

# Terms of Reference

## S3I Advisory Group on Investments

### 1. Introduction

The UN's 2030 Agenda sets an ambitious action plan to reduce poverty, achieve equality and promote sustainable development as specified in the UN Sustainable Development Goals (SDGs).

As part of this action plan, UNOPS has launched two complementary impact initiatives under the umbrella of S3I and consistent with the Strategic Plan:

- Investing in renewable energy, affordable housing and health infrastructure projects with significant social, environmental and economic impact for local communities funded from UNOPS Reserves, aiming to leverage large scale market capital for developing countries;
- Supporting impactful innovation and technology/digital solutions through the set-up, *inter alia*, of a network of innovation centres to assist start-up companies with the (financial) help of public and private sector sponsors, investors and partners, and scaling promising solutions across borders.

S3I is developing these two complementary initiatives with a new, proactive approach of partnerships with private sector companies, investors, and financial institutions.

A new dedicated S3I Office has recently been established in Helsinki, Finland, with a compact and diverse team of experienced professionals, combining private and public institutions backgrounds.

The S3I Chief Executive and team seek to complement the S3I Office's expertise by inviting a diverse group of independent senior experts to act as their sounding, development and review board through the medium of an S3I Advisory Group on Investments.

### 2. Objectives

The S3I Advisory Group will assist the S3I Chief Executive and team in a number of areas such as

- Policy development in infrastructure investing and innovation areas.
- Origination of projects pipeline through the development of partnerships with private sector parties and sources of blended financing capital.
- Independent review of individual infrastructure investment and innovation partnership proposals.
- Advice on the performance of the portfolio of projects
- Provide input to the annual evaluation of S3I activities and key lessons learnt
- Advise S3I on the sector strategy, innovation and other related initiatives to maximize their overall SDG impact and facilitate fund-raising as appropriate
- On request, represent S3I at events and network with relevant audiences

The S3I Advisory Group advises the CE of S3I while the Director of Infrastructure Investment Partnerships will act as the Secretary to the Advisory Group.

### 3. Composition

The S3I Advisory Group should have a broad and diverse membership to reflect the extensive remit of S3I in both sustainable investment and innovation activities.

The following will guide the appointment of the Advisory Group members:

- The number of appointed members (including the Chair) should neither be less than five nor more than 11.
- The members of the S3I Advisory Group will be selected by the Chief Executive of S3I who will designate one of them as the Chair. The appointments are subject to the concurrence of the UNOPS Executive Director. All pre-selected candidates will be vetted by S3I due diligence apparatus and requested to sign no-conflict-of-interest affidavit.
- The members must be independent and articulate in their contributions. They need to contribute on the basis of a strong set of skills and competences in one or more of the following areas: impact investing, infrastructure projects, innovation and technology development projects, emerging economies, early-stage equity/venture capital, risk management, investment accounting/valuation methodologies.
- The S3I Advisory Group will strive to achieve consensus at the end of their deliberations but in the absence thereof, the Chair will ensure any dissenting views are fully recorded and communicated while recommendations will follow a simple majority rule.
- The number of members on the Advisory Group may vary over time but it will always be uneven to facilitate the application of the simple majority vote principle. However, at no time should the number of members (including the Chair) be lower than five.

The Advisory Group members will initially be appointed until the end of 2021. Towards the end of 2021, the Advisory Group and the Chief Executive will review the functioning and conclude on the best way forward and possible subsequent terms of appointment.

#### **4. Working Methods**

The Advisory Group will aim to meet on a quarterly basis to review progress of the S3I portfolio and pipeline and discuss emerging strategy and policy issues regarding the development of infrastructure and innovation partnerships.

Individual investment proposals will be presented as and when they are fit for purpose in accordance with the staged investment process workflow as described in Annex I to the S3I policy guidance.

On an annual basis, the Advisory Committee will review the experiences of implementation, the contribution of the projects to SDG impact, the relationship with partners, the mobilisation of private sector finance, and report on lessons learnt.

Members of the S3I Advisory Group are requested to accommodate flexible and agile working practices required for the challenges of the S3I projects.

- In coordination with the CE of S3I, an annual work plan is to be developed
- In principle all Advisory Group meetings will be by video conference
- It is anticipated that in between scheduled meetings, many ongoing issues may be dealt with through periodic email exchanges and/ or video calls.
- Should some committee members be involved in originating the investable deal under consideration by AGI, they will recuse themselves from getting involved in the respective deliberations.
- The Chair may decide to create sub-committees or working groups on specific issues.
- In addition to the quarterly meetings, additional meetings may be scheduled depending on the degree of preparedness of proposals for infrastructure investment and/or innovation advanced pipeline.
- It is recognized that given the sizeable membership of the Advisory Group, not all members will be able to take part in all ad-hoc or scheduled meetings. The qualifying quorum for all such meetings is set at more than 50% of the total membership and the presence of the Chair is mandatory. Should the number of participants in a given meeting be even, the Chair will cast the deciding vote. Advanced comments by email on project proposals can also be taken into account as part of the proceedings.