

Comprehensive Evaluation of Investment Potential (The Case of the Southern Federal District)

Natalia N. Kosinova¹, Marina S. Tolstel¹ & Anna A. Chekalkina¹

¹ Volgograd State University, Volgograd, Russian Federation

Correspondence: Natalia N. Kosinova, Volgograd State University, Volgograd, Russia. 100, Prospekt Universitetski, Volgograd 400062, the Russian Federation. Tel: 7-909-382-4938. E-mail: nnn_05@mail.ru

Received: September 8, 2014 Accepted: September 22, 2014 Online Published: November 14, 2014

doi:10.5539/ass.v10n23p231

URL: <http://dx.doi.org/10.5539/ass.v10n23p231>

Abstract

The article describes the development of a comprehensive method for assessing the investment potential of the regions (the case of the Southern Federal District). Assessment-based of the region's investment potential is rated, the relationship with gross national product was investigated using regression analysis. The authors explore the Scientific approaches to the concept of the regional investment potential, Methods of assessing the region's investment potential, isolated Factors of the investment potential of the region, Technical and technological factors are integral components of the innovation factor, which are added to the model due to the increasing influence of the degree of innovation on competitiveness and economic systems. Building a system of indicators, which is formed on the basis of investment potential, carried out with the use of structure-factor model, which characterizes the process of investment management at the level of regional economic systems? Since factors arise from the resources and economic conditions, then, in fact, they form the dominant their efficient transformation in product manufacturing to ensure the principle of sustainable development of the area, forming a "core development". The authors explore The SFD's investment potential, the validity of using the proposed methodology for assessing the investment potential, Public-private partnership in the implementation of the investment potential of the region: the essence and prospects of development, Improvement of public-private partnership (the case of the Volgograd region).

Keywords: investment, investment potential, investment rating, regional economy

1. Introduction

Strategic management of investment activities at the regional level is one of the development factors of the national economy and improving the competitiveness of the region. This is due to the fact that the investment is a source of renewal, restructuring and expansion of production facilities, improve their efficiency and competitiveness. Therefore indispensable for achieving sustainable socio-economic development of the region is the investment activity in the volumes required and necessary directions.

Region's investment processes management should be based on its potential and produced in accordance with this investment strategy, which, in turn, is an integral part of socio-economic development of the region. Regional investment strategy is an effective tool for the region's investment processes management, the slave implementation of the objectives set in the strategy for socio-economic development.

In order to improve the investment climate and increase the investment attractiveness of the region's investment strategy should be aimed at harnessing the potential of the region, taking into account the problem of development of its administrative and infrastructural institutions necessary for the target to attract strategically important investors. However, the investment strategy of the region itself can't produce a result. It serves as a complement to the implementation mechanism, which is a set of methods and means of influence on investment activities in the region, used by both the regional and federal authorities.

2. Methods and Materials

2.1 Scientific Approaches to the Concept of the Region's Investment Potential

Development of a comprehensive method for assessing the investment potential will allow, on the one hand, investors to choose investment activities, on the other hand, the regional authorities on the basis of information about the region's potential to develop a strategy to increase its attractiveness and competitiveness.

Due to the volatility of the economy increases the importance of establishing an effective system of investment management at various levels. The greatest influence on the efficiency of investment activity has such a thing as "the level of investment attractiveness." Consider this concept in more detail.

In contemporary literature, there is no single approach to the definition of the concept. Investment attractiveness can be considered as the national or regional levels, and at the level of individual industries or businesses.

According to E.V. Savenkova, the concept of "investment attraction" and "investment business" are identical: the more effective the investment, the higher levels of investment (Savenkova, 2004). However, it is not always the effect of investment is shown in the near future, but the region may still be attractive to potential investors.

The most complete, in our opinion, is the treatment of A.S. Ponin, according to which "the investment attractiveness - a system or combination of different objective evidence, facilities, causing the combined potential effective demand for investment in the country, region, industry" (Ponin, 2000) Just interprets the term "investment attraction" and A.G. Tretyakov (Tretyakov, 2006).

Investment attractiveness of the region is an integral characteristic, which includes the investment climate, the level of infrastructure development, availability of resources and other factors that may affect the formation of income from investments and region's investment. Investment attractiveness of the region, according to A.S. Ponin determines the level of investment activity, which is the real development of investment activity in the form of investments in fixed assets (Ponin, 2000).

In contemporary literature, there are several points of view with respect to the elements that make up the investment attractiveness of the region. In our opinion, the most complete is the point of view of I. V. Kovaleva, according to which "... the investment attractiveness ... formed the level of investment potential and investment risks and is realized in the form of investment in the region ..." (Kovaleva, 2000).

Potential - a set of means and capabilities, but in relation to the investment area, there are several interpretations of the term investment potential. F.M. Tumusov determines the investment potential as "a set of potential investment resources that make up that part of the accumulated capital, which is represented in the investment market in the form of a potential investment demand, and capable of having the opportunity to become a real investment demand, ensuring the satisfaction of material, financial and intellectual needs of the reproduction of capital" (Tumusov, 1999). A. M. Margolin and A. J. Bystryakov associated with investment potential synergies (Margolin & Bystryakov, 2001).

E.A. Shtele, meaning the investment potential of "the totality of the available resources and capabilities that can ensure the growth of investments ... consisting of involved and spare capacity to generate income or other goals set by the investor," said that his assessment should be reduced to the determination of indicators describing the implementation of the investments, but not only in the past, but also from the standpoint of future opportunities (Shtele, 2009).

Based on the foregoing, in this article the authors under the investment potential will be understood as a set of resources that may directly or indirectly be involved in the process of reproduction at the level of different economic systems.

2.2 Methods of Assessing the Region's Investment Potential

Building a system of indicators, which is formed on the basis of investment potential, carried out with the use of structure-factor model, which characterizes the process of investment management at the level of regional economic systems. Since factors arise from the resources and economic conditions, then, in fact, they form the dominant their efficient transformation in product manufacturing to ensure the principle of sustainable development of the area, forming a "core development" (Inshakov, 2003).

Modern methodological approach O. V. Inshakov, nominated on the basis of the theory of endogenous factors of production enables us to construct a model of regional investment activities management, reflecting the influence of the main factors of the "core development" of the economic system, transformed with respect to the process being studied.

With regard to the region's investment potential, in the opinion of the authors, in terms of availability of data for analysis and the appropriateness of their treatment, it is necessary to adapt this factor model and specify. Adapted model is presented in Figure 1.

In this model includes five factors that influence the development of investment potential: resource, innovation, institutional, organizational and informational factors, each of which consists of several indicators.

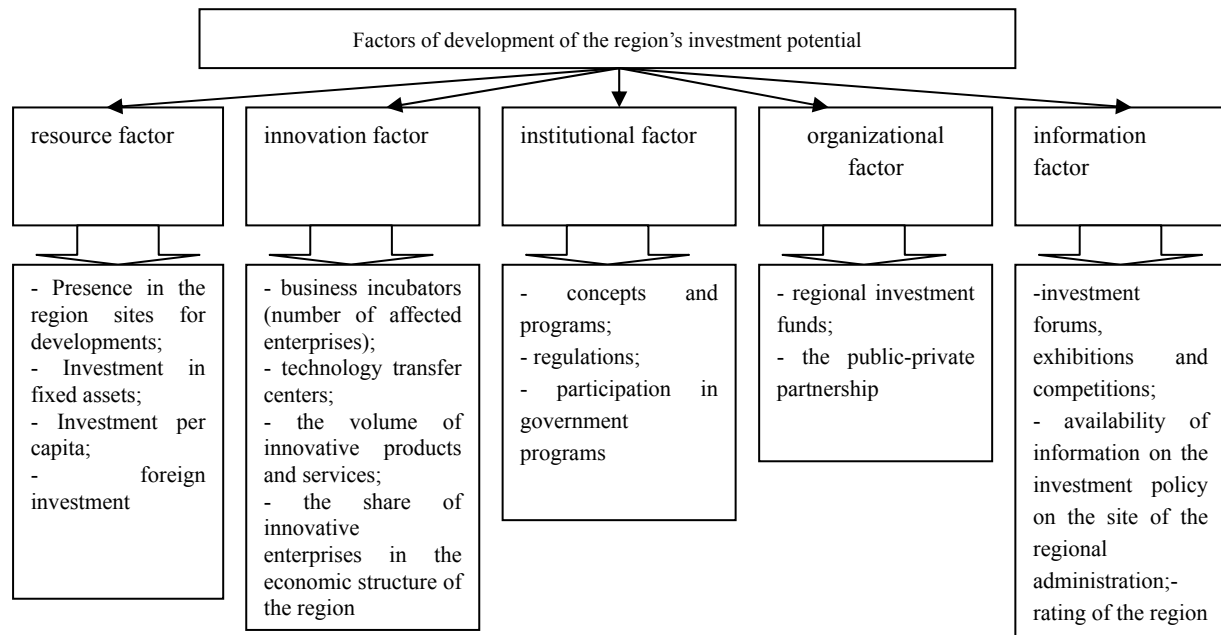


Figure 1. Factors of the investment potential of the region

Technical and technological factors are integral components of the innovation factor, which are added to the model due to the increasing influence of the degree of innovation on competitiveness and economic systems. A natural-resource factor considered by the authors in this article as a resource.

For each of the factors evaluated the following parameters:

- for resource factors: the availability of sites in the region for developments; investment in fixed assets; investment per capita; foreign investment;
- factor for innovative business incubators (number of affected enterprises); technology transfer centers; volume of innovative products and services; the share of innovative enterprises in the economic structure of the region;
- to institutional factors: concepts and programs; regulations; participation in government programs;
- for organizational factors: regional investment funds; public-private partnerships;
- for information factor: investment forums, exhibitions and competitions; availability of information on the investment policy on the site of the regional administration; rating of the region.

Each indicator is assigned a hierarchical rating scores, which are then summed in the calculation of the overall rating of the region.

For each indicator, c_i (i - ref index) the average value (Formula 1).

$$\bar{C}_i = \frac{\sum_{j=1}^N C_{ij}}{n} \quad (1)$$

Where in:

C_{ij} - The value of the i -th index for the j -th region,

n - number of subjects (regions).

The range of the i -th index $[C_i^{\min}, C_i^{\max}]$ partitioned into n ranges. The first indicator is the rating value $r_{\min} = 1$, and the last - $r_{\max} = M$ (M - the maximum rating). The calculations show that for the calculation of the function $r_{ij} = f(c_{ij})$ was sufficient to seven intervals, ie $r_{\max} = 6$.

The transformation parameters obtained c_{ij} matrix corresponding private ratings r_{ij} , in which the speakers are rating distribution of the region on various parameters, and lines - the distribution of the rankings on the various regions of the SFD. Each subsystem is characterized by the level of rating R_{lj} , (l - Partition ($l = 1, \dots, 5$)):

$$R_{ij} = \sum_{i=1}^k r_{ij} \quad (2)$$

Where in:

k - the number of indicators characterizing the block model.

Thus, the region's investment potential has the following analytical expression for the overall rating:

$$R_j = R_r + R_{Inn} + R_{Ins} + R_O + R_{Inf} \quad (3)$$

Where in:

R_r, R_{Inn}, R_{Ins}, R_O, R_{Inf} - ratings subsystems: resource, innovation, institutional, organizational and informational factors, respectively. Since R_j is a numeric expression, the formula (3) determines the level of investment potential for a particular region.

3. Results

3.1 The SFD's Investment Potential

For each factors forming an investment capacity rating scores were determined (Table 1).

In the Volgograd region site for developments and investment projects submitted by the following entities:

construction grain node based Kalachevskiy port;
 construction of the center of preclinical studies;
 construction of terminal and logistics center;
 theme park;
 complex maintenance of textile products.

Table 1. Hierarchical ratings of factors that shape the investment potential of the regions*

Region / Factor	Republic of Adygea	Astrakhan region	Volgograd region	Republic of Kalmykia	Krasnodar region	Rostov region
presence in the region sites for developments / investment projects	1	4	4	1	6	6
investment in fixed assets for the year 2011	1	2	2	1	6	4
investment in fixed capital per capita for the year 2011	2	5	1	1	6	3
foreign investment per capita in 2011	3	1	2	-	3	6
foreign investment in 2011 year	2	1	2	-	5	6
business incubators / parks	1	2	1	0	2	5
technology transfer centers	0	1	1	0	6	6
volume of innovative products and services for the year 2011	1	1	3	-	3	6
the share of innovative enterprises in the economic structure of the region for the year 2011	1	3	6	-	3	6
concepts and programs / regulations / investment strategy / public-private partnership	1	3	1	1	6	5
participation in government programs of federal importance (FTIP) for the year 2011	1	1	1	1	6	2
investment forums, exhibitions, competitions	1	1	4	1	6	4
Availability of information on the investment policy on the site of the regional administration	2	1	4	3	6	4
rating the region's relative creditworthiness of 2011	2	4	6	1	6	6
Overall rating of the region	19	30	38	10	70	69

* Compiled by the authors: the site of the Federal Service of State Statistics <http://www.gks.ru>; Official site of the SFD

Go to sites suitable for industrial production, in the Volgograd region includes the following objects:

- industrial technopolis Svetloyarsky area;
- industrial park "Polygon";
- Agropolis "Udarnik";
- Technopark "Energy";
- Industrial Park in Gorodische area;
- investment platform "Gorodische".

At this point in the Volgograd region operates one business incubator. On a total area of 3 000 square meters are equipped jobs for more than 120 employees of small businesses are involved 35 companies specializing in the field of innovation, production, cultivation and processing of agricultural products, service utilities, energy saving technologies.

Technology transfer centers are represented by the following organizations: "Volgograd Center for Technology Transfer" and "Volgograd Innovation Agency VolGU."

In recent years, the Volgograd's Ministry of Economy in the development of international, foreign economic and interregional cooperation prepared and held 31 events.

According to the results the organization of trade fairs and conventions of regional, interregional and international character, visits of international organizations agreements were signed:

- up to the International Investment Forum "Sochi-2013" (Sochi): the agreement on social and economic cooperation with "Intensification and PNP", "SK Stroykontakt", LLC "Svetozar" JSC "Sinara Group"; supplementary agreement on changes to the investment agreement with "Cargill Novoanninskii";
- In the framework of the Russian-Azerbaijan Forum (June 2013) Agreement between the Government of the Volgograd Region (Russian Federation) and the Government of the Republic of Azerbaijan on trade-economic, scientific-technical and cultural cooperation;
- Prepared Cooperation Agreement between the Government of the Volgograd region and the Trade Mission of the Russian Federation in the Federal Republic of Germany, signed at the international exhibition of commercial real estate "EXPOREAL 2013", Germany;
- work on preparation to participate and demonstrate the exposure of the region within the framework of the XXII Olympic Winter Games and XI Paralympic Winter Games of 2014 in Sochi.

Volgograd region exceeds the average value of the SFD only for share of innovative enterprises in the economic structure of the region and rated the region's relative creditworthiness.

Thus, analyzing the rating of regions, we can make the following conclusions. Volgograd region in the ranking in third place (38) after the Krasnodar region (70) and the Rostov region (69). Advantageously (based on table 1) is achieved by the following factors:

- presence in the region sites for developments / investment projects;
- the share of innovative enterprises in the economic structure of the region;
- investment forums, exhibitions and competitions;
- availability of information on the investment policy on the site of the regional administration;
- rating of the region (the relative level of creditworthiness of economic indicators).

Factors that adversely affect the rating of the region include:

- investment in fixed capital per capita;
- business incubators / parks;
- technology transfer centers;
- concepts and programs / regulations / investment strategy / public-private partnership.

Currently preparing a project "Investment Strategy of the Volgograd region until 2020", which is also a positive impact on the ranking of the region and investment activity.

3.2 The Validity of Using the Proposed Methodology for Assessing the Investment Potential

Visual rating of regions is shown in Figure 2.

Statistical relationship ranking in the region, estimated by the proposed method, and the value of GRP analyzed using correlation index. The correlation coefficient was 0.93, indicating that the dependence is close to a straight line function.

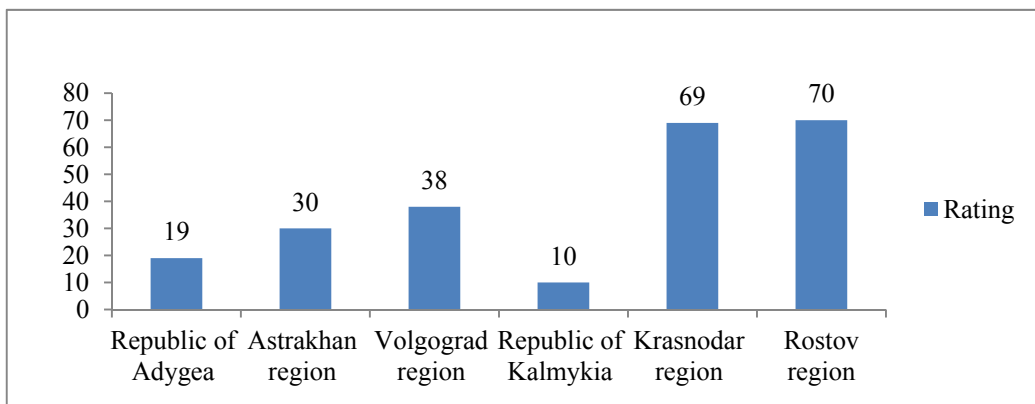


Figure 2. Rating SFD investment attractiveness *
 * Compiled by the authors according data (Table 2).

The main statistical indicator of the adequacy of the regression equation is the coefficient of determination describing the share of variation resultant variable, which is caused by the change factor. Value of this index for this model was 0.868, that is, the variance explained by the GRP by 86.8% within the factor model (rated in the region). This is testament to the high quality of the resulting equation.

Table 2. Value for ratings and GRP *

Region	Rating	GRP (million) 2011
Republic of Adygea	19	55 225.8
Astrakhan region	30	170 546.5
Volgograd region	38	498 968.1
Republic of Kalmykia	10	28 779.4
Krasnodar region	69	1 229 738.1
Rostov region	70	761 828.6

* Compiled by the authors according the Federal Service of State Statistics data - URL: <http://www.gks.ru>

However, in order to draw a conclusion about the statistical significance of the model we use the F-Fisher test. For the proposed model it was 26.44. Tabulated value of this criterion for the significance level of 0.05 was 7.71. As the actual value exceeds the table, then the model can be considered statistically significant.

Thus, our analysis suggests that the proposed evaluation model adapted by the authors of the investment potential of the region, on the one hand, like any model simplifies the understanding of the real investment processes in the region and doesn't cover the whole range of indicators that reflect them, but on the other side - from the study results (ratings regions) correlate with GRP, which suggests that this model is applicable and potentially effective.

In our opinion, one of the most significant factors of change in the rating of the region may be the development of public-private partnership (PPP), which will bring together, as regional authorities and the private sector. In the long term, the development of PPPs allow the territory to not only get a higher rating due to this indicator, but also change the value of the investment potential factors (eg, investment in fixed assets, foreign investment, etc.).

3.3 Public-Private Partnership in the Implementation of the Investment Potential of the Region: The Essence and Prospects of Development

Formation and development of the PPP is determined by several key factors (Loskutova, 2010):

Firstly, one of the most important areas of liberalization of the economy, the rate of which was taken in the majority of countries in the 1980-1990 period, is the privatization of state assets. And here the PPP was intended to play a major role, as the PPP is the partial privatization of state and municipal property and public services.

Secondly, the national government does not have a sufficient financial resources to upgrade, maintain and expand their property located in the productive and social infrastructure. The involvement of business in the reproductive processes in the infrastructure sectors has been to some extent a way out and an effective means of solving the infrastructure problems.

Third, the business to a much greater extent than the State has the mobility, speed of decision-making, the ability to innovate, the use of technical and technological changes. The government, in turn, may facilitate the implementation of joint public-private projects, due to the financial and economic instruments to support their partner.

There are several approaches and points of view on the interpretation of the concept of "public-private partnership." This is attributed primarily to the blurring of the subject, the uncertainty of the boundaries and limitations of the regulatory framework, defining a complex phenomenon of the modern economy, as the PPP, as well as the fact that the concept of PPP is a relatively new phenomenon in the economy.

In world practice under the PPP implies a system of relations between the state and business, is widely used as a tool for national, international, regional, urban, municipal, economic and social development; this specific projects carried out by various state bodies, organizations and institutions, on the one hand, and private companies, on the other hand, at the facilities of state and municipal property.

There are various approaches to determining the PPP, namely (Toschenko, 2010):

economic - involves consideration of PPP as an alternative to privatization. PPP is used in strategic sectors that can't be privatized, but for the development of which the government did not provide sufficient opportunities (housing and communal services, transport, etc.). The basis for such an interpretation of the concept of PPP was the experience of developed countries, where the private partners implementing projects together with the state, was passed a wide range of powers: operation, ownership, construction, financing, and others;

management - involves designating it as one of the instruments of state policy. According to this approach, PPP is neither institution privatization or nationalization of the Institute, and a new form of fulfillment of the obligations of the state to society.

In different countries there are different interpretations of the concept of PPP. For example, in the United States under the PPP is defined as "embodied in the form of a contractual agreement between the government and a private company, allowing the latter to participate in a certain way in public ownership to a greater extent compared to the current practice. Such an agreement usually requires the presence of an appropriate government agency contract with a private company, the subject of which performs reconstruction, construction of the object of public property and (or) its operation, management, etc. The fundamental rights of ownership in respect of the object does not change, and the government even after the transfer of the object to a private company remains its owner.

The term PPP defines a wide range of relationships ranging from relatively simple contracts under which a private company assumes certain risks and agrees to a system of penalties to complex, technically challenging projects, including the construction, modernization, operation and management of facilities (Report to Congress on Public-Private Partnerships, 2004).

In the UK, PPP is defined as "a key element of the Government's strategy to ensure the high quality of modern public services and improve the country's competitiveness. PPPs have a wide range of business structures and forms of partnership: from "Private Finance Initiative" to joint ventures and concessions, outsourcing, sales of the shares in state-owned commercial activity" (Public- Private Partnerships – the Government's Approach, 2000).

In Ireland, under the PPP is defined as "cooperation between the public and private sectors in order to implement a specific project or providing services to the population of a social nature, the obligation to provide that the responsibility of the public sector" (Public- Private Partnerships, 2003)

From the perspective of practitioners, PPP is more specific. For example, Deloitte, provides consulting services under the PPP understands "a contractual agreement between a government agency and a private company, allowing the latter to increase its participation in the provision of public services" (Closing the Infrastructure Gap, 2006).

Price Waterhouse Coopers and C'M'S 'Cameron McKenna define PPPs as "any transaction which involves the structure of the joint work of public and private sectors to achieve a common goal" (Public- Private Partnerships, 2003).

The documents of the Organization for Economic Cooperation and Development PPP is regarded as any agreement for a fixed or indefinite period of time between the public and private partners, in which the two sides interact in the process of decision-making and co-invest limited resources (eg, money, personnel, equipment, information) to achieve specific goals in a certain area.

According to a different approach, PPP is seen as mutually beneficial strategic medium and long-term cooperation between the state (and / or municipalities) and non-economic entity (a person engaged in entrepreneurial activity), based on the sharing of risks and benefits between them and aimed at the implementation of public useful tasks and functions (Chernigovskiy, 2008).

In industrialized countries for a long time, there is a close relationship between business and government. According to The National Council for Public-Private Partnerships, now in every American city from 23 to 65 municipal services working in partnership with the private sector. His participation in such projects allows local authorities to save from 20 to 50% of the budget. PPP projects are being developed now in more than 60 countries around the world. Leadership in the implementation of PPP for a long time keeps the UK. British form of public-private ownership - "Private Finance Initiative» («private financing initiative»), began to develop in 2003, The essence of this partnership was to attract private investment for the construction of large public facilities, when in fact a private business he carried out the construction of a public facility at its own expense. Reimbursement of private investors may subsequently either by income from the operation, either by payments from the budget. In many cases, PFI investor is drawn to the further operation of the facility and the organization of its activities up to the recruitment (Sannikova, 2014).

Specificity of PPP is that it's, "acting as the initial condition, the background and the target value of effective public management of the economy, has an institutional character and is the organizational, economic and property and economic strategic and operational co-operation of public authorities and the private sector, and provides a constitutive socio-economic growth, balance and proportion of the country (region, territory)" (Filchenkov, 2007).

The interaction of business and government, reflecting the interests of society, is essential for sustainable development of the country and its regions. The present stage of socio-economic development of Russia is characterized by a lack of effective communications business with the government, which does not allow us to effectively implement its functions subjects interaction and affects the solution of economic problems of the society. In the interaction of the three sectors (business, society and government) may exercise the popular thesis of social partnership. It is in this field and should act and develop PPP.

According to experts, the PPP is positioned as a "new technology development of the economy" (Loskutova, 2010). The goal of this partnership - the development of state property by combining the efforts and resources of the state and private business. The state thus reserves the functions of control and regulation, which is carried out "in order to make processes organized, streamline the operation of economic entities, to ensure compliance with laws, government and public interest" (Raizberg, 2007).

PPP is that the sectors have their own unique characteristics and advantages which, when combined create the opportunity to act more effectively and achieve the best results in those areas where it is particularly noticeable "market failure" or weak governance. Thus, the most preferred is the definition of PPP as a system of cooperation between the private sector, enterprises and business organizations with government agencies as well as regional corporations with state enterprises, institutions, aimed at achieving common economic goals, to address urgent social and economic problems.

V.G. Varnavskiy identifies several generic features of PPP, the presence of which in the first place, make sure each partner project, and secondly, to distinguish this mechanism from other forms of interaction between government and business (Varnavsiy, 2010). Among them he includes:

- 1 The subject of the PPP is the state and municipal property, and services provided by the state, municipal authorities and budgetary organizations.
- 2 PPP issued a special contract (agreement, contract) between the state and participants from the private sector.
- 3 A prerequisite is the PPP co-financing by the state and private companies, and risk sharing among all project participants. Sometimes a project can be funded 100% by the private sector.

4 PPP project is carried out within a certain, fixed in the contract. Upon completion of the project partnership may be continued on the basis of a new treaty.

V.G. Varnavskiy defines the essence of the PPP as "legally fixed for a certain period, which implies co-financing and risk-sharing form of interaction between the public and private sector with regard to objects of state and municipal property, as well as services rendered and executed, and state and municipal authorities, institutions and enterprises."

According to the authors of PPP should be considered as a "union of tangible and intangible resources of society (state or local government) and the private sector (private companies) on long-term and mutually beneficial basis for the provision of public goods (improvement and development of the regions, the development of engineering and social infrastructure) or the provision of public services (education, health, social protection, etc.). This institutional and organizational alliance between government and business in order to implement the socially significant projects and programs in a wide range of industries and innovation" (Kosinova, 2009)

The most clear-cut and unfolded forms of PPP classification, according to the authors, is given in the works of V.G. Varnavskiy, which identifies the following its forms:

- works contracts and public service delivery;
- supply of products for state needs;
- technical assistance contracts;
- management contracts;
- leasing (rental);
- Production Sharing Agreement;
- investment contracts;
- concession;
- corporatization;
- equity participation of private capital in public enterprises (Varnavskiy. 2005).

In Russian practice, in addition to the above forms of public-private partnership takes the form of:

- the use of funds from the Investment Fund of the Russian Federation and other sources of public funding to support ongoing private business major projects in strategic areas;
- creation of special economic zones (pilot-promotional, industrial, port, tourism and recreation) to stimulate the development of investment projects at the expense of state support measures;
- creation of corporations, including those with mixed public and private capital for development of priority sectors of the economy (Mankulova, 2008).

Effective use of PPP experience available in St. Petersburg, where the principles of PPP, the Western High-Speed Diameter - intracity line length of 46.4 km, which will be held along the lips Gulf in the western part of the city and allow to form a large ring road around the northern capital of Russia. Cost of the project - more than three billion dollars, of which the Government of the Russian Federation and local authorities will fund no more than half. Examples of the use of PPPs for infrastructure development of housing and public utilities have been developed at the level of regions and municipalities. More than a hundred cities District Heating System transferred under lease agreements thermal companies created JSC "Mezhregiongas". Among the major participants: Omsk, Rostov-on-Don, Barnaul, Orenburg, Krasnodar, Tyumen, Kaluga, and others (Lomovceva, 2009).

So, for the development of PPP in Russia made certain organizational and legal conditions (PPP centers in a number of federal ministries, regions and organizations, the Federal Law # 115-FZ "On Concession Agreements") and financial investment (concession tender scheme of trust management, long-term lease, procurement, innovative research and services) character. It is already possible to realize a number of major national projects in such cities as Moscow and St. Petersburg. In order to give impetus to the development of PPPs at the level of regions and municipalities, we need to develop effective institutions for interaction between the government, business and society, improving the management and support of PPP.

3.4 Improvement of Public-Private Partnership (the Case of the Volgograd Region)

Using the experience of the Volgograd region, the authors define the following strategic directions of perfection of the PPP at the regional level:

- 1 Organization of interaction with the institutions and the use of PPP instruments at the federal level for the implementation of regional investment projects.
- 2 Formation of regional instruments and institutions PPP.
- 3 Formation of key investment projects involving the use of PPPs (Kosinova, 2010).

We consider these in more detail.

The main activities of the direction of interaction with the institutions and the use of PPP instruments at the federal level for the implementation of regional investment projects should be: the organization of special economic zones in the region, attracting funds from the Investment Fund of the Russian Federation and Vnesheconombank for infrastructure investment projects, active participation in federal programs and national projects.

According to the authors, the creation of special economic zones, the purpose of which is the formation of growth points to designated areas by attracting investments on favorable terms, important for projects that do not imply large investments in basic infrastructure, large purchases of imported equipment, both existing and potential investors.

The most important institution of the PPP at the federal level is the Investment Fund of the Russian Federation. This "State Finance Fund of the Russian Federation, is designed to co-finance investment projects." Investment Fund was established in November 2005 as a "tool of the active state investment policy for the intensification of structural reforms in the Russian economy." It is administered by the Ministry of Regional Development of Russia (since 2007, before that - Ministry of Economic Development and Trade). "Currently, the total amount of funds from the Investment Fund of the Russian Federation 80 billion. Rubles, while the quota of the Volgograd region – 1.0 15 billion Rubles (Investment Fund of Russian Federation, 2013).

In addition to the Investment Fund of the Russian Federation, there is another significant Federal Institute support regional investment activity - the State Corporation "Bank for Development and Foreign Economic Affairs", provides financing on a return basis and provides loans, loans, guarantees and sureties. An important element of the Bank for Development and Foreign Economic activity is the presence in its structure PPP Center, which promotes the development and implementation of PPP projects.

With regard to the second trend - the formation of regional instruments and institutions PPP - something to improve the effectiveness of PPPs in the Volgograd region, according to the authors, it is necessary to create a regional center of the PPP and the Development Corporation of Volgograd region. Consider these two components in more detail.

Regional Centre of PPP should be created in cooperation with the Bank of Development and Foreign Trade for such goals as:

- cooperation with the major institutions of the PPP;
- organizational and methodological support from the institutions of the PPP at the federal level;
- implementation of interaction with businesses, enforcement authorities, municipal authorities in the process of gathering information, training and support of PPP projects;
- organizational and methodological support to business entities in the implementation of PPP projects.

With regard to the Development Corporation of Volgograd region, then, as a rule, such structures are created for the development and implementation of integrated development of territories on the basis of the PPP. The main goals of this Corporation are:

- creation and constant updating of a database of investment areas of the Volgograd region, determining the optimal functional purpose areas, the development of activities to engage prospective areas in the implementation of major investment projects;
- formation of complex investment projects of the Volgograd region;
- organization of financing of infrastructure projects, education, investor groups, matching their interests and creating a favorable environment for collective investment;

integration of federal, regional and municipal PPP instruments in the implementation of major investment projects.

Today the laws on public-private partnership made more than thirty regions of the Russian Federation.

However, in the 22 regions of the Russian Federation, the PPP legislation adopted only in 2010 that, on the one hand, evidence of the region's desire to create a legal framework of PPP, on the other hand, given the fact that these laws only came into force, not allows to draw conclusions about their real effectiveness. Viability of regional laws can be verified only through practice. At this point in the Volgograd region developed "Model Law of the Russian Federation" on the participation of the Russian Federation, the municipality in the projects of public-private partnership. "Under this law is defined by:

- Basic concepts of PPP;
- Principles of participation of the subject of the Russian Federation;
- Property and financial part of the subject of the Russian Federation in PPP projects;
- Objects agreements;
- The conditions of participation of the subject of the Russian Federation and governance of PPP projects;
- The powers of the executive bodies of state power of the Russian Federation;
- The order of competition for the right to enter into agreements;
- Guarantees the rights of the partners in the negotiation and execution of agreements.

At the same time the federal center doesn't neglect the issue of PPP development at the regional and municipal level. So, in 2012, came into force new rules for grants for regional projects of public-private partnership through the Investment Fund of the Russian Federation, approved by the Resolution of the Government of the Russian Federation of October 30, 2010 # 880. Each region of the Russian Federation may be eligible for federal financial support in the form of subsidies in the case of compliance with these rules.

Two basic requirements. The first of them - the establishment and operation of region of the Russian Federation, a regional investment fund, essentially analogous to the "federal" investment fund, but at the level of a particular region. The second condition - the presence of specific projects.

The key investment projects on the territory of the Volgograd region can be:

- 1 Construction of the road "Bypass of Volgograd." Total investments - 53.7 billion rubles, the project of the regional budget disbursed 266 million rubles, which indicates the need for resources of federal institutions PPP.
- 2 Provision of engineering infrastructure of the most promising investment sites Volgograd agglomeration. It is estimated that the total investment is about 8 billion rubles.
- 3 Create a pharmaceutical cluster and the organization of a special economic zone of technology-innovative type in the territory Svetloyarsky municipal district of Volgograd region. The total investment expected - 15 billion rubles.
- 4 Construction balneology health resort on Lake Elton and the organization of a special economic zone of tourist-recreational type. Total investments - 4.3 billion rubles.
- 5 Moving objects "Volgograd Oblast Children's Clinical Hospital of Infectious Diseases" and "Volgograd Regional Clinical TB Dispensary" in the Soviet district of Volgograd and construction in the 58 block of the Central district of Volgograd residential, social, and commercial real estate. Total investments - 8.5 billion rubles, of which 1.2 billion rubles will be allocated for the construction of new health facilities.

Thus, the development of PPPs in the region will largely depend on the ability to present the project to the federal level, therefore, of human capacity in the region, the availability of certain professionals who have the necessary competence to assess the effectiveness of projects.

4. Conclusion

Based on this analysis, the following conclusions. Volgograd region in the ranking of the SFD is in third place (38) after the Krasnodar region (70) and the Rostov region (69).

Implementation of these strategic directions to improve the legislative framework in the field of PPP, the organization of interaction with the institutions and the use of PPP instruments at the federal level for the implementation of regional investment projects, the creation of regional instruments and institutions of PPP, as

well as the development of key investment projects involving the use of PPPs, will significantly improve the and effective use of the investment potential of the region.

If stated in the investment strategy of the Volgograd area activities will be implemented, the rating of the region, ceteris paribus increase by 6 points and is 44 points. Increase the rating of the region by 6 points will be 13.15% of the average rankings for the SFD. Taking into account the previously estimated elasticities increase in the amount of GRP should reach 22.35% of the average GRP SFD. Also in the regression equation slope of the function shows how to change, if you change to 1 Thus, if you change the rating of the region by 6 points, GRP increases by 74 726 220 000 rubles.

References

- Chernigovskiy, M. (2008). *Partnership for Development*. M. Chernigovskiy, Corporate Lawyer. - 2008. - # 10. - C.3
- Closing the Infrastructure Gap: The Role of Public-Private Partnerships. A Deloitte Research Study*. (2006, p. 5).
- Filchenkov, V. A. (2007). Concept, principles, conditions of efficiency and features of the PPP. *Service in Russia and abroad*, 2, 166
- Inshakov, O. V. (2003). *On the development strategy of the macro-region of Southern Russia* (p. 21). Volgograd. *Investment Fund of Russia*. Retrieved from <http://www.investinginrussia.ru/rus/ppp/investfund/>
- Kosinova, N. N. (2009). Public-private partnerships as an effective tool for implementing strategic plans at the regional level. Forms and mechanisms of interaction of subjects of a mixed economy. Compilation. M.: IE RAS, 158-159
- Kosinova, N. N. (2010). Regional aspects of the improvement of public-private partnerships (for example, the Volgograd Region). Institutions and mechanisms of public-private partnerships. Collection. M.: IE RAS, 273-279
- Kovaleva, I. V. (2000). Investment activity in the region. *Regional Agribusiness: Problems and Prospects. Barnaul*, 141-143.
- Lomovtceva, O. A. (2009). The use of public-private partnerships in regional development. Scientific statements, Belgorod State University. *Series: History. Political science. Economy. Informatics*, 56(9), 202
- Loskutova, M. V. (2010). Public-private partnership in the modernization of the Russian economy. *Socio-economic phenomena and processes*, 2, 55
- Mankulova, J. (2008). Alternative sources of funding infrastructure projects. *Public Private Partnership / Corporate Lawyer*, 10, 24
- Margolin, A. (2001). *Economic evaluation of investment* (p. 358).
- Ponin, A. S. (2000). *Managing the process of attracting investment in the region*. RAGS, p. 31.
- Public-private partnerships - a new form of interaction between the public and private sector in the financing of infrastructure and social projects*. (2003). British Embassy, p. 27
- Public-Private Partnerships - the Government's Approach* (p. 6). (2000). London. The Stationary Office.
- Raizberg, B. A. (2007). *Modern Dictionary of Economics* (p. 80). INFRA-M.
- Report to Congress on Public-Private Partnerships / US Department of Transportation* (p. 10). (2004).
- Sannikova, T. *Fundamental premise - whether to do business with the State?* Retrieved from <http://www.opec.ru>
- Savenkova, E. V. (2004). Economic methods of priority development investment business (p. 98).
- Shtele, E. A. (2009). *Assessment of the investment potential of the industry* (p. 151).
- Toschenko, B. (2010). *Public-private partnerships: The role, form and scope of use* (p. 77).
- Tretyakov, A. G. (2006). Management of investment activity in the region atvoref (S. 18). RAGS.
- Tumusov, F. S. (1999). Investment potential of the region: the theory, problems, practice (S. 96).
- Varnavskiy, V. G. (2005). Partnership between the government and the private sector: forms, projects, risks (p. 36).
- Varnavskiy, V. G. (2010). Definition of public-private partnership in economic theory and practice (p. 25). IE

RAS.

Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/3.0/>).