Investment Laws: Key trends and developments The United Nations Trade and Development (UNCTAD) has released its latest Investment Policy Monitor, Issue No. 29, which highlights the evolution of investment laws over the past decades to align with changing national and international policy priorities. ## The Current State of Investment Laws Based on the analysis of the investment laws catalogued in the Investment Laws Navigator, the Monitor reveals that investment laws are in force across 130 economies, with Africa and Asia leading the trend. A significant share of investment laws was adopted or replaced in the past decade, accounting for 47 new laws. ## Sustainability and Balancing Investor Rights Recent investment laws increasingly incorporate sustainability objectives, with 40% of those enacted since 2015 including provisions related to environmental, labour, and corporate social responsibility standards. Provisions addressing these obligations are present in 57% of laws adopted in the last decade, compared to 14% before 1995. ## Investment Facilitation and Incentives Investment facilitation provisions are increasingly present, with nearly half of global investment laws including measures such as one-stop shops and permitting support. The proportion of investment incentives tied to specific development objectives has risen in the last decade, with a growing focus on projects that contribute to employment, regional development, and green initiatives. ## Trends in International Investment Agreements The inclusion of clauses granting the State's consent to investor-State arbitration has declined, appearing in only one-quarter of investment laws adopted in the last decade. Conversely, provisions designating domestic courts for dispute resolution now feature in over two-thirds of recent laws, compared to less than one-third before 1995. Foreign direct investment (FDI) worldwide declined for a second consecutive year, with global flows dropping by 11% in 2024, according to the latest World Investment Report. The decline is attributed to challenges facing the Global South and a marked decrease in international project finance, which relies heavily on FDI to achieve the Sustainable Development Goals (SDGs). This downward trend is expected to continue in 2025, driven by improved financing conditions and increased mergers and acquisitions (M&A), although risks and investor uncertainty remain high. Greenfield projects, which are new investments, fell 8% in number and 7% in value, while international project finance deals dropped 26%. However, FDI is expected to grow moderately in 2025. The decline in FDI has significant implications for the Global South and developing economies, which struggle with stagnant or bypassing capital flows. The report highlights the importance of infrastructure development, energy, technology, and other sectors that drive job creation. Rebeca Grynspan, Secretary-General of UN Trade and Development (UNCTAD), warns that "too many economies are being left behind not for lack of potential – but because the system still sends capital where it's easiest, not where it's needed." Sierra Leone adopts Finance Act 2025, offering incentives to attract investment The following list is a compilation of some recent ICSID arbitration cases: The cases listed are varied and involve different countries and companies. A gold and silver mining project in Mexico has been pending for several years with an estimated value of US$200 million. Another case, involving Aqua Power and Catalysis Capital Ltd v. United Republic of Tanzania (ICSID Case No. ARB/24/42), relates to the electricity generation sector in Mauritius. ATCO Ltd v. Oriental Republic of Uruguay (ICSID Case No. ARB/24/11) involves an indirect shareholding in a company that operates public docks in the Port of Montevideo, with an estimated value of US$240 million. AXA S.A v. United Mexican States (ICSID Case No. ARB/24/49) concerns a French investment firm seeking damages from Mexico for alleged losses. The case has an estimated value of US$1000 million. In addition, Bacanora Lithium Limited and Sonora Lithium Ltd., with interests in the Sonora lithium project, are involved in a dispute with Mexico. The dispute also involves China as another party, with both countries having BIT agreements with Mexico. Lastly, Berkeley Exploration Ltd v. Kingdom of Spain (ICSID Case No. ARB/24/22) relates to an exploitation concession for uranium deposits in Salamanca province.Investment disputes over assets, industries and trade are ongoing in ICSID, as a number of states, companies, claimants and respondents engage in litigation for the control of valuable resources. The cases below detail a few examples of international investment arbitration, where investors challenge the actions of host states. A case summary of Charter Treaty (1994) ICSID investments, pending in various jurisdictions. The cases involve multiple parties, including companies like Fortum Oyj v. Russian Federation, Franco-Nevada Corporation v. Republic of Panama, and FRV Solar Holdings III, S.L.U. v. United Mexican States. These disputes concern a range of industries, including mining (Fortum), renewable energy (FRV), and financial services (Fridman). The cases involve claims against countries such as Russia, Panama, Luxembourg, and Mexico, with investors from countries like the Netherlands, Canada, Belgium, Sweden, and Spain. The claims made by these investors include allegations of expropriation without compensation, breaches of investment treaties, and disputes over mining concessions and renewable energy projects. The values at stake in some cases exceed billions of dollars, making them significant in both financial and geopolitical terms. These disputes often involve complex legal arguments and may have broader implications for the governance of foreign investments and the protection of investors' rights. The arbitration proceedings are ongoing, with various committees hearing the cases under different frameworks such as ICSID (International Centre for Settlement of Investment Disputes) rules. The outcome of these cases can influence future investment policies in host countries and international relations between nations.The amount of foreign direct investment going into developing countries has decreased by 2% in 2024, which is the second year in a row that this has happened, according to a report from the UN Trade and Development agency. This decrease is largely due to a sharp drop of 31% in international project financing. Africa and Asia have been particularly affected, with almost 200 fewer projects announced in Africa and around 150 fewer in Asia. This decline could make it harder to achieve the Sustainable Development Goals, which rely heavily on international funding. Worldwide, investments in areas related to these goals have gone down by 11% in 2024, with fewer projects in food systems, infrastructure, and water and sanitation compared to 2015 when the goals were set. The decrease in investment is especially concerning in the Global South. Global foreign direct investment (FDI) rose 11% to $1.4 trillion, but the trend is mixed across regions. When excluding European conduit economies, global FDI fell 8%. This suggests that these economies are still playing a crucial role in channeling investments to their final destinations.