

Leveraging sustainable investment for development financing in developing economies

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➤ Division on Investment and Enterprise

Research and analysis on major and emerging international investment issues, and formulate investment development strategies and policy recommendations - related

Data



Global FDI Database
Global Value Chain Database
Investment Policy Database

Flagship Report



World Investment Report

Flagship Event



World Investment Forum

Global Initiatives



UN Sustainable Stock Exchanges
Digital Government
Global Sustainable Investment Network
Investment Promotion and Facilitation



High - quality data
Cutting - edge analysis

Research and Analysis



International meetings &
intergovernmental
consultation

Consensus Building



Technical assistance &
capacity building

Technical Assistance

UNCTAD's work on sustainable investment

Why we work on this topic

- Fill the SDG finance gap, meet globally agreed targets
- Focus on investment in developing countries/emerging markets

How to achieve this

- Reorient financial markets and products
- Leverage institutional investors and active ownership
- Support an enabling policy and regulatory environment

- **Reduces material sustainability risk**
- **Encourages sustainable investment**
- **Helps finance SDGs**

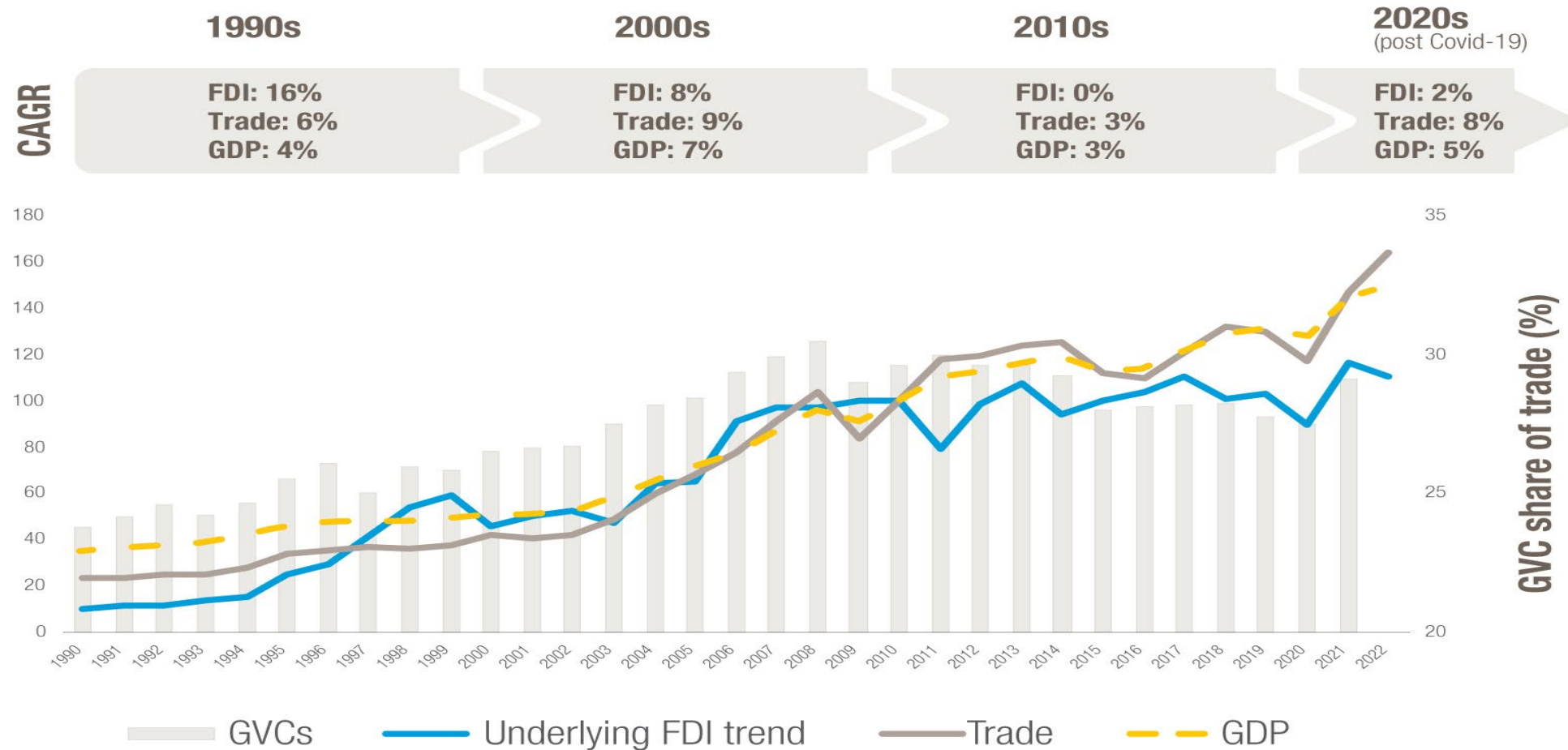


- **Consultation & consensus building**
- **Technical assistance**
- **Research & analysis**

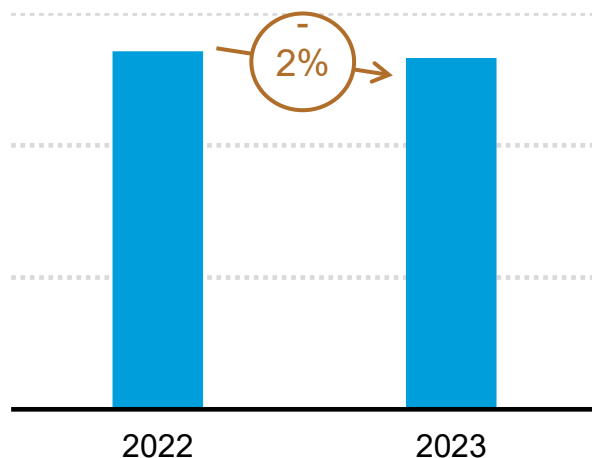


FDI has been one of the drivers of globalization but is now stagnating

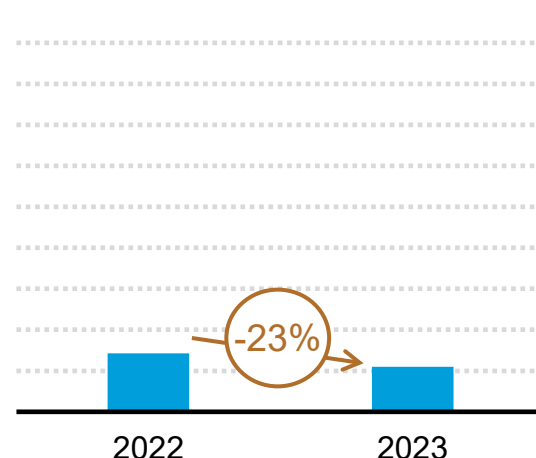
FDI, trade and GDP trends, indexed 2010 = 100



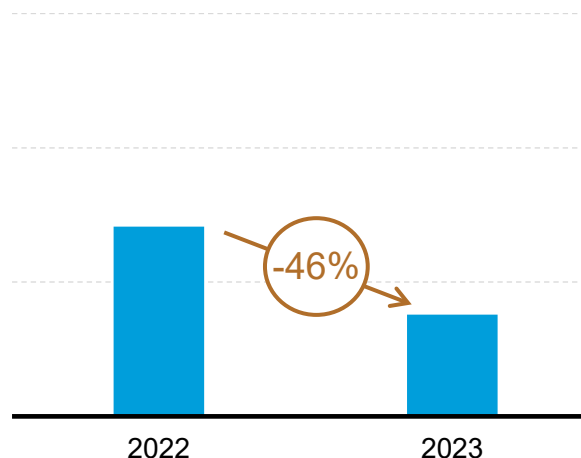
➤ Global FDI dropped to \$1.3 trillion in 2023



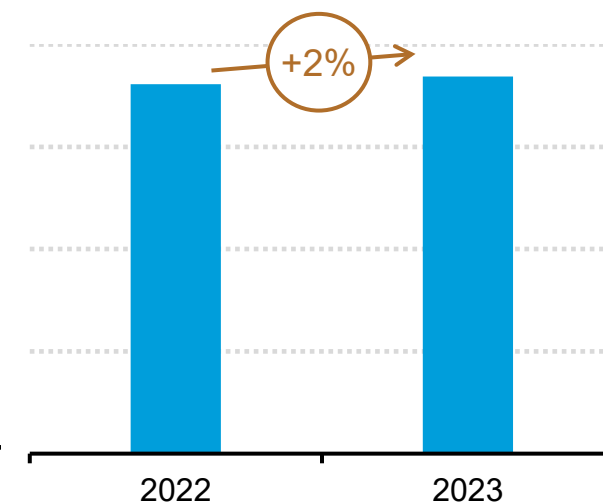
➤ **FDI**
(Value, billions of dollars)



➤ **International project finance**
(Number)



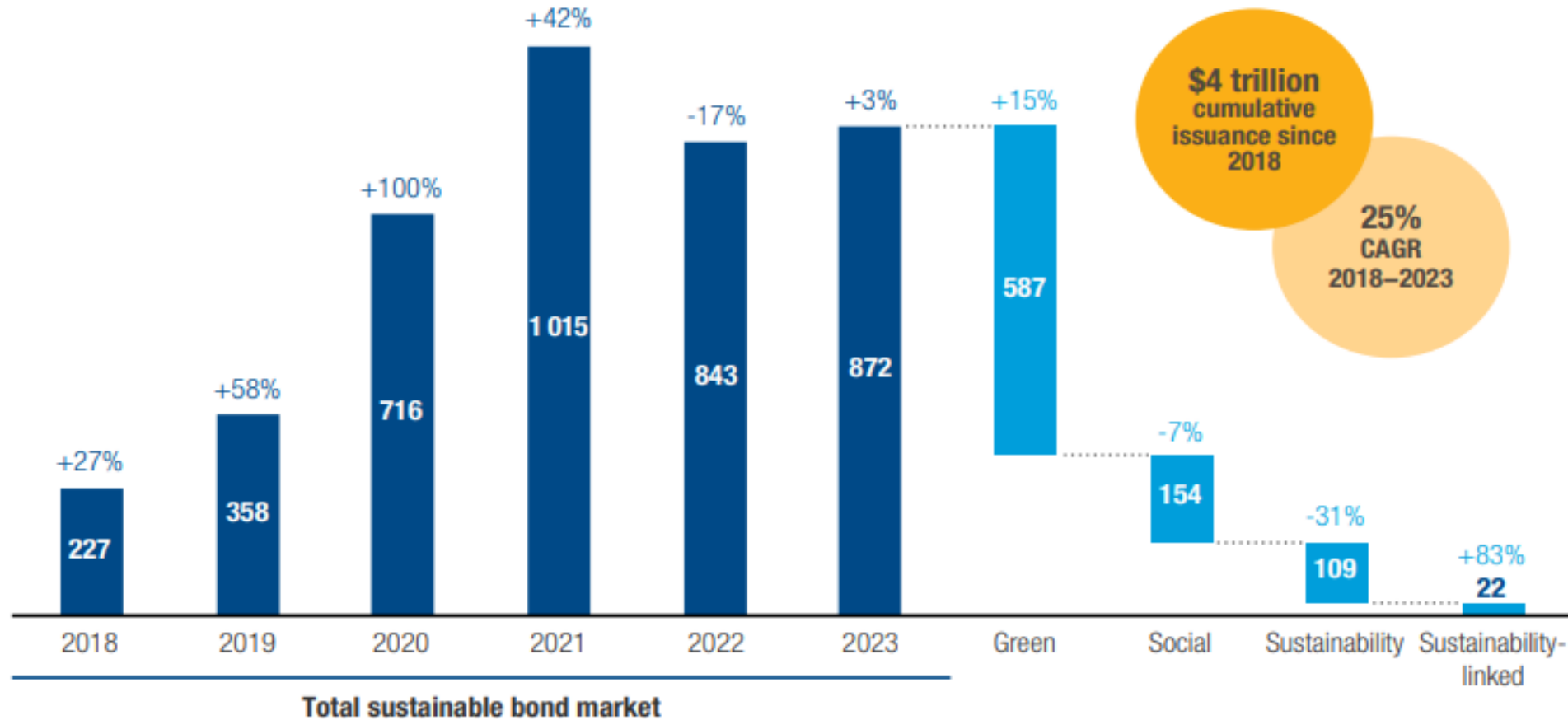
➤ **Cross border M&As**
(Value, billions of dollars)



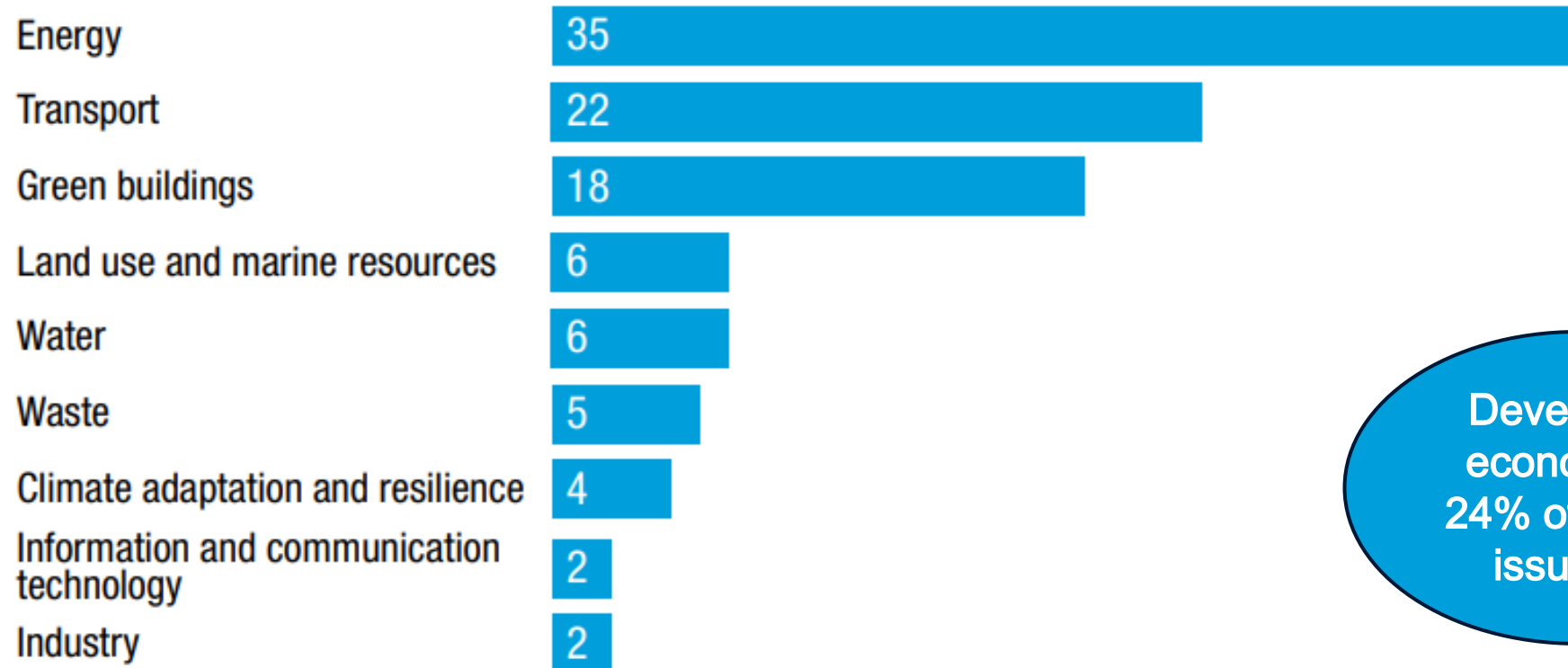
➤ **Greenfield projects**
(Number)



Sustainable finance has become an important source for development financing



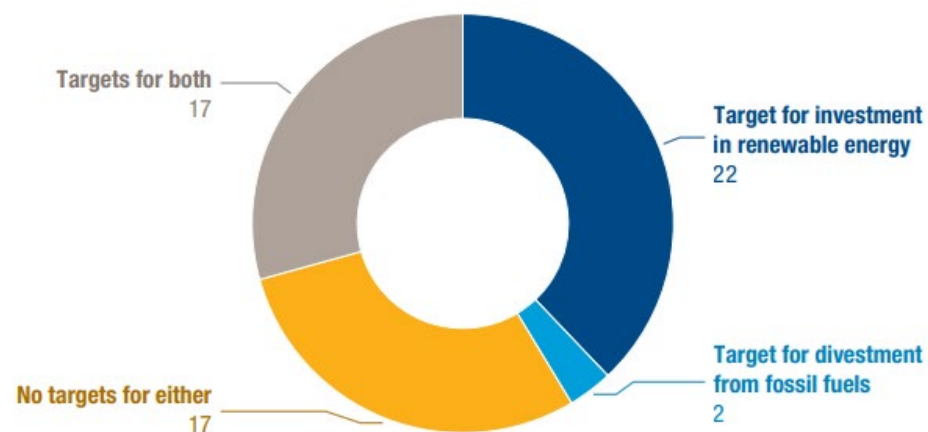
➤ Energy, transport and buildings accounted for 75% of the green bond market, and developing economies registered 1/4 of global issuance



Developing economies:
24% of global
issuance

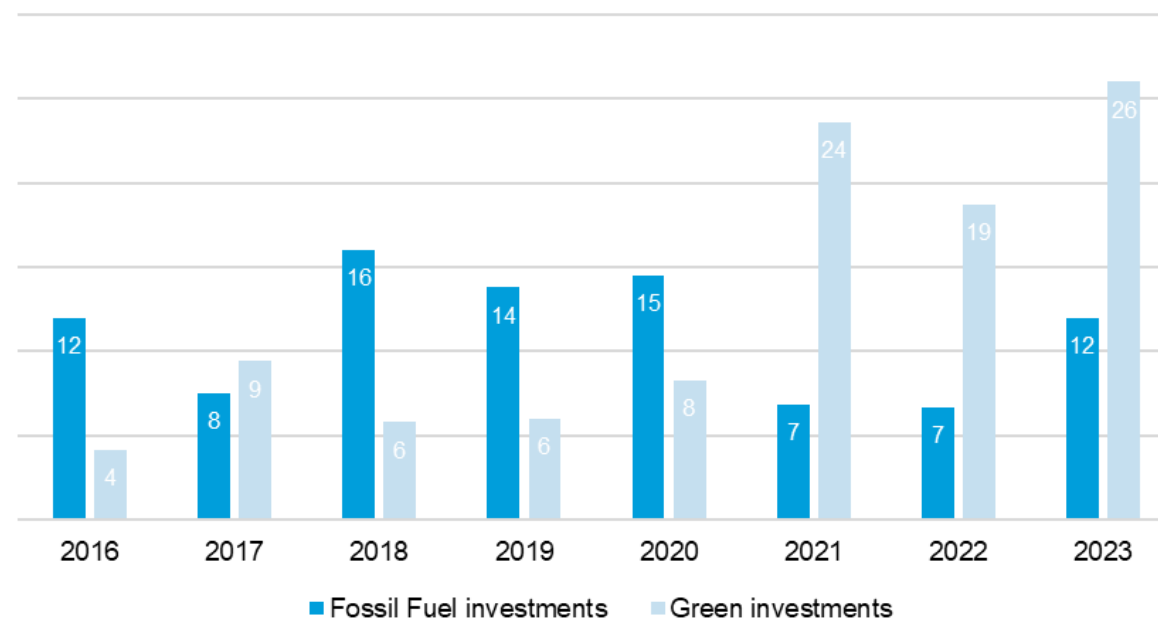
➤ Institutional investors have been increasingly integrating sustainability in their investments

70% reporting SWFs/PPFs have targets for renewable investment



Source: UNCTAD

SWFs invest more in renewables than in fossil fuel



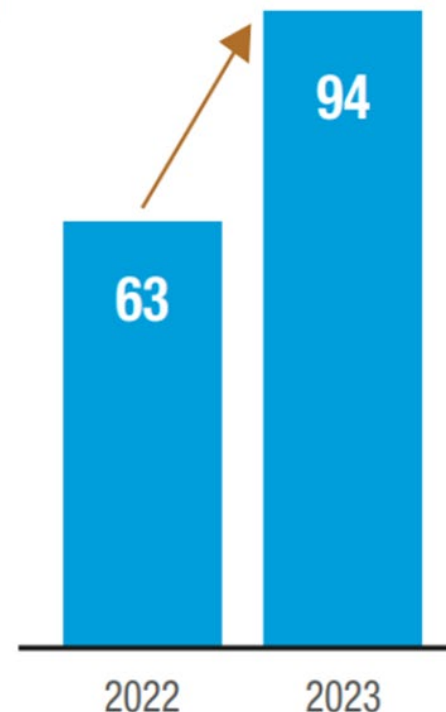


Regulations and standards are proliferating; greenwashing remains a challenge

Sustainable finance regulation

50% growth in **sustainable finance measures**, 2023

Developing economies:
60% of new policies

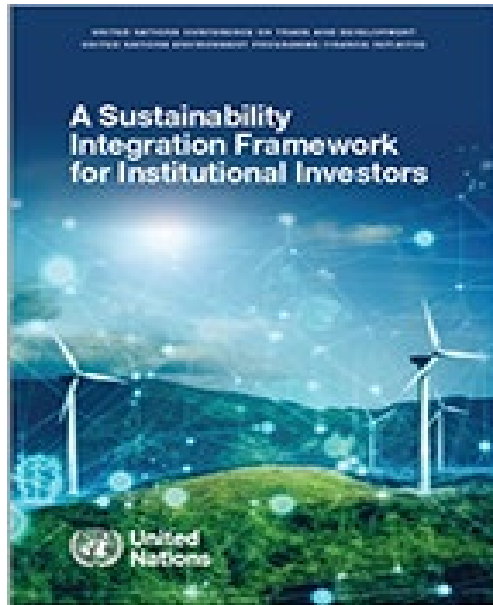


Source: UNCTAD Global Sustainable Finance Observatory



A Sustainability Integration Framework for Institutional Investors

A step-by-step guide for an integrated approach to sustainability integration



Why sustainability integration?

- **Risk Mitigation** : physical risk, transitional risk, reputational risk, and financial risk
- **Investment Opportunities** : green investment, government incentives
- **Market Positioning** : accessing to ESG capital and market, and at lower cost
- **Not as Burdensome as You Think**

Thank you !

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