russian Federation to achieve the SDGs was presented in October 2022 at the MGIMO RAMI Congress (according to data for 2021). Before preparing the final rating, a pilot project was implemented in 6 regions. The MGIMO 2023 ranking uses 128 available in the national statistics of the Russian Federation indicators to assess the levels of SDGs achievement by regions. The implementation of national projects in regions of the Russian Federation to achieve certain targets contributed to the expansion of the indicators list. As a result, the number of rating indicators increased by 69 compared to the previous year.

The methodology of this ranking provides for the allocation of 4 clusters: economic, environmental, social, and institutional one.

The MGIMO 2023 ranking distributed the first places among 85 regions of the Russian Federation as follows (places in descending order): 1. Moscow city, 2. Belgorod region. 3. Kaluga region. 4. St. Petersburg. 5. Yaroslavl region. 6. The Republic of Tatarstan. 7. Lipetsk region, 8. The Republic of Udmurtia. 9. Tula region. 10. Moscow region. 14. Vladimir region, 16. Ivanovo region.

The Vladimir and Ivanovo regions have a high ranking for the institutional cluster and a lower for the environmental one; the Yaroslavl region has a high ranking for the economic cluster and a lower for the institutional one. Of these three regions, the Yaroslavl region has the best positions in the economic, environmental, and social cluster (Table 3).

Table 3 – Ranking of the regions of the Central Federal District according to the methodology of the MGIMO Center for Sustainable Development and ESG Transformation in 2023

Regions	Ranking of regions to achieve the UN SDGs Regions of the Russian Federation	Ranking of regions within clusters			
		Economic	Environmental	Social	Institutional
Moscow city	1	2	15	4	18
Belgorod region	2	6	5	17	23
Bryansk region	63	21	64	58	77
Vladimir region	14	24	49	32	3
Voronezh region	23	5	23	67	62
Ivanovo region	16	33	42	25	6
Kaluga region	3	7	25	10	7
Kostroma region	43	38	74	45	20
Kursk region	12	39	2	14	38
Lipetsk region	7	10	6	16	27
Moscow region	10	1	40	43	10
Oryol region	29	44	3	63	45
Ryazan region	25	31	35	41	25
Smolensk region	78	43	79	61	83
Tambov region	33	54	8	36	43
Tver region	50	46	41	71	34
Tula region	9	20	31	18	4
Yaroslavl region	5	8	10	19	22

Source: [16]

The ranking of Russian regions according to the UN SDGs within clusters according to the MGIMO methodology in 2023 showed the following:

– in the final ranking, the following regions of the Central Federal District are in the top 10 (in parentheses – the occupied place): Moscow city (1); Belgorod (2), Kaluga (3), Yaroslavl (5), Lipetsk (7), Tula (9), Moscow (10), Smolensk (78) and Voronezh regions (67) ranked the lowest;

– The Moscow region ranks the 1st in the economic cluster; Moscow city ranks the 2nd. The top 10 regions in Russia are Voronezh (5), Belgorod (6), Kaluga (7), Yaroslavl (8), and Lipetsk one (10). For instance, the 8th place of the Yaroslavl region among 85 regions of Russia is associated with the best indicators of the implementation of SDGs 9, 11, 12 compared to the Vladimir and Ivanovo regions;

– The best positions in the ecological cluster have the Kursk (2), Oryol (3), Belgorod (5), Lipetsk (6), Tambov regions (8). For instance, the low ranking of the Vladimir and Ivanovo regions is associated with lower indicators of the implementation of SDGs 2, 15 compared to the Yaroslavl region;

– according to the social cluster, the best positions have Moscow city (4), Kaluga (10), Kursk (14), Lipetsk (16), Tula (18), Yaroslavl regions (19). For instance, the higher ranking of the Yaroslavl region compared to the Vladimir and Ivanovo regions is associated with better indicators for the implementation of SDG 4. The Tver (71), Voronezh (67), Oryol (63), and Smolensk (61) regions ranked the lowest ones;

– the best positions in the institutional cluster have Vladimir (3), Tula (4), Ivanovo (6), Kaluga (7), Moscow regions (10). For instance, the 3rd place of the Vladimir region and the 6th place of the Ivanovo

region are associated with the best indicators of the implementation of SDGs 10, 16 compared to the Yaroslavl region. The Smolensk (83) and Bryansk regions (77) ranked the lowest ones (Table 4).

Table 4 – Ranking of regions by Sustainable Development Goals (SDGs) within clusters according to the number of indicators in the Methodology for each Sustainable Development Goal is indicated in parentheses for each column

Regions	SDGs social cluster			SDGs institutional cluster				SDGs ecological cluster				SDGs economic cluster			
	SDG 3 – Good Health and Well-Being (36)*	SDG 4 – Quality Education (10)	SDG 5 – Gender Equality (3)	SDG 1 – No Poverty (2)	SDG 10 – Reduced Inequalities (2)	SDG 16 – Peace, Justice and Strong Institutions (4)	SDG 17 – Partnership for the Goals (3)	SDG 2 – Zero Hunger (6)	SDG 6 – Clean Water and Sanitation (5)	SDG 13 – Climate Action (5)	SDG 15 – Life on Land (5)	SDG 8 – Decent Work and Economic Growth (14)	SDG 9 – Industry, Innovation and Infrastructure (16)	SDG 11 – Sustainable Cities and Communities (11)	SDG 12 – Responsible Consumption and Production (6)
Moscow city	10	48	2	7	82	27	3	47	4	7	79	4	7	1	23
Belgorod region	13	28	30	13	61	19	35	2	17	4	68	3	18	15	7
Bryansk region	26	66	53	59	55	57	60	57	35	30	83	17	43	61	2
Vladimir region	81	33	19	27	14	17	51	78	13	27	43	13	15	26	62
Voronezh region	42	58	68	36	72	42	33	1	25	80	48	7	3	5	29
Ivanovo region	50	38	20	50	18	6	45	70	33	18	41	20	37	62	16
Kaluga region	37	43	4	19	15	38	57	35	34	23	49	15	5	16	9
Kostroma region	44	10	73	45	6	33	81	75	73	20	54	32	60	40	15
Kursk region	20	14	29	46	51	56	17	22	2	3	66	25	22	56	60
Lipetsk region	27	37	13	24	60	36	20	7	20	5	63	48	46	7	1
Moscow region	4	80	45	10	65	18	16	14	42	32	82	19	2	11	6
Oryol region	58	42	64	47	52	20	64	25	27	10	5	27	36	72	36
Ryazan region	51	32	48	52	40	41	22	46	9	61	52	22	30	17	59
Smolensk region	65	41	59	58	58	77	61	74	48	45	85	45	41	41	44
Tambov region	30	60	32	54	44	29	52	16	18	41	14	57	34	59	66
Tver region	80	72	40	31	16	58	78	45	63	6	55	54	25	27	71
Tula region	40	53	9	25	33	46	4	43	36	9	71	51	11	21	34
Yaroslavl region	59	1	33	18	41	44	48	12	31	28	40	21	13	12	12

** the number of indicators in the Methodology for each Sustainable Development Goal is indicated in parentheses for each column*
Source: composed by the author according to [16]

Based on the MGIMO 2023 ranking, it is possible to identify sustainable development goals with the weak positions of the regions; according to the SDGs, improving indicators will help the region take a higher

rating position.

The analysis of the MGIMO regional ranking in the context of SDGs and clusters in relation to the Vladimir, Ivanovo and Yaroslavl regions showed the following:

– by E-component (ecological cluster) Vladimir region ranked 49th place, Ivanovo region – 42nd place, Yaroslavl region – 10th place. To increase the ranking, it is necessary to improve the value of indicators for SDG-2 «Zero Hunger» (Vladimir region – 78th place, Ivanovo region – 70th place) – 6 indicators: per capita consumption of potatoes, vegetables, and food melons, meat and meat products (including by-products of category II and raw fat), milk and dairy products, vegetable oil, bread products and indicators for SDG 15 «Life on Land « (Vladimir region – 43rd place, Ivanovo region – 41st place, Yaroslavl region – 40th place) – 5 indicators: the share of land and freshwater areas under protection relevant in terms of biological diversity by ecosystem types; progress in the transition to sustainable forestry; the area of degraded lands as a percentage of the total land area; the ratio of reforestation and afforestation areas to the area of dead forest; the index of the physical volume of environmental expenditures for the conservation of biodiversity and protection of natural territories as a percentage of the previous year.

– By S-component (social cluster) The Vladimir region ranked 32nd place, the Ivanovo region – 25th place, the Yaroslavl region – 19th place. To increase the ranking, it is necessary to improve the value of the indicators of SDG 3 «Good Health and Well-Being» (Vladimir region – 81st place, Ivanovo region – 50th place, Yaroslavl region – 59th place) – 36 indicators of fertility, morbidity, mortality; related to road accidents, life expectancy, healthy lifestyle, sanitary condition water, air, soil, accessibility of medical care to the population.

– To increase the ranking of regions in the institutional cluster, it is necessary to improve the indicators of SDG 1 «No Poverty» (Vladimir region – 27th place, Ivanovo region – 50th place) – 2 indicators: the number of people with monetary incomes below the subsistence minimum, as a percentage of the total population; the average size of assigned pensions.

For the Yaroslavl region, it is necessary to improve the indicators of SDG 10 «Reduced Inequalities» (Yaroslavl region – 41st place) – 2 indicators: the fund ratio (the ratio of monetary incomes of 10% of the most and 10% of the least well-off population); the Gini coefficient (income concentration index), and SDG 16 «Peace, Justice and Strong Institutions» (Yaroslavl region – 44th place) – 4 indicators: crimes registered, total (cases per 100 thousand population); crimes registered by type (cases per 100 thousand population): bribery; receiving bribes; murders, and attempted murders.

For all three regions, it is necessary to improve the indicators of SDG 17 «Partnership for the Goals» (Vladimir region – 51st place, Ivanovo region – 45th place, Yaroslavl region – 48th place) – 3 indicators: gross regional product per capita; index of physical volume of gross regional product per capita; share of households, having broadband access to the Internet information and telecommunication network.

– To increase the ranking of regions in the economic cluster of the Vladimir region, it is necessary to improve the indicators of SDG 12 «Responsible Consumption and Production» (Vladimir region – 62nd place) – 6 indicators: the share of organizations applied innovations improving the environmental safety in the production of goods and services: 1) reduction of material costs for the production of goods and services); 2) reduction of energy consumption for the production of goods and services); 3) reduction of carbon dioxide (CO2) emissions into the atmosphere; 4) replacement of raw materials with safe or less dangerous ones; implementation of industrial wastes, water or materials recycling; the share of disposed and neutralized production and consumption waste in the total volume of generated production and consumption waste.

For the Ivanovo region, it is necessary to improve the indicators of SDG 11 «Sustainable Cities and Communities» (Ivanovo region – 62nd place) – 11 indicators: the proportion of the number of families receiving housing and improved living conditions, among the families registered as those in need of housing; the proportion of the total area equipped with water supply; the number of public buses per 100,000 people; the share of cities with a favorable environment from the total number of cities (the urban environment quality index is above 50%); the number of citizens resettled from uninhabitable housing stock; the share of operational buses equipped to transport low-mobility groups of the population in the total number of operational buses; funds have been allocated for the preservation of cultural heritage sites; funds have actually

been disbursed for the preservation of cultural heritage sites; the share of captured and neutralized pollutants in the total amount of pollutants leaving stationary sources; the share of the length of illuminated parts of city streets, driveways, embankments in the total length of city streets, driveways, embankments; the share of the area of green spaces within the city limits in the total area of urban land within the city limits (Table 4).

Recommendations on the SDGs (if the region's place in the ranking of 85 subjects of the Russian Federation is at the bottom of the list, i.e. 43rd place and below) for all regions of the Central Federal District are presented in Table 6.

The highest positions on the implementation of the SDG of the social cluster are in the Belgorod, Kursk, and Lipetsk regions; on the implementation of the SDGs of the ecological cluster are the Orel and Yaroslavl regions; the economic cluster includes Moscow city, Belgorod, Voronezh, Kaluga, Moscow, and Yaroslavl regions. There are no advanced regions on institutional cluster in terms of the SDGs implementation. However, the implementation of 2 SDGs is balanced in two regions; in the Belgorod region according to the SDGs of the social and economic clusters, and in the Yaroslavl region according to the SDGs of the economic and environmental clusters (Table 5).

Table 5 – Recommendations for improving the rating position of regions within the framework of the Sustainable Development Goals (MGIMO-2023 methodology)

Regions	SDGs social cluster	SDGs institutional cluster	SDGs ecological cluster	SDGs economic cluster
Moscow city	SDG-4 (48)*	SDG-10 (82)	SDG-2 (47), SDG-15 (79)	-
Belgorod region	-	SDG-10 (61)	SDG-15 (68)	-
Bryansk region	SDG-4 (66), SDG-5 (53)	SDG-1 (59), SDG-10 (55), SDG-16 (57), SDG-17 (60)	SDG-2 (57), SDG-15 (83)	SDG-9 (43), SDG-11 (61)
Vladimir region	SDG-3 (81)	SDG-17 (51)	SDG-2 (78), SDG-15 (43)	SDG-12 (62)
Voronezh region	SDG-4 (58), SDG-5 (68)	SDG-10 (72)	SDG-13 (80), SDG-15 (48)	-
Ivanovo region	SDG-3 (50)	SDG-1 (50), SDG-17 (45)	SDG-2 (70),	SDG-11 (62)
Kaluga region	SDG-4 (43),	SDG-17 (57)	SDG-15 (49)	-
Kostroma region	SDG-3 (44), SDG-5 (73)	SDG-1 (45), SDG-17 (81)	SDG-2 (75), SDG-6 (73), SDG-15 (54)	SDG-9 (60)
Kursk region	-	SDG-1 (46), SDG-16 (56)	SDG-15 (66)	SDG-11 (56), SDG-12 (60)
Lipetsk region	-	SDG-10 (60)	SDG-15 (63)	SDG-8 (48), SDG-9 (46)
Moscow region	SDG-4 (80), SDG-5 (45)	SDG-10 (65)	SDG-15 (82)	-
Oryol region	SDG-3 (58), SDG-5 (64)	SDG-10 (52), SDG-17 (64)	-	SDG-11 (72)
Ryazan region	SDG-3 (51), SDG-5 (48)	SDG-1 (52)	SDG-2 (46), SDG-13 (61), SDG-15 (52)	SDG-12 (59)
Smolensk region	SDG-3 (65), SDG-5 (59)	SDG-1 (58), SDG-10 (58), SDG-16 (77), SDG-17 (61)	SDG-2 (74), SDG-6 (48), SDG-13 (45), SDG-15 (85)	SDG-8 (45), SDG-12 (44)

Regions	SDGs social cluster	SDGs institutional cluster	SDGs ecological cluster	SDGs economic cluster
Tambov region	SDG-4 (60)	SDG-1 (54), SDG-10 (44), SDG-17 (52)	-	SDG-8 (57), SDG-11 (59), SDG-12 (66)
Tver region	SDG-3 (80), SDG-4 (72)	SDG-16 (58), SDG-17 (78)	SDG-2 (45), SDG-6 (63), SDG-15 (55)	SDG-8 (54), SDG-12 (71)
Tula region	SDG-4 (53)	SDG-16 (46)	SDG-2 (43), SDG-15 (71)	SDG-8 (51)
Yaroslavl region	SDG-3 (59)	SDG-16 (44), SDG-17 (48)	-	-

** The place of the region in the Methodology for each Sustainable Development Goal is indicated in parentheses.*
Source: composed by the author according to [16]

Our analysis showed the highest ranks (Top 5) of Moscow city, Kaluga, Lipetsk, Moscow, and Kursk regions. The lowest ranks have the Smolensk, Bryansk, Kostroma, Tambov, and Ivanovo regions. The regions ranks were distributed as follows (Table 6):

1. Moscow city – according to the results of three ratings, 5 points were scored;
2. Kaluga region (18 points);
3. Lipetsk region (21 points);
4. Moscow region (23 points);
5. Kursk region (24 points);
6. Belgorod region (25 points);
7. Tula region (35 points);
8. Voronezh region (45 points);
9-10. Ryazan and Yaroslavl regions (55 points each);
11. Vladimir region (65 points);
12. Oryol region (71 points);
13. Tver region (80 points);
14. Ivanovo region (88 points);
15. Tambov region (113 points);
16. Kostroma region (115 points);
17. Bryansk region (131 points);
18. Smolensk region (137 points).

Table 6 – Final ESG rankings of the Central Federal District regions for three ESG rankings

Regions	Ranking of regions			Final scores (the sum of the places in columns 2,3,4)
	National Rating Agency (NRA)	RAEX Rating Consortium	MGIMO Center for Sustainable Development and ESG Transformation	
Moscow city	1	3	1	5
Belgorod region	2	21	2	25
Bryansk region	11	57	63	131
Vladimir region	15	36	14	65
Voronezh region	6	16	23	45
Ivanovo region	18	54	16	88

Regions	Ranking of regions			Final scores (the sum of the places in columns 2,3,4)
	National Rating Agency (NRA)	RAEX Rating Consortium	MGIMO Center for Sustainable Development and ESG Transformation	
Kaluga region	4	11	3	18
Kostroma region	14	58	43	115
Kursk region	5	7	12	24
Lipetsk region	8	6	7	21
Moscow region	3	10	10	23
Oryol region	10	32	29	71
Ryazan region	13	17	25	55
Smolensk region	16	43	78	137
Tambov region	9	71	33	113
Tver region	17	13	50	80
Tula region	7	19	9	35
Yaroslavl region	12	38	5	55

Source: composed by the author according to [14; 16; 17]

Conclusions

The development and implementation of regional ratings/rankings by Russian rating agencies, universities or sustainable ESG development companies contribute to the improvement of Russian national statistics on sustainable development. Rating agencies use different methods in compiling ESG ratings. Consequently, the same regions can rank different positions with the same initial data. Therefore, there is a need of unified methodological approach. It allows ones to assess the parameters of regional sustainable development and ESG transformation, measure the level of sustainability and determine the trends of their sustainable development.

The highest positions on the implementation of the ESGs of the social cluster are in the Belgorod, Kursk, and Lipetsk regions; on the implementation of the ESGs of the ecological cluster are the Orel and Yaroslavl regions; the economic cluster includes Moscow city, Belgorod, Voronezh, Kaluga, Moscow, and Yaroslavl regions. There are no advanced regions on institutional cluster in terms of the ESGs implementation. Two regions have the balanced implementation of two SDGs: the Belgorod region for the SDGs of the social and economic clusters, and the Yaroslavl region for the SDGs of the economic and environmental clusters. The Bryansk region should to improve all SDGs indicators of the institutional cluster; the Smolensk region should to improve all SDGs indicators, both institutional and environmental cluster.

Analysis of three ESG ratings of the Vladimir, Ivanovo, and Yaroslavl regions showed the highest rank of the Yaroslavl region. The Vladimir and Ivanovo regions ranked 2nd and 3rd, respectively. In the absence of a unified methodology for conducting the ratings, the comparative position results of these three regions differ in various ratings. It requires developing of a unified national methodology.

According to the E-component, the Yaroslavl region ranks the highest among all 3 rankings; the Vladimir region ranks higher compared to the Ivanovo region in 2 ratings (NRA and RAEX); the Ivanovo region ranks higher in the MGIMO rating on ecology for 2 of these regions. According to the S-component, the Yaroslavl region (RAEX and MGIMO) is a leader of 2 rankings; the Ivanovo region ranks the 2nd; the Vladimir region – the 3rd. According to the NRA ranking, the Vladimir region ranks the 1st; the Ivanovo region ranks the 2nd; the Yaroslavl region – the 3rd. According to the G-component, the Vladimir region is a leader of 2 rankings; the Ivanovo region ranks the 2nd; the Yaroslavl region (RAEX and MGIMO) – the 3rd.

The Ivanovo region ranks the highest in the NRA ranking, followed by the Vladimir and Yaroslavl regions.

The analysis of regional ranking by the MGIMO methodology in the context of the Sustainable Development Goals showed that according to the E-component (ecological cluster) the Vladimir and Ivanovo regions should improve their indicators for SDG 2 «Zero Hunger»; all three regions should improve their indicators for SDG 15 «Life on Land».

To improve the ranking of regions in the economic cluster of the Vladimir region, it is necessary to improve the indicators of SDG 12 «Responsible Consumption and Production».

The Ivanovo region should improve the indicators of SDG 11 «Sustainable Cities and Communities».

According to the S-component (social cluster), all three regions should improve indicators of SDG 3 «Good Health and Well-Being».

To increase regional ranking in the institutional cluster, it is necessary to improve the indicators of SDG 1 «No Poverty» for the Vladimir and the Ivanovo regions.

The Yaroslavl region requires to improve the indicators of SDG 10 «Reduced Inequalities» and SDG 16 «Peace, Justice and Strong Institutions».

Hence, it is necessary to increase the indicators of SDG 17 «Partnership for the Goals».

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CONFLICT OF INTEREST

The author declares no conflict of interest.

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