



Regional Seminar
**Facilitating Investment in SDG Projects:
Spotlight on the SADC Region**
Online – 28 & 29 April 2021

FDI and SDG Investment Trends in Pandemic times

Mr. Paul Wessendorp

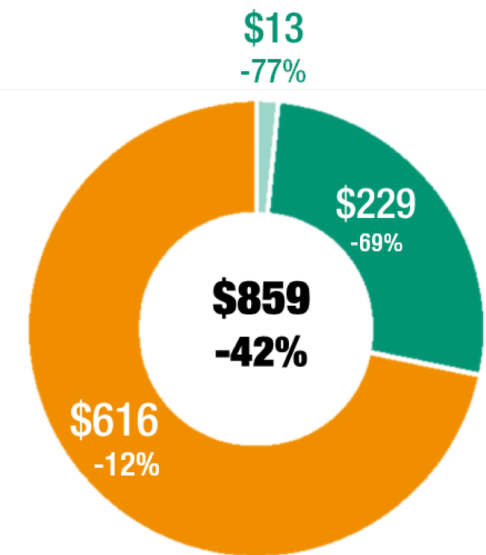
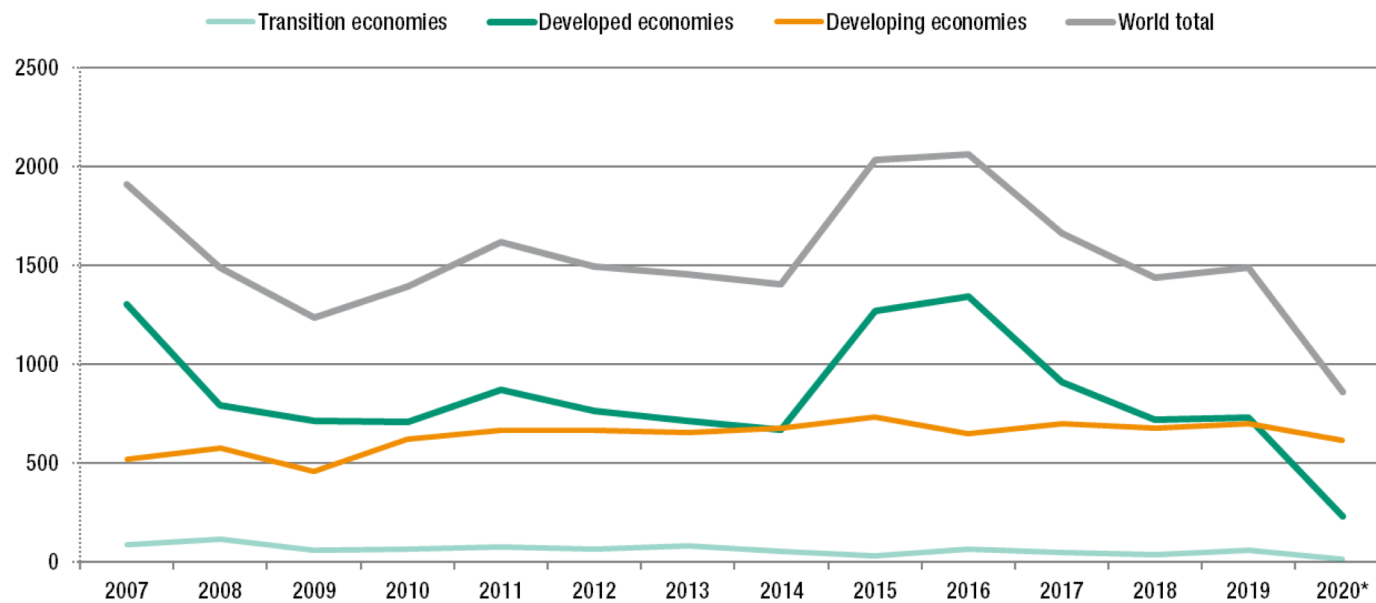
Chief, Investment Promotion Section, DIAE

United Nations Conference on Trade and Development



COVID-19 impact on FDI – 2020 global flows down with 42%

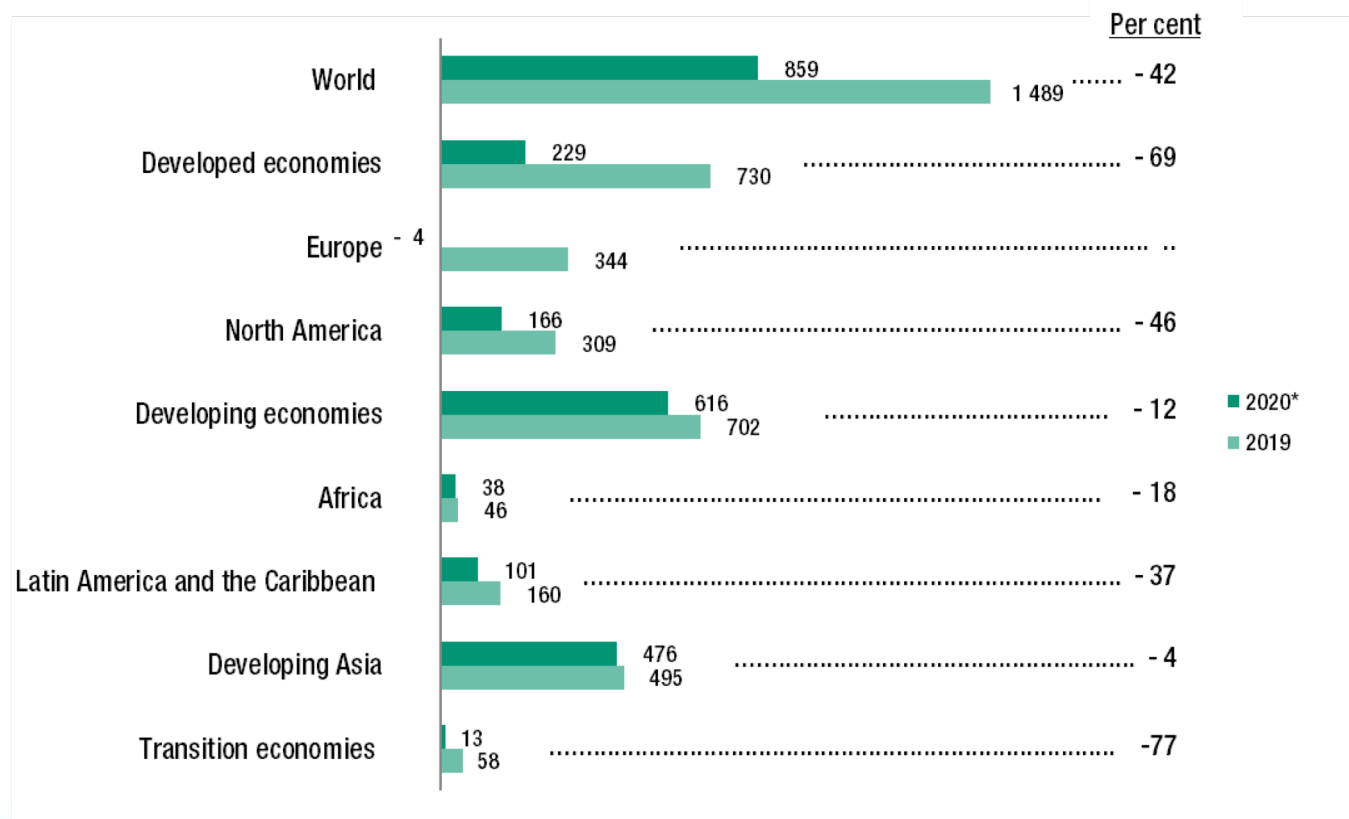
FDI inflows: global and by group of economies, 2007-2020*



Source: UNCTAD
* Preliminary estimates

FDI decline in 2020 was concentrated in developed countries

FDI inflows by region, 2019-2020*



Source: UNCTAD

* Preliminary estimates

2020 declines occurred in all forms of FDI

Investment trends by type and region, 2020 (*Per cent change vs 2019*)

	Cross-border M&As	Greenfield projects*	International project finance**
World	-10	-35	-2
Developed economies	-11	-19	7
Europe	26	-15	7
North America	-43	-29	-2
Developing economies	-4	-46	-7
Africa	-45	-63	-40
Latin America and the Caribbean	-67	-51	-9
Asia	31	-38	17
Transition economies	147	-60	-50

Source: UNCTAD, cross-border M&A database (www.unctad.org/fdistatistics), information from the Financial Times Ltd, fDi Markets (www.fDimarkets.com) for announced greenfield projects, and Refinitiv SA for announced cross-border project finance deals.

* The trend in greenfield projects refers to the first eleven months of 2020.

** International project finance refers to the number of deals, as project values for the latest months are unavailable.

The impact of COVID-19 on investment in the SDG sectors

Selected trends in greenfield investment and project finance in SDG sectors
2020 year-to-date

Infrastructure

Transport infrastructure, power generation and distribution (except renewables), telecommunications



- 60%

Renewable energy

Installations for renewable energy generation, all sources



- 4/5
slowdown

WASH

Provision of water and sanitation to industry and households



- 68%

Food and agriculture

Investment in agriculture, research, rural development



- 48%

Health

Investment in health infrastructure, e.g., new hospitals



- 39%

Education

Infrastructural investment, e.g., new schools



- 36%

Note: Trends are based on project announcement values. Project finance for infrastructure and renewable energy, greenfield investment for other sectors.

The impact of COVID-19 on greenfield investment in the SDG sectors

Value and number of announced greenfield projects in SDG sectors ^a by region
(Millions of US dollars and per cent)

Region	2010-2014 average	2015-2019 average	Pre-COVID-19 trend ^b (%)	COVID-19 impact ^c (%)
Developing and transition economies	124 571	151 779	22	- 33
<i>Number of projects</i>	1 573	1 577	0	- 33
Africa	21 099	32 943	56	- 39
<i>Number of projects</i>	209	216	3	- 27
Developing Asia	59 873	75 452	26	- 23
<i>Number of projects</i>	879	856	- 3	- 35
Latin America and the Caribbean ^d	34 395	31 967	- 7	- 40
<i>Number of projects</i>	312	343	10	- 31
Transition economies	8 344	11 226	35	- 28
<i>Number of projects</i>	166	158	- 5	- 42
Developed economies	79 036	86 739	10	21
<i>Number of projects</i>	1 602	1 869	17	- 10

Source: UNCTAD, based on Financial Times Ltd, fDi Markets (www.fdimarkets.com).

^a Based on the industry classifications of host-economy investors, which are partially or fully owned by foreign public or private entities.

^b Changes in the five-year averages from the period of 2010-2014 to the period of 2015-2019.

^c Changes from 2019 to 2020.

^d Including the financial centres.

The impact of COVID-19 on project finance deals in the SDG sectors

Value and number of announced international project finance deals in SDG sectors by region
(Millions of US dollars and per cent)

Region	2010-2014 average	2015-2019 average	Pre-COVID-19 trend ^a (%)	COVID-19 impact ^b (%)
Developing and transition economies	206 582	213 071	3	-36
<i>Number of projects</i>	249	339	36	-14
Africa	38 197	41 927	10	-41
<i>Number of projects</i>	37	76	103	-32
Developing Asia	106 169	116 968	10	-13
<i>Number of projects</i>	120	113	-6	8
Latin America and the Caribbean	52 868	42 174	-20	-42
<i>Number of projects</i>	79	123	56	-11
Transition economies	9 348	12 003	28	-73
<i>Number of projects</i>	13	28	114	-53
Developed economies	118 424	142 061	20	-22
<i>Number of projects</i>	195	345	77	11

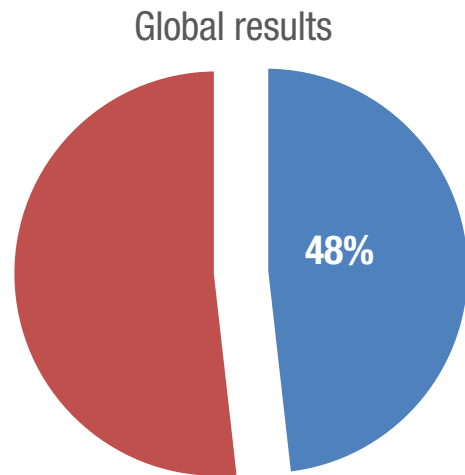
Source: UNCTAD, based on Refinitiv

^a Changes in the five-year averages from the period 2010-2014 to the period 2015-2019.

^b Changes from 2019 to 2020.

Online monitoring of 188 national IPAs

Percentage of IPAs that featured healthcare as a priority for investment online (as of 26 April 2021)



- Healthcare featured as a priority for investment online
- Healthcare not promoted online

Developed countries	Developing countries	Africa
72,5%	42%	35%

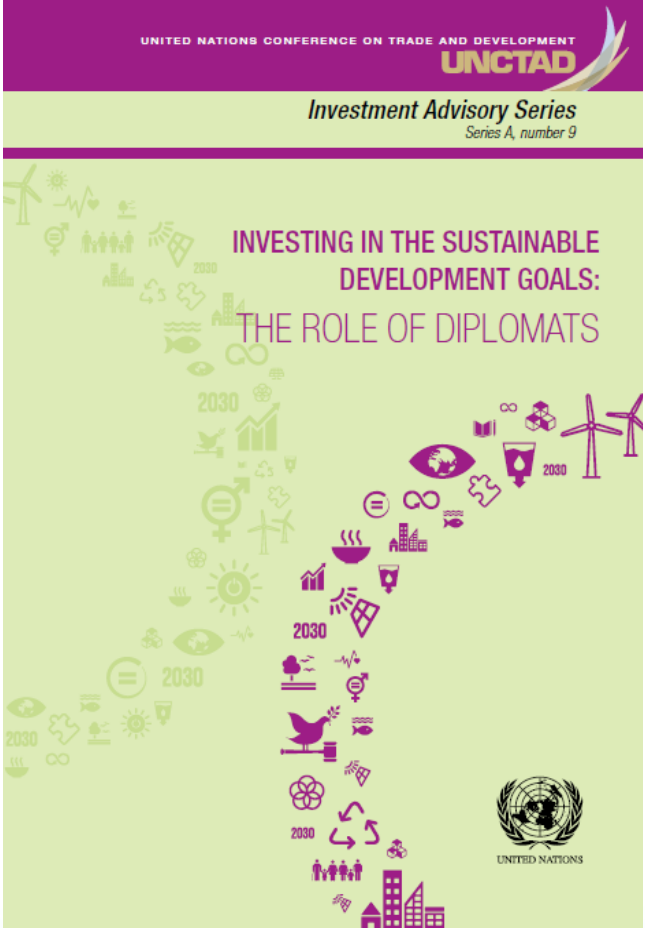
Source: UNCTAD

Adjustment to a changing investment landscape calls for:

- **Strategic and targeted investment promotion in SDG projects** with more online outreach activities, particularly in new priority sectors, including health and digitalization.
- **Enhanced service offerings and online investment facilitation** of SDG investment opportunities.
- **A robust policy advocacy role for IPAs in support of SDG investment** based on increased attention by agencies for data during and post-COVID-19.
- **Strategic partnerships and enhanced regional cooperation, through organizations such as SADC**, that can help with the economic recovery and advancement of the SDGs.
- **A bigger role for the diplomatic service** as the overseas representation of IPAs and in the promotion of investment in the SDGs.

Investing in the SDGs

UNCTAD's new Handbook for Diplomats



Thank you!

Paul Wessendorp
Chief, Investment Promotion Section
Division on Investment and Enterprise
UNCTAD

paul.wessendorp@un.org

**This presentation will be available on
sustainableFDI.org**



@unctadip4sdgs

