

PIF's Role in Achieving Sustainable Development Goals (Applied study on the Kingdom of Saudi Arabia)

<https://www.doi.org/10.56830/IJHMPS06202507>

Ahmed Saeed Ali Al-Zahrani 

Department of Political Science, Applied Science University, Bahrain

Received: 18 April 2025 Revised: 26 May 2025 Accepted: 28 May 2025 Published: 15 June 2025

Abstract

This study seeks to clarify the importance of the Public Investment Fund in supporting the Sustainable Development Goals. It focuses on the effective role played by the Fund in driving economic and social transformation in the Kingdom of Saudi Arabia, especially within the framework of global trends towards sustainability and the Kingdom's Vision 2030. The study used a descriptive and analytical approach, analyzing the policies and strategies adopted by the Fund, in addition to reviewing practical examples of projects implemented. The study concluded that it is necessary to adopt the idea of good governance for the performance of sovereign wealth funds and to identify areas for long-term investment. Related to this is the role of the government, which seeks to enhance the role of the sovereign wealth fund with the need to establish clear independence between the government as a promoter of investments and as an owner of the sovereign fund in order to avoid political interference that may erode the ability of the fund to achieve its financial and economic goals effectively.

Keywords: PIF, Sustainable Development, Vision 2030, Long-Term Investment.

1. Introduction

Sovereign wealth funds are important investment vehicles that contribute to economic growth by investing funds in local and international projects. These funds play a key role in supporting the economic recovery, especially in periods when markets are in decline. Countries use them to promote the sustainability of economic growth and ensure financial resources to cover fiscal deficits in light of declining revenues and increased expenditures.

Sovereign wealth funds have shown their ability to stimulate the economy, especially in financial crises. Following the 2008 global financial crisis, Gulf and Asian funds played a prominent role in supporting large companies. But in recent years, low oil prices have reduced its fiscal capacity, increasing pressure to invest its money domestically rather than in overseas markets.

This study aims to explore the role of the Public Investment Fund in the Kingdom of Saudi Arabia in achieving the goals of sustainable development, with a focus on its origins, structure, investment strategies and their impact on economic and social development, in addition to the challenges and opportunities facing it to achieve Vision 2030 and enhance the Kingdom's economic position. These efforts come within the framework of the Saudi

Vision 2030, which aims to diversify the economy and achieve sustainable development through clear strategic mechanisms (Saudi Vision 2030, 2016).

Sovereign funds are undergoing a strategic shift towards integrating sustainability criteria into their investment policies, as they have become effective tools for achieving the UN Sustainable Development Goals (Santiso, 2021).

The importance of this study stems from the increasing interest of the international community in the subject of sovereign wealth funds, and the extent to which these funds are able to adapt to various challenges, whether at the level of their originating countries or at the global level. The Saudi sovereign wealth fund (PIF) is a prominent example, as the Kingdom is currently seeking to make it the largest sovereign investment fund in the world, and strengthen its role in diversifying the national economy away from oil, as announced under Vision 2030.

This study works to provide an analytical vision aimed at enhancing the role of sovereign funds in supporting the SDGs, both domestically and internationally.

The importance of this study is evident in light of the global trends towards sustainability, as there is a need to establish an integrated framework that links public investments with the achievement of development goals. This enhances the Fund's ability to contribute effectively to building a diversified and sustainable economy.

The study starts from a basic problem that includes the research question: How can the Public Investment Fund contribute to achieving the Sustainable Development Goals, and what are the indicators of its success? (Sdg., 2015).

The study also tries to answer the following sub-questions:

- What are the challenges facing PIF in achieving these objectives?
Through the study of the Public Investment Fund, we aim to:
 - Exploring and analyzing the role of the Public Investment Fund in the Kingdom of Saudi Arabia as a strategic tool to achieve the Sustainable Development Goals.
 - Analysis of the projects and investments carried out by the Fund: This includes studying the impact of these projects on the economic, social and environmental development in the Kingdom.

The descriptive analytical approach will be adopted as the main approach to research, through the analysis of the policies and strategies followed by the Fund, in addition to studying the practical cases of the projects that have been implemented. It includes secondary sources of official reports, academic research, and articles related to the Fund and the Sustainable Development Goals, to provide a comprehensive and objective analysis.

2. Literature Review

(Den Hertog & Bilderbeek, 2019), examines the role of the knowledge economy in achieving sustainable development in Saudi Arabia, noting the importance of moving from an oil-based economic model to a knowledge-based and innovation-based economy. The study also shows the vital relationship between education, research and technology as key factors for achieving the SDGs. The study highlights the need to invest in education, research and development as a key pillar to enhance competitiveness. This points to the importance of improving the quality of education, and developing educational programs that integrate information technology and innovation. By promoting education, a qualified workforce capable of meeting global economic challenges can be provided.

The study indicates that technological infrastructure plays a vital role in enabling the knowledge economy. To succeed in this area, it is necessary to develop an infrastructure that supports the use of modern technologies in education and training. This will contribute to raising the quality of education and raising awareness of the importance of innovation in society.

Based on the above, the role played by the Kingdom of Saudi Arabia in promoting the knowledge economy and achieving sustainable development is an example to follow. The Kingdom has highlighted its commitment to Vision 2030 through extensive investments in education, technology and research, with the aim of diversifying the economy and improving the quality of life.

(Singh, Singh, Alam, & Agrawal, 2022) is a valuable addition to the literature on the role of media in environmental awareness and sustainable development. The study highlights government initiatives such as Saudi Green and the Green Middle East, reflecting the Kingdom's growing interest in environmental and sustainable development issues. The study is characterized by its systematic approach based on content analysis, where the tweets of government institutions were analyzed on the Twitter platform. This methodology allows for a deep understanding of how digital media can be used as a tool to raise awareness and promote community engagement on environmental issues. The findings of the study, such as the high percentage of tweets related to environmental outcomes, reflect the effectiveness of digital media in influencing the audience.

The findings of the study, while positive, may be limited in their treatment of the audience's views and their real interactions with the content. Future studies should include deeper dimensions, such as understanding the impact of digital media on societal behaviors and the effectiveness of awareness campaigns in changing them.

In conclusion, I believe that the effective use of digital media, especially in the context of PIF, can have a significant impact in raising societal awareness on sustainable development issues. This will help the Kingdom achieve its goals

comprehensively and sustainably, enabling everyone to participate in building a bright future.

(Montambault Trudelle, 2023) study, Samir (2020) clears to understanding the role of sovereign wealth funds in the global economy, especially the Saudi Public Investment Fund. This study highlights the growing importance of these funds as strategic tools for countries to achieve economic diversification and promote sustainable development.

The study reviews the emergence of sovereign wealth funds and the reasons for their establishment, focusing on the challenges they face. Saudi Arabia's Public Investment Fund (PIF) is showing significant ambitions to reach SAR 7.5 trillion (roughly US \$2 trillion) in assets by 2030, making it one of the largest sovereign funds in the world. In 2018, the fund's assets were valued at around \$250 billion, reflecting significant growth in the size of its investments. This development arouses my interest and reflects the ambitious vision of the Kingdom in strengthening its economy and diversifying its sources of income. (Roll, 2019).

This study is an important reference for researchers and policymakers in the field of investment and economic policy, as it provides a comprehensive view on the role of sovereign wealth funds in achieving national goals. However, more focus is needed on how to measure the effectiveness of these investments and their impact on the local community. It is essential to develop clear mechanisms to assess PIF's investment performance, including measuring social and economic returns. It believes that developing PIF as a strategic tool to achieve Vision 2030 requires a real balance between achieving financial returns and meeting sustainable development needs. This balance enhances the Kingdom's ability to face future challenges. The Fund is one of the main pillars in achieving sustainable development, which contributes to building a prosperous economy for future generations, which makes me optimistic about the future of the Kingdom.

(Hasanien, 2022) aims to show "sovereign wealth funds and their role in achieving economic development in the Arab countries" as an important reference for understanding the economic as well as social dimensions of these funds. The study highlights the importance of these funds in the global financial system and reviews their developmental role in the Arab countries, reflecting the growing awareness of the importance of investing financial surpluses.

The study emphasizes the importance of aligning countries between the needs of local economic stability and the requirements of global expansion when launching their sovereign funds, through a balanced strategy that benefits from financial surpluses and maintains currency stability. This trend reflects the concept of smart investing that achieves sustainable returns by diversifying the asset portfolio. In the context of the Saudi Public Investment Fund, the importance of economic diversification is clearly highlighted, as the Fund aims

to reduce dependence on oil resources and promote sustainable development, which is in line with the Kingdom's Vision 2030. By seeking to increase its assets to \$2 trillion by 2030, the Fund reflects its commitment to boosting growth in various sectors and supporting the national economy comprehensively. (Hasanien, 2022).

The findings of the study show the importance of developing effective strategies for SWFs, as they can play a pivotal role in promoting sustainable economic development. Focusing on diversifying the asset portfolio and pegging the national and foreign currency can help achieve financial stability and boost confidence in the national economy. (Ferguson, 2007).

Ultimately, the successful management of sovereign wealth funds, such as Saudi Arabia's Public Investment Fund (PIF), requires a clear strategic vision, backed by a careful analysis of global economic trends. Investing in projects with high returns and achieving sustainable development can contribute to building an economic future.

3. The role of the Public Investment Fund in achieving the goals of sustainable development

The Public Investment Fund is the Kingdom's sovereign wealth fund and one of the largest sovereign wealth funds in the world, based on the qualitative leaps it has made at the local and global levels through a number of giant investment projects that have contributed to advancing the national economic transformation and deepened the concept of positive sustainable change in the context of global investment efforts. (Alqublan, 2024).

As a responsible, influential and active investor, who is aware of his central role in achieving Vision 2030, and of his position in creating mobility in the global economy as the preferred partner for companies and investors around the world. In addition to being a major national platform that leads the process of national economic transformation, and seeks to stimulate the development of sectors in the future locally and globally, by applying the highest international standards, and adapting to rapid changes in the global economy. (Alshuwaikhat & Mohammed, 2017).

3.1 Performance Indicators for the Public Investment Fund:

The Public Investment Fund is the key element in Saudi Arabia's efforts to diversify its economy away from oil revenues, within the framework of the Kingdom's Vision 2030. (Moshashai, Leber, & Savage, 2020)

As mentioned earlier, the fund seeks to manage more than \$2 trillion by 2030. As of June 2018, its total assets were about \$250 billion, representing a quarter of the size of Norway's sovereign wealth fund, which is currently the largest sovereign wealth fund in the world (Ali, 2019).

Leading sovereign funds have developed integrated systems to measure the impact of their investments on sustainable development indicators (Dixon, 2021).

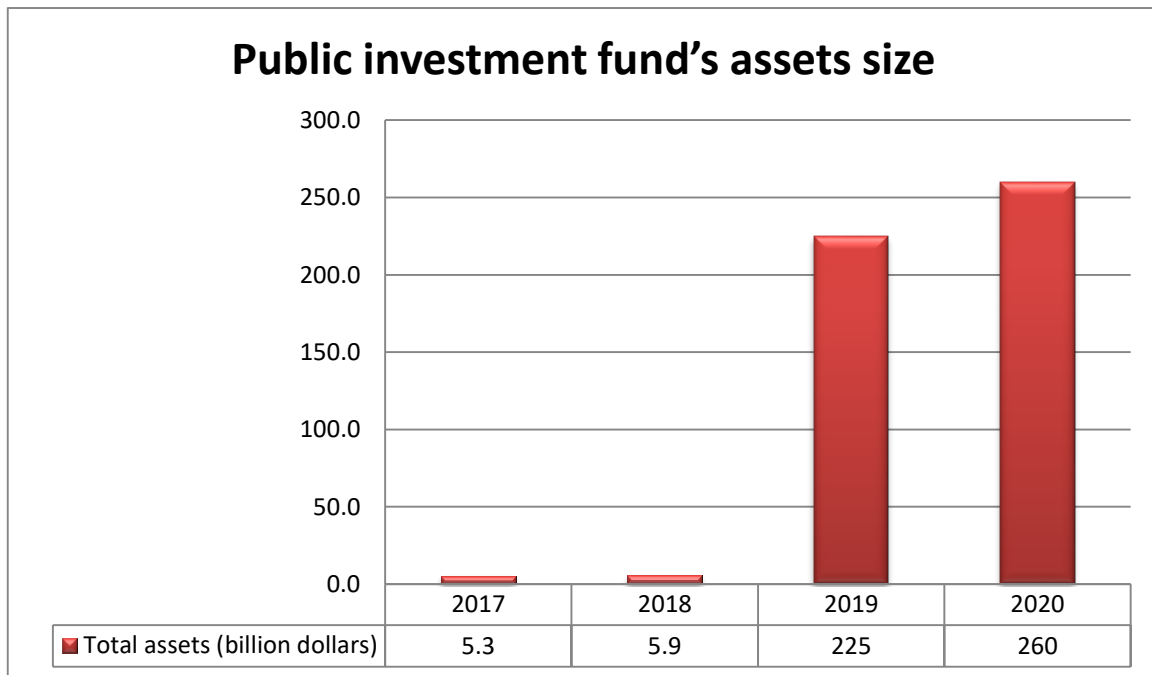


Figure 1. Total assets of the Public Investment Fund for the period from 2016 to 2020

Source: Prepared by the student based on a study (Habarak, 2020).

The Kingdom of Saudi Arabia also counts on the Public Investment Fund to be one of the main sources of the budget through the investment revenues it generates. Within the framework of developing the governance of the companies in which the Fund contributes and monitoring performance, the Fund aims to achieve high growth rates in those companies. This is done by strengthening and activating governance to keep pace with the best local and international practices, and following up the level of compliance with the laws and regulations in force in the Kingdom and abroad. (McPherson-Smith, 2021).

From this standpoint, the Fund has established a department specialized in corporate governance to which it contributes, where it has developed a framework in line with local and international best practices to raise the level of corporate performance and achieve a positive impact on all relevant parties, including shareholders, the Board of Directors, the company's management, and the regulatory authorities. (Alsweilem, Lepech, Monk, & Rietveld, 2024).

3.1.1 Investment Portfolios of the Public Investment Fund:

The investment portfolios of the Public Investment Fund are diverse, consisting mainly of: (Alhuraish, Alsugair, Alkheliwi, & Noreen, 2023).

- 1) The portfolio of investments in Saudi companies: The portfolio of investments in Saudi companies currently constitutes the largest part of the

Fund's assets, and includes companies listed on the stock market and unlisted companies, and these companies are distributed over different sectors.

- 2) Portfolio of investments aimed at developing promising sectors: From this portfolio, the Fund aims to encourage investment in promising new sectors in the Kingdom that provide the possibility of diversifying and developing the economy, and enable the private sector to develop these sectors, as the Fund works to achieve this by establishing new companies in these sectors.
- 3) Portfolio of investments in real estate projects and Saudi infrastructure development projects: The Fund aims to develop its various real estate assets and raise the quality of the infrastructure it owns, as it works to find urban models in the main cities, develop housing and tourism projects, and attract leading foreign and local development and capital companies to invest in this field.
- 4) The portfolio of major Saudi projects: The Fund leads a set of initiatives to develop unique major projects in terms of scope and ambition, to be integrated economic systems that support economic transformation efforts in the Kingdom and move the wheel of investment in several sectors at the same time, and achieve high returns on its investments in the medium and long term.
- 5) Global Strategic Investment Portfolio: This portfolio includes long-term investments aimed at forming strategic partnerships through direct or indirect investments. (Badawi, Al Qudah, & Rashideh, 2019).
- 6) Diversified global investment portfolio: This portfolio focuses on diversifying liquidity and income sources through fixed income investments, public equity, private equity, real estate, infrastructure and alternative investments such as hedge funds. (Bajaher, Habbash, & Alborr, 2022)

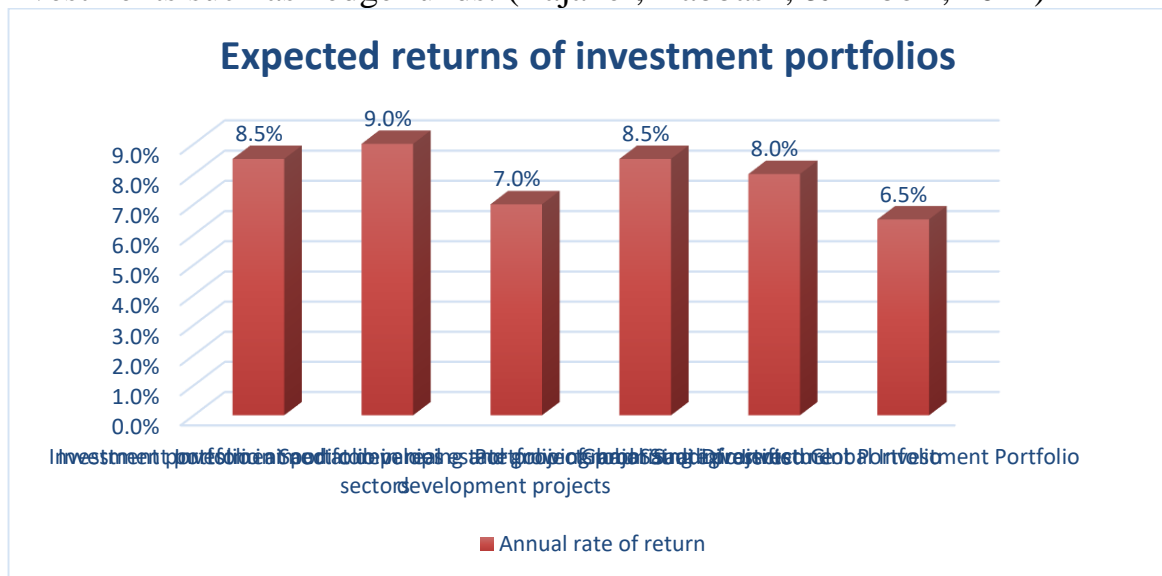


Figure 2. Expected returns from the diversified global investment portfolios of the Saudi Public Investment Fund

Source: PIF, PIF Program (2018/2020), Saudi Vision 2030.

It is clear from graph (2) that the Public Investment Fund has a diversified investment portfolio, as it has a business portfolio of about 200 investments, including 20 investments listed on the Saudi stock market " Tadawul", in addition to unlisted assets, as the Fund manages a number of unlisted investments in the fields of stocks, foreign investments, real estate holding companies, loans, financial bonds and sukuk. In order to improve the returns on investments for the Kingdom, it was approved in November 2016 to allocate an amount of 100 billion from reserves to the Public Investment Fund with the aim of diversifying the investment portfolio and improving the returns on investments, and the investment of the amount continues at specific time stages within the framework of Vision 2030 programs. (Montambault Trudelle, 2023).

3.2 Impact of investment projects on sustainable development:

The Public Investment Fund supports the development of the local economy and seeks to expand its portfolio of international assets. It also aims to maximize sustainable returns to the Kingdom's economy. In 2021, the Public Investment Fund began the new phase of strategic growth through the Vision Realization Program 2021-2025. The Fund focuses on 13 strategic sectors: aviation and defense, transport vehicles and logistics, food and agriculture, construction materials and services, entertainment and tourism, financial services, real estate sector, utilities and renewable energy, metals and mining, care and health, consumer goods and retail, communications, media and technology (Habbarak, 2020).

3.2.1 Investments at the global level:

a. International Water and Power Works Company (ACWA Power):

Saudi Arabia and the world are striving towards a green energy mix, and in this context, Aquapore is emerging as one of the leading companies in which PIF invests. Aquapore has expanded to become a leader in the development and operation of power generation and desalination plants, investing in twelve countries around the world, reflecting its commitment to transforming towards a more sustainable future.

Since 2018, PIF has played a pivotal role as an investor in Aquapore, where the company's shares were listed on the Saudi Stock Exchange (Tadawul) in October, through an initial public offering that raised 4.5 billion Saudi riyals, the largest listing in 2021. The Fund also increased its stake in the company, reflecting its desire to strengthen its strategic focus on the energy sector. (Orlando & Bace, 2021).

b. Lucid Group:

Towards a new era for electric cars: With the electric car market continuing to grow at an accelerated pace as a result of technological progress, and increasing consumer demand for environmentally friendly means of transport, Losid Group, a public investment fund company, was a rising star with strong ambitions to consolidate its position in the luxury vehicle category, and the

Public Investment Fund invested \$2.8 billion in Losid. (Alsanousi, Alqahtani, Makki, & Baghdadi, 2024).

C. Investing in Minds, Relationships, and Technologies:

That is, the human capital development of the Public Investment Fund, where it invests in refining the technical and personal skills of its employees, where 18 training courses were provided, remotely or in person, which included a set of leadership styles and knowledge. Public Investment Fund (Makarycheva & Shishkanova, 2021).

SoftBank Vision Fund

The Public Investment Fund is the main investor in the SoftBank Vision Fund, which is one of its largest investments in a private fund in the technology sector. The Public Investment Fund allocated an investment of \$45 billion in this fund. These investments were in the field of technology such as the Internet, artificial intelligence, financial and medical technologies. (Semieniuk, et al., 2022).

Russian Direct Investment Fund (RDIF):

The Public Investment Fund (PIF) and the Russian Direct Investment Fund (RDIF) have concluded a series of agreements for investments of up to \$10 billion in joint ventures between the Kingdom and Russia, investing \$2 billion in infrastructure, manufacturing, logistics, and retail sectors. Uber, in which the fund invested \$3.5 billion to buy a stake in the company, is a global leader in the transportation and technology sectors. (GOV.SA, 2015).

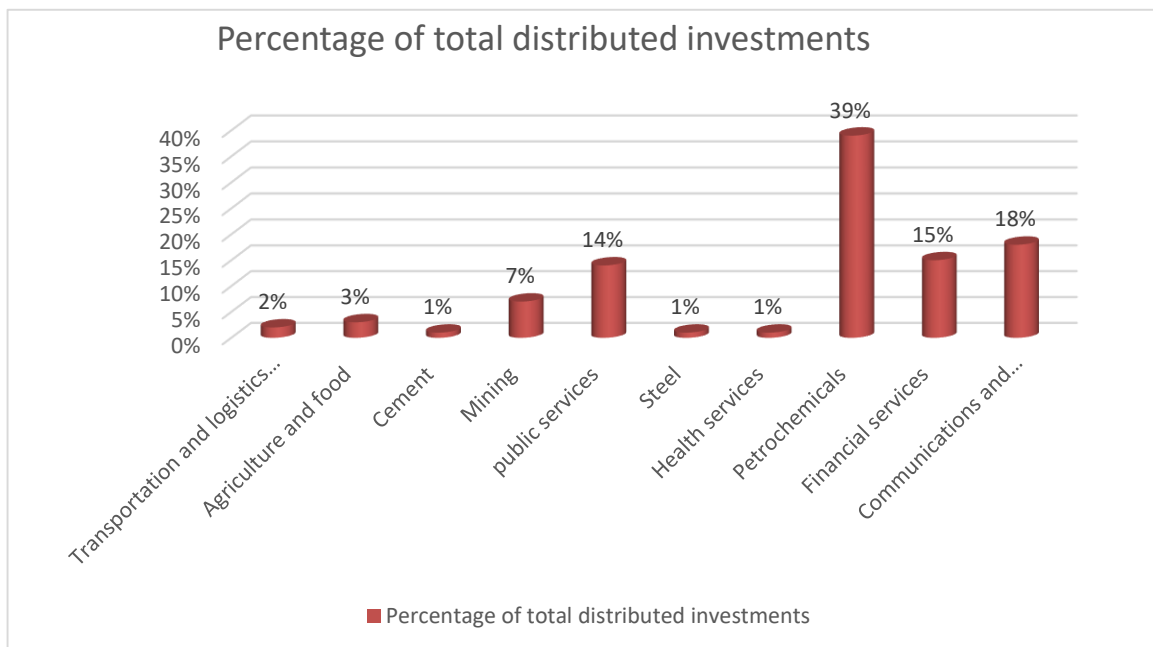


Figure 3. : The distribution of direct investments of the Public Investment Fund in the portfolio of Saudi companies is according to the different economic sectors

Source: Public Investment Fund, Public Investment Fund Program (2018/2020), Saudi Arabia Vision 2030.

The above figure shows the extent to which the Fund's investments are concentrated in the petrochemical sector (39%). SABIC is the fourth largest petrochemical company in the world in terms of revenues. The importance of the petrochemical sector lies in the fact that it is the largest industrial sector in the Kingdom. This sector provided nearly 100,000 jobs in 2016. As for the communications and information technology sector, it comes in the second row in the distribution of PIF investments by 18%. The Kingdom is the largest market for communications and information technology in the Middle East region. (Skovgaard, Finkill, Bauer, Åhman, & Nielsen, 2023).

4. The role of the Public Investment Fund (PIF) in achieving the United Nations Sustainable Development Goals

The Saudi Public Investment Fund (PIF) seeks to achieve sustainable development through strategic investments that are in line with the goals of the United Nations. The Fund is a pioneer in strengthening the local economy and providing job opportunities, which contributes to improving the quality of life for citizens and residents. Through a variety of projects, a number of goals are reviewed as models only, as the Fund aims to achieve a set of goals within the Sustainable Development Goals, including:

1. Eradicate poverty (Goal 1):

The Public Investment Fund works to promote local investments that contribute to the creation of new jobs, which contributes to improving the standard of living for the less fortunate. By supporting small and medium enterprises, the Fund plays a role in reducing poverty rates and promoting sustainable economic development. It also attaches importance to infrastructure development, which facilitates access to basic services. (McPherson-Smith, 2021).

2. Zero Hunger (Goal 2):

Through its investments in the Saudi Agricultural Investment and Animal Production Company (SALIC), the Public Investment Fund aims to achieve food security for the Kingdom. This includes developing sustainable agricultural projects and increasing food productivity, which contributes to reducing dependence on imports. These investments enhance the ability to provide safe and nutritious food to the population. (Montambault Trudelle, 2023)

3- Good Health and Well-Being (Goal 3):

The National Company for One Building is actively contributing to the improvement of the health sector through the provision of medical supplies and health services. During the COVID-19 pandemic, it has had a vital contribution to securing equipment and vaccines, reflecting its commitment to improving public health. This investment aims to strengthen the capacity of the health system to efficiently meet future challenges. (Rahman & Al-Borie, 2021).

4. Clean and affordable energy (Goal 7):

PIF invests in renewable energy projects through ACWA Power, which is developing solar and wind plants. This investment promotes the sustainable use of energy and helps achieve the Kingdom's goals of reducing carbon emissions. The transition to clean energy is a vital step towards achieving environmental sustainability. Recent analyses suggest that sovereign fund investments in renewable energy projects directly contribute to SDG7 (Gelpern, 2020).

5. Decent Work & Economic Growth, (Goal 10):

Establishing more than 30 local businesses creates jobs and promotes sustainable economic growth. The Fund focuses on developing strategic sectors such as tourism, energy, and technology, which contribute to raising employment rates and improving working conditions. It also promotes innovation and economic growth through strategic investments.

6. Sustainable Cities and Communities (Goal 11):

NEOM represents a model for sustainable cities, focusing on the development of an integrated urban environment based on renewable energy and modern technology. The project aims to create sustainable communities that enhance quality of life and reduce environmental impact. This includes designing smart infrastructure that supports sustainability and meets the needs of the population. (Alasiri & Mohammed, 2022)

7. Responsible Consumption and Production (Goal 12):

The Saudi Investment Recycling Company contributes to enhancing sustainability by developing the recycling sector. The fund aims to reduce waste and promote reuse, which enhances the circular economy. By promoting responsible consumption, the Fund contributes to the protection of the environment and the achievement of sustainable development goals. (Alkhamis & Miraj, 2021).

5. Challenges and Opportunities in Achieving the Sustainable Goals:

The different ways in which sovereign funds are created and their unique characteristics influence the way they invest their assets. This is directly related to the issue of long-term investment in sustainable development sectors. If the most impactful investments - which will support the SDGs - are long-term investments made in alternative private market asset classes such as infrastructure, housing, clean energy, agriculture, venture capital and private equity... Thus, there are a number of structural constraints that may prevent the flow of capital to these important sectors (Karim's, 2023).

5.1 Challenges facing sovereign wealth funds:

The most important challenges or constraints can be reviewed through (Badawi S. T., 2012):

A/ Nature and objectives of the Fund:

The nature of the fund and the objectives it was created to achieve are the first constraints that may affect the time span of investments made by the

sovereign wealth fund. Funds that have been established in order to generate revenue in the near term may not be able to invest in long-term investments with illiquid assets that require long periods to liquidate and liquidate these assets, which may lose part of their value and expose those funds to loss. (Al-Hanawi, Khan, & Al-Borie, 2019).

B/ The inability of these funds to withstand short-term fluctuations:

This may represent a constraint on the investments of these funds, which prevent them from holding assets in the long term in the face of volatility. Sovereign wealth funds have lower short-term liabilities than other institutional investors such as pension and endowment funds. (Riley, et al., 2023).

C/ The need to withdraw from reserves:

This limitation is that these funds may need to withdraw from their reserves in a short time which may affect the investment decision-making process and an investor who acknowledges that he may be forced to sell an asset in a short time may hesitate to make a decision related to long-term investments, especially in illiquid assets that he cannot exit easily. (Al-Jaroodi, Mohamed, & Abukhousa, 2020).

D. Risk attitude

Risk appetite is one of the key factors determining the investment strategy of SWFs. This desire allows the fund to accept moderate levels of risk and short-term volatility, which enhances the chances of achieving sustainable returns in the long term. Under near-direct government oversight, this oversight can steer the fund towards more effective risk profile management, helping to determine how to handle risky assets. Thus, this dynamic contributes to financial stability and the ability to cope with market pressures. (Montambault Trudelle, 2023).

E/Management Opportunity and Quick Profit:

Some studies suggest that the idea of managerial opportunism and the desire to make a quick and short-term profit - in line with bonuses and other payments - build reputation and avoid risk may be a reason for funds to turn away from long-term investments and investment managers are often incentivized to maximize short-term performance. (Alqublan, 2024).

5.2 Opportunities for the Public Investment Fund:

The most important opportunities are the cash surpluses managed by sovereign funds and the assets they have as a starting point for making many investments that will contribute to achieving the Sustainable Development Goals.

Achieving development in general depends on long-term investment, which is usually fraught with a degree of risk, so sustainable development requires, moreover, preserving the environment and preserving the rights of future generations (Karim's, 2023).

1. Maximizing the Fund's investments in Saudi companies and activating the role of the Fund in them.

2. Establishing companies to launch and develop new sectors: Establishing the Saudi Company for Military Industries, Industrial Transformation Development, Establishing a company to invest in entertainment, Launching Noon Company, Establishing the Saudi Real Estate Refinancing Company, Establishing the Saudi Recycling Company, Establishing the National Company for Energy Efficiency Services, Establishing the Funds Fund, Establishing the Helicopter Operation Company for Private Transport and Tourism. (McPherson-Smith, 2021).
3. Infrastructure and real estate development: Developing residential neighborhoods, maximizing the value of the Fund's lands and establishing new urban models in the main cities, developing the experience of Hajj and Umrah and raising the capacity of hotels and housing in Makkah and Madinah, development in Al-Baha and Asir regions.
4. Development of major projects: NEOM project, Red Sea project, Qiddiya project.
5. Formation of international strategic partnerships: SoftBank Vision Fund (Vision Fund), participation in the infrastructure investment program in the United States of America, Russian Direct Investment Fund, French Private Equity Investment Program, Uber Investment Company, Saudi Jordanian Investment Fund Company PJSC. (Alshowaikhat, 2023).
6. Diversify sources of wealth and income across global investment.
7. Building and developing the Public Investment Fund: building the capacity of human capital, modernizing the infrastructure and technologies supporting the operations of the Fund, and enhancing the presence of the Fund on the local and global levels.

Opportunities also lie in facing challenges where there are investments that suit a certain type of investors more than others based on the idea of risk tolerance, time range and expected return. Sovereign wealth funds with a shorter time horizon will have a greater allocation to short-term, more liquid investments such as bonds - especially government bonds - and some stocks in high-profit companies. Investment funds with extended or long-term strategies will tend to invest in long-term assets with larger allocations to illiquid asset classes.

Long-term investors such as sovereign wealth funds can make an important contribution to growth in various ways, including financing long-term projects such as infrastructure projects, clean technology, real estate, and agriculture.

Infrastructure projects in particular are one of the most important topics when talking about long-term investment, as most countries are working hard to address the deficit in infrastructure investment. Investing in infrastructure projects contributes to significant benefits by contributing to economic growth. (Bou Karroum, 2025).

Infrastructure services include all facilities that provide the basic needs of individuals for society. Social infrastructure (such as health and education) can be distinguished from economic infrastructure, as economic infrastructure relates to channels, pipes and devices that provide energy and water, provide protection from floods and remove waste. It also includes roads, railways, airports and ports that allow the safe movement of people and goods between communities. (Young, 2020).

These services directly support the well-being of households as well as production activities of enterprises at different points of the value chain, and are therefore directly relevant to corporate competitiveness and economic development (Badawi S. T., 2012).

6. Conclusion

At the conclusion of this study, it is clear that the Saudi Public Investment Fund represents a key pillar in achieving the sustainable development goals of the Kingdom. Through its diversified investments, the Fund actively contributes to financing vital development projects, fostering economic growth and achieving the ambitious Vision 2030.

The Kingdom is seeking to expand the activities of the Public Investment Fund, as it aims to raise its assets to about \$2 trillion, making it one of the largest sovereign wealth funds in the world. This ambition reflects the Kingdom's commitment to strengthening its position on the international economic scene, by investing money in leading international companies, which contributes to stimulating the local economy and providing new job opportunities. Moreover, the Fund plays a pivotal role in achieving economic diversification, focusing on areas such as renewable energy, technology, and infrastructure, which contributes to reducing dependence on oil as a major source of revenue. This strategy enhances the sustainability of the Saudi economy and provides a broader base for future growth. However, the future success of the fund depends heavily on its ability to disclose and be transparent. Clear and effective investment strategies are required, which enhances the confidence of investors and other countries. These factors are necessary to address the political and economic concerns that the Fund may face in light of the increasing global challenges. Sovereign funds face a dilemma in reconciling short-term liquidity requirements with long-term sustainable investments (Das et al., 2022), and projections suggest that sovereign funds will play a pivotal role in financing the green transition over the next decade (Clark & Monk, 2019). Committing to good governance and applying global best practices in investment management will be key to PIF's success. Through innovation and the exploitation of new opportunities, the Fund can achieve its objectives and secure a sustainable future for the Saudi economy, which contributes to enhancing the welfare of society and achieving sustainable development.

- Sovereign wealth funds in the world are divided into two main parts: funds based on natural resource surpluses (such as the Gulf countries, Russia and Norway), and funds based on trade balance surpluses (such as China and Singapore).
- The Public Investment Fund plays a pivotal role in achieving sustainable development goals through its diverse investments in projects such as NEOM and ACWA Power, which promotes economic growth and quality of life.
- The Fund was able to expand globally during the period (2020-2025), which strengthened the Kingdom's position as a leading economic power, while maintaining its focus on strategic local investments.
- The study showed that the Fund contributes directly to the achievement of the United Nations Sustainable Development Goals, such as the seventh goal (clean energy) through its investments in renewable energy projects, and the eleventh goal (sustainable cities) through projects such as NEOM.
- The Fund faces challenges such as the need for short-term liquidity and balancing flows and expenditures, which may affect its ability to invest in long-term projects that promote sustainability.
- The Fund is distinguished by its ability to build international strategic partnerships (such as the SoftBank Vision Fund and Russian Investments), which expands its impact in achieving sustainable development globally.
- The success of the fund depends on transparency and good governance, as political and economic challenges may affect the achievement of its ambitious goals, such as reaching \$2 trillion in assets by 2030.
- The Fund is demonstrating a clear focus on the localization of modern technologies and knowledge transfer through its investments in technology and innovation sectors, fostering a shift towards a knowledge economy.
- The Fund's investments in non-oil sectors (such as tourism, entertainment and military industries) stand out as one of the main pillars to diversify the Kingdom's economic base and reduce dependence on oil.
- The Fund faces challenges in reconciling short-term financial profitability requirements with long-term sustainable development goals, which calls for the development of innovative financing mechanisms.

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