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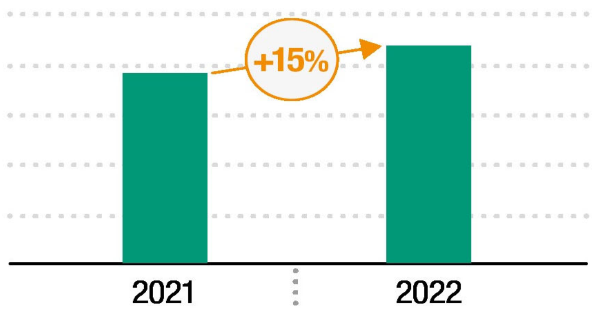
World Investment Report

Global FDI flows declined in 2022 to $1.3 trillion, down 12 per cent, but new project announcements show bright spots

FDI inflows, value and growth rates by economic grouping (Billions of dollars and per cent)

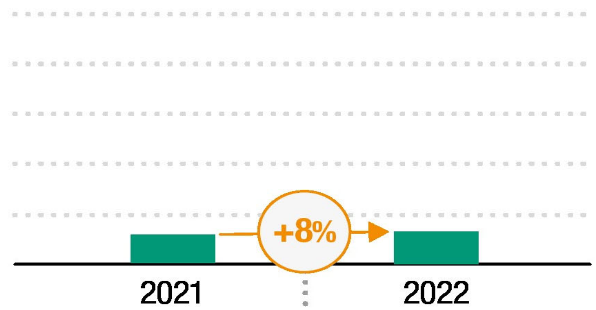
Greenfield projects

(Number)



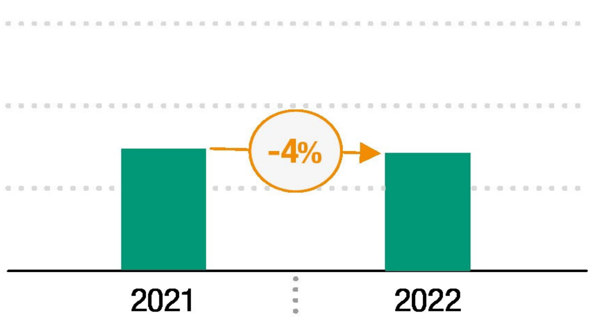
International project finance

(Number)



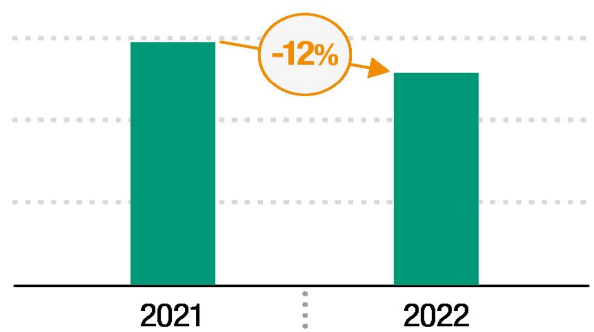
Cross-border M&As

(Value)



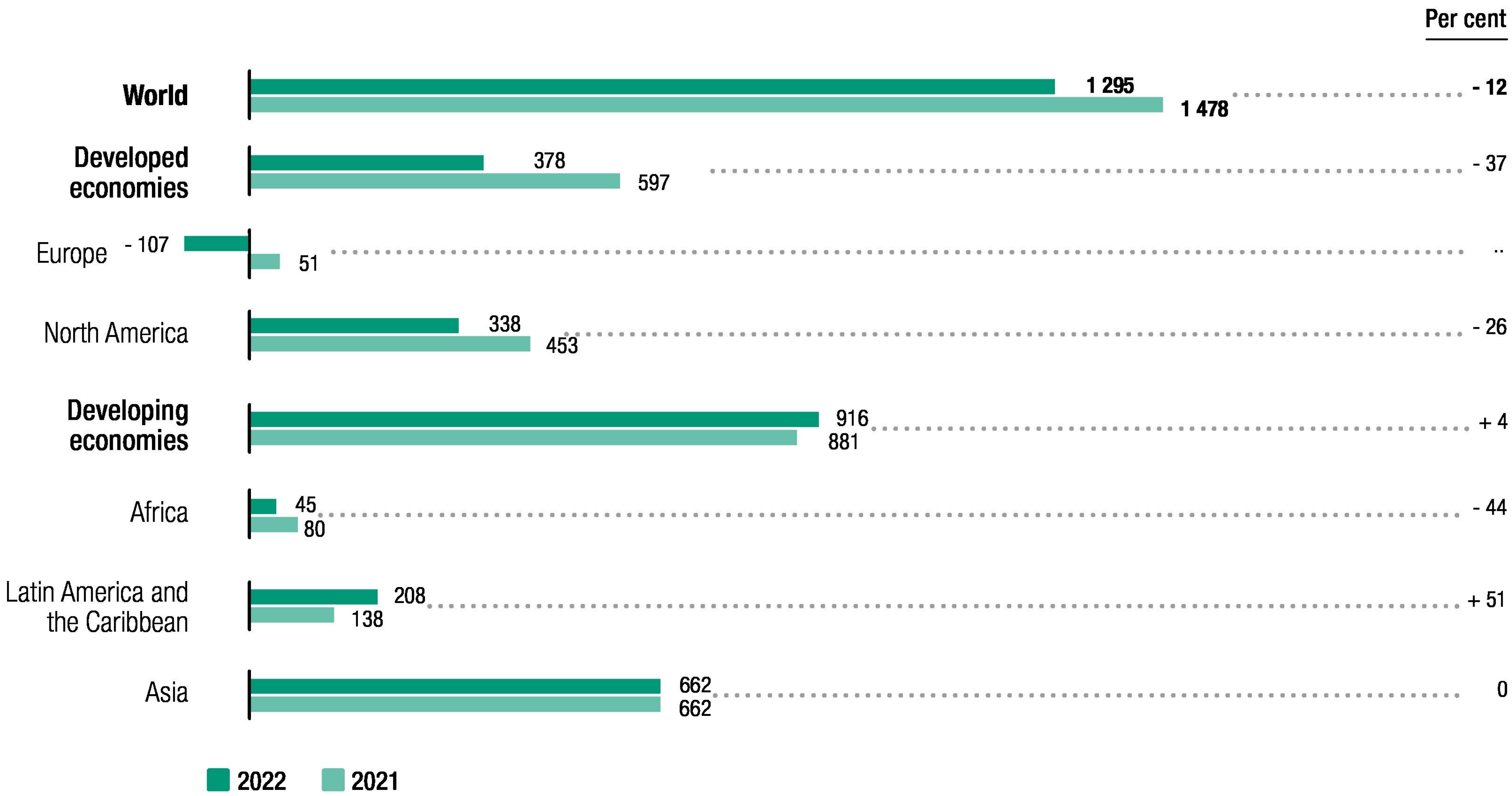
FDI

(Value)



FDI in developing countries increased marginally, but growth was concentrated in a few large emerging economies

FDI inflows by region, 2021–2022 (Billions of dollars and per cent)



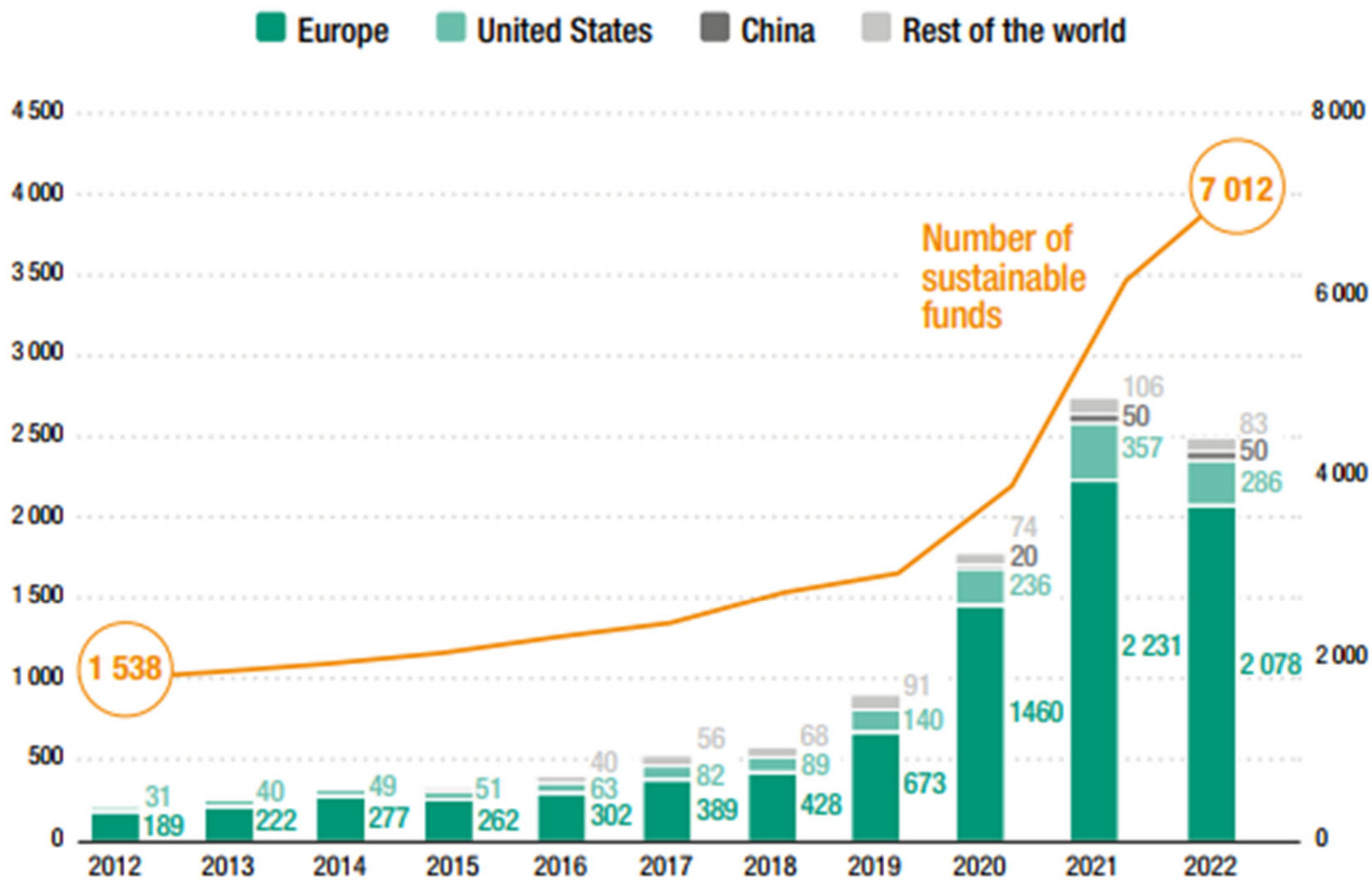
International investment activity in SDG sectors increased substantially in 2022 but the growth is unbalanced

International private investment in the SDGs: change in number of projects (Per cent)

		2021–2022	2015–2022
Infrastructure Transport infrastructure, power generation and distribution (except renewables), telecommunication	7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES	+26%	+16%
Renewable energy Installations for renewable energy generation, all sources	13 CLIMATE ACTION	+8%	+21%
WASH Provision of water and sanitation to industry and households	6 CLEAN WATER AND SANITATION	+20%	+13%
Agrifood systems Agricultural production and processes; fertilizers, pesticides and other chemicals; R&D; technology	2 ZERO HUNGER	+6%	-19%
Health and education Hospital facilities, school buildings and other infrastructure for service delivery	3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION	+8%	+11%

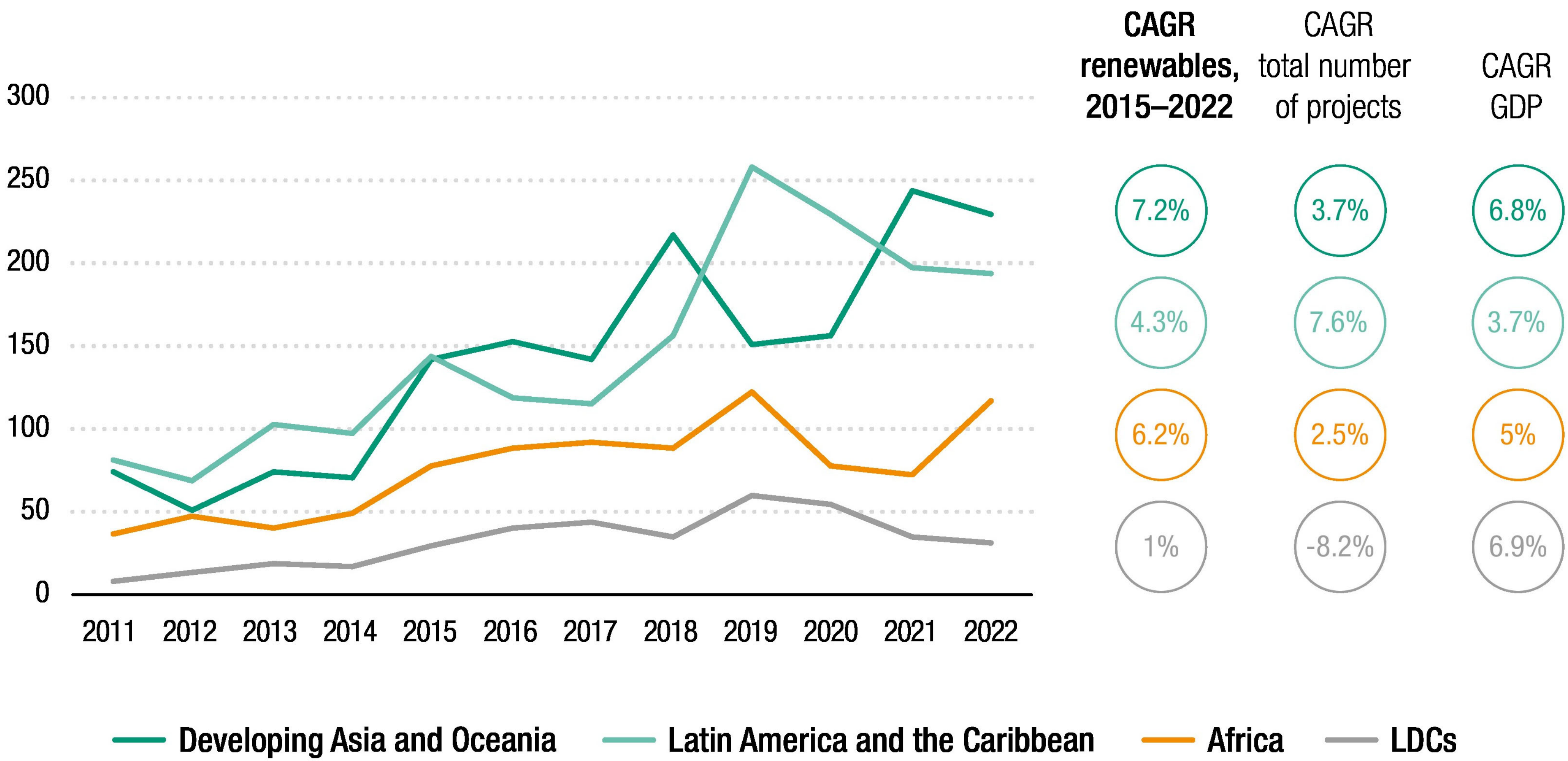
Sustainability-themed investments remain resilient amid volatile capital markets

Sustainable funds and assets under management, by region (Billions of dollars and number)



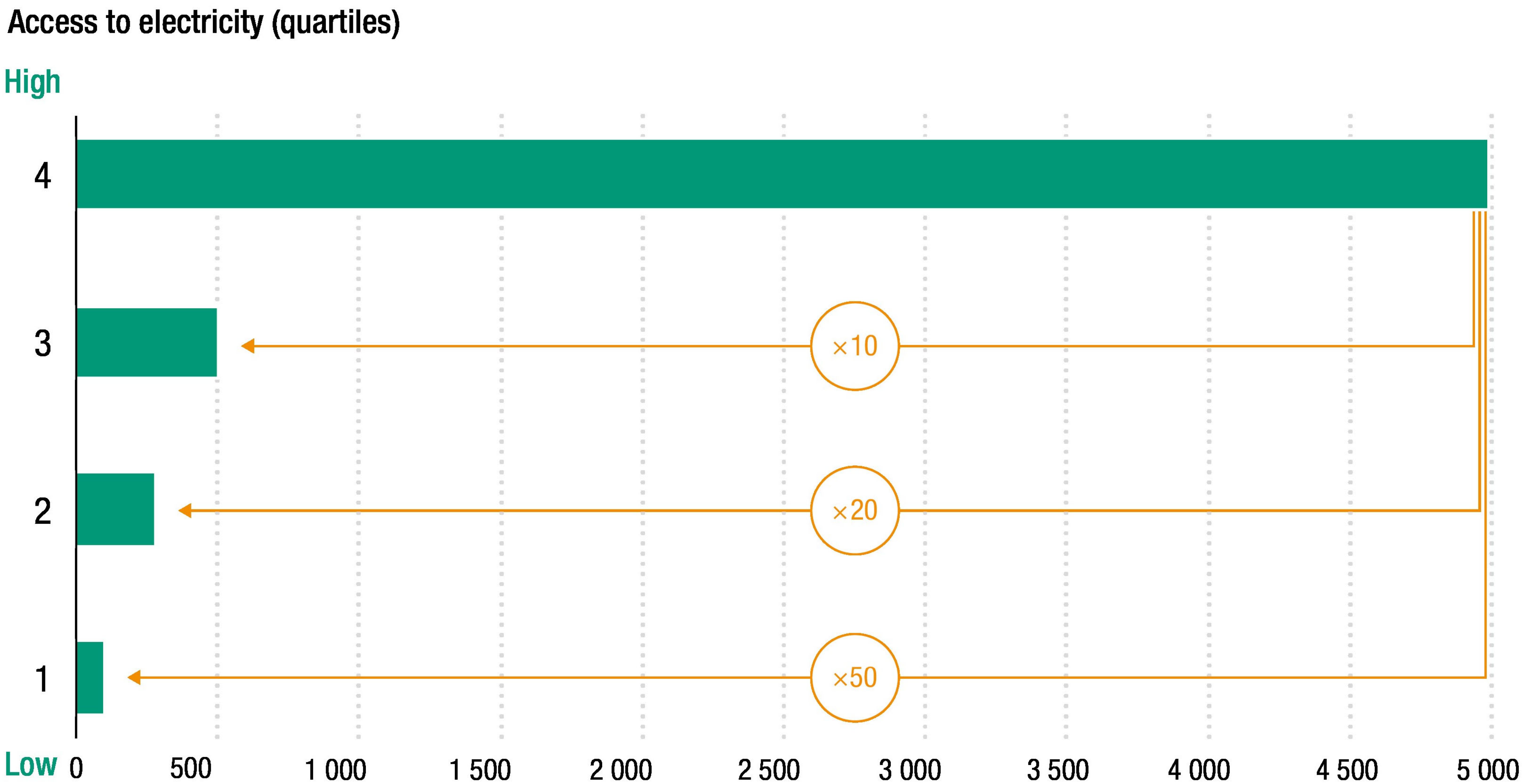
Investment activity in renewables nearly tripled since 2015, but growth in developing countries has been slower

Renewable energy: international investment in developing regions (Number of projects)



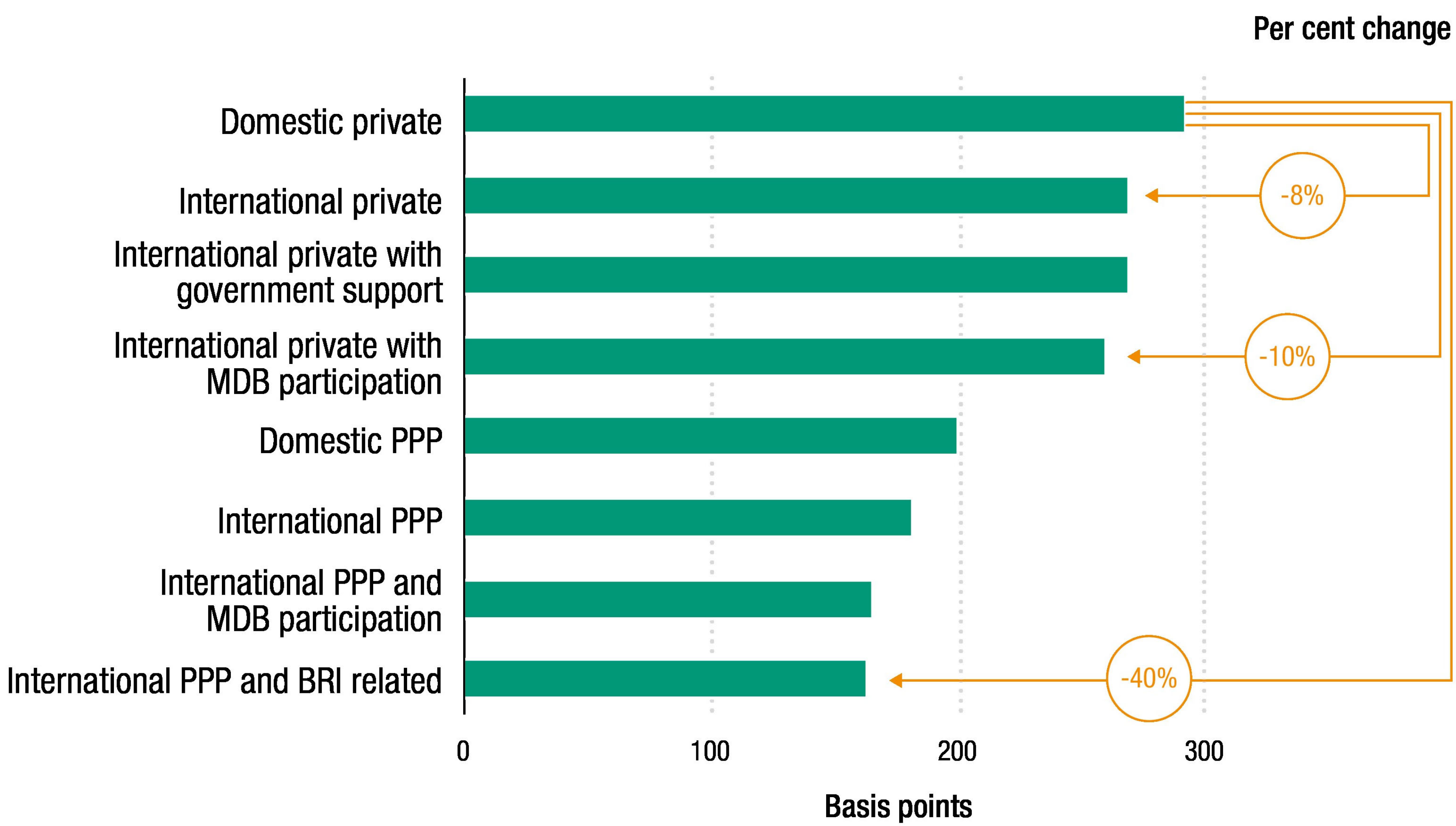
The countries most in need of energy investment are least successful in attracting energy-sector FDI

International investment in renewable energy by access to electricity, developing economies (Dollars per person)



Public-private partnerships and MDB participation in sustainable energy projects lower the cost of debt finance

Renewable energy: average spread on debt financing by actors involved, developing economies, 2011–2022 (Basis points and per cent)



Detailed investment planning in national energy transition strategies is crucial for investor confidence

Investment focus in nationally determined contributions and energy transition strategies, developing countries

147 developing countries with NDCs

103 developing countries with targets by 2030 or 2050

78 with precise energy targets

48 with specified investment requirements

40 with specified sources of finance

Average energy target:

- Energy intensity reduction: 24%
- Emissions reduction: 42%
- Renewables in the energy mix: 55%

- Median investment need: **$6.3 billion**

Top 3 sources of finance:

- MDBs and IFIs (27)
- Government and domestic public incentives (22)
- Private investors (17)

A Global Action Compact is needed to respond to the challenges for international investment in the energy transition

Guiding principles

Design criteria for investment strategies, policies and treaties

Implementing a just transition to meet global climate goals	Achieving the goal of access to affordable and clean energy for all	Ensuring energy security and resilient energy supply

- Balancing the global energy transition imperative with the need for a differentiated approach in developing countries and especially LDCs
- Balancing the need for attractive risk-return rates with the need for accessible and affordable utility services
- Balancing short-term energy crisis responses with long-term transition and sustainable development goals
- Balancing the push for private funds with the fundamental role of public investment
- Balancing liberalization and regulation
- Balancing the need for policy space for sustainable energy measures with safeguards guarantees and protection for investors