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):
  - 2021: [Bar chart with growth rate +15%]
  - 2022: [Bar chart with growth rate +15%]

- **Cross-border M&As** (Value):
  - 2021: [Bar chart with growth rate -4%]
  - 2022: [Bar chart with growth rate]

- **International project finance** (Number):
  - 2021: [Bar chart with growth rate +8%]
  - 2022: [Bar chart with growth rate]

- **FDI** (Value):
  - 2021: [Bar chart with growth rate]
  - 2022: [Bar chart with growth rate -12%]
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)

<table>
<thead>
<tr>
<th>Region</th>
<th>2021</th>
<th>2022</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>1,295</td>
<td>1,478</td>
<td>-12</td>
</tr>
<tr>
<td>Developed economies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>-107</td>
<td>51</td>
<td>-37</td>
</tr>
<tr>
<td>North America</td>
<td>338</td>
<td>453</td>
<td>-26</td>
</tr>
<tr>
<td>Developing economies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>45</td>
<td>80</td>
<td>-44</td>
</tr>
<tr>
<td>Asia</td>
<td>138</td>
<td>208</td>
<td>+51</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia</td>
<td>662</td>
<td>662</td>
<td>0</td>
</tr>
</tbody>
</table>

2022 vs. 2021

WIR2023
World Investment Report
UNCTAD
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)

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>2021–2022</th>
<th>2015–2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport infrastructure, power generation and distribution (except renewables), telecommunication</td>
<td>+26%</td>
<td>+16%</td>
</tr>
<tr>
<td>Renewable energy</td>
<td>+8%</td>
<td>+21%</td>
</tr>
<tr>
<td>Installations for renewable energy generation, all sources</td>
<td>+20%</td>
<td>+13%</td>
</tr>
<tr>
<td>WASH</td>
<td>+20%</td>
<td>+13%</td>
</tr>
<tr>
<td>Provision of water and sanitation to industry and households</td>
<td>+6%</td>
<td>-19%</td>
</tr>
<tr>
<td>Agrifood systems</td>
<td>+6%</td>
<td>-19%</td>
</tr>
<tr>
<td>Agricultural production and processes; fertilizers, pesticides and other chemicals; R&amp;D; technology</td>
<td>+8%</td>
<td></td>
</tr>
</tbody>
</table>
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)

- Domestic private: -8%
- International private with government support: -10%
- International private with MDB participation: -40%
- Domestic PPP
- International PPP
- International PPP and MDB participation
- International PPP and BRI related
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