S3i Sustainable Infrastructure Impact Investments
Introduction

In order to achieve the world’s sustainable development ambitions, developing economies in particular will require large-scale investment to build resilient infrastructure, expand capacities and implement new technologies. This will require substantial spending. New kinds of investments in inclusive, sustainable development activities are critical to help close the gap and accelerate progress.

UNOPS is committed to helping find innovative financing solutions that will connect a wide range of stakeholders from both public and private sectors, as well as bilateral donors and governments, to form new partnerships for sustainable development. The Sustainable Infrastructure Impact Investments (S3I) initiative, which also comprises the Global Innovation Programme, is located in UNOPS office in Helsinki, Finland.

Implementing the 2030 Agenda - a commitment to eradicate poverty and achieve sustainable development by 2030 world-wide - requires innovative financing solutions. UNOPS S3I has established itself as a significant model for channelling private sector investment towards helping meet critical national needs within affordable housing and renewable energy.

UNOPS Sustainable Infrastructure Impact Investments features prominently in the United Nations Secretary-General’s Financing for Development Strategy.

From rapid responses so critical to addressing the world’s needs, to bold new partnerships with the private sector to unleash investment and innovation, UNOPS has made a unique contribution towards the 2030 Agenda.

UNOPS S3I Initiative has successfully created a space where investors can generate financial returns while ensuring a positive social, environmental and economic impact.

Amina Mohammed
Deputy Secretary-General of the United Nations
AFFORDABLE HOUSING
Based on current trends in urbanization and income growth, the number of people living in substandard housing could grow to 1.6 billion by 2025. Investments in affordable housing can help to improve social equality and trigger economic development within a community.

RENEWABLE ENERGY
Rapid urbanization and population growth in emerging and developing economies has led to an increased demand for energy. By 2040, developing economies are predicted to consume 65 per cent of the world’s energy. Investments in renewable energy like solar, wind and geothermal, could support developing economies to reduce their emissions and make progress towards the SDGs, by promoting access to affordable, reliable and sustainable energy.

HEALTH INFRASTRUCTURE
Achieving SDG health targets would require new investments increasing over time up to $371 billion annually by 2030. This includes building more than 415,000 health facilities, around 91 per cent of which would be primary health care centres. Investing in health infrastructure and improved health systems has the potential to prevent an estimated 97 million premature deaths by 2030. COVID-19 has demonstrated how our world’s infrastructure is unequipped to deal with global health crises. Investment in health infrastructure, such as water and sanitation facilities to contain the virus and treatment facilities for patients, is vital for saving lives.

Areas of focus
UNOPS is engaged in a range of impact investment opportunities around the world, with a focus on three core areas of sustainable infrastructure: affordable housing, renewable energy and health infrastructure.
IN MEXICO, we are recapitalizing and operating a 22 MW wind energy farm to bring clean energy to communities near Monterrey. With UNOPS involvement, the project will be able to produce green energy at a lower cost for 50,000 individuals, and secure jobs.

IN GHANA, through two projects, 200,000 homes are to be constructed using energy-efficient solar rooftops, and manufactured locally. The projects, which will last up to 10 years, will also provide job opportunities for local communities nationwide and help alleviate the housing crisis in Ghana. President Nana Akufo-Addo has said:

“I believe we are all well aware of the challenges Ghana, and most of Africa, face when it comes to the provision of decent, well-planned and organized housing for our citizens. I believe that with the signing of this project agreement, we shall be ushering into existence a new dawn for Ghana and our citizens.”

IN PAKISTAN, plans are in development to build 500,000 new affordable homes over the next 10 years. Prime Minister Imran Khan has said:

“This groundbreaking housing initiative is not just a regular project but a massive undertaking that has my full support, and will undoubtedly change for the better the lives of millions of people.”

IN INDIA, we have signed deals to build affordable homes in the states of Haryana, Goa and Maharashtra. These projects will support the government of India’s target to build 20 million new homes all over the country, while offering subsidised mortgages for prospective home-buyers.

IN NIGERIA’S EKITI STATE, will join one of the largest affordable housing initiatives in the world, following a new agreement that will see at least 50,000 affordable homes built over the next decade.

“This is how our promise of developing Ekiti and improving the lives of the people can be achieved. This partnership has come at an important time, during the COVID-19 pandemic, which has reminded us of the need to deliver quality social infrastructure to the people,” said Ekiti State Governor, Dr. Kayode Fayemi.

Project highlights

GUINEA will see some 200,000 affordable homes built over the next 10 years as well. This project follows the Presidential affordable housing programme in an effort to promote social and economic inclusion. At least 100,000 of the new homes will be made available to civil servants through a scheme which supports mortgage payments via payroll deductions.

“In the Affordable Housing Programme will continue to deepen and accelerate access to housing for beyond our immediate target date of 2022, of building 500,000 housing units, and set Kenya on an extraordinary path as Africa’s first country, to substantively address housing and social amenities challenges.”

“This project constitutes an important support for the programme of the affordable housing championed by the government, which is both intensive in labour and in capital, thus representing an economic stimulus that will have a positive effect on reducing unemployment in the country,” said Prime Minister and Chief of the Guinean government, Dr. Ibrahima Kassory Fofana.

IN KENYA, the first of 100,000 planned homes have been built under the national Affordable Housing Program, where the government of Kenya aims to provide around half a million affordable houses for its citizens, employment to drive local economic growth. In an address to the nation citing UNOPS, President Uhuru Kenyatta said:

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**UNOPS S3I model**

The initial agreement between UNOPS and the government of Kenya was signed on the sidelines of the General Assembly in New York in September 2018. A year later in Kenya, the first of 100,000 planned homes were built under the national ‘Affordable Housing Program’, where the government of Kenya aims to provide around half a million affordable houses for its citizens.

In Antigua and Barbuda, Prime Minister Gaston Browne endorsed the housing initiative and celebrated that “...it will bring foreign direct investment that will create jobs.”

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The new design of the two and three bedroom apartments is stark contrast to current housing options available for Kenyans and will provide an adequate and sanitary place to call home.

In Mexico, UNOPS invested $8.8 million of its own financial resources, to revitalize a stranded project and help the government deliver on its ambitious targets in energy reform and renewables. This asset would have remained stranded if UNOPS had not helped share the risk of investment, making a non-bankable project bankable.

The project site also operates a free learning centre for school children. They travel from all over the country to learn about the benefits of renewable energy. With the support of the current government, President López Obrador and his administration are committed to high levels of transparency and ethical responsibility when carrying out infrastructure projects, particularly in the investable space in Mexico.

UNOPS S3I and Sustainable Housing Solutions (SHS) Holdings have created an innovative partnership in the affordable housing and renewable energy space. This scheme provides a ‘turn-key solution’ in holistically addressing both the need to scale up the construction of over 1.3 million homes and reduce the cost of mortgages so people in low and middle-income families can afford to buy their first home. UNOPS also works with MYRA-SHS Energy, a subsidiary of SHS which focuses on investments in renewable energy projects and associated infrastructure supporting a zero-carbon future.
ABOUT UNOPS

UNOPS is an operational arm of the United Nations, supporting the successful implementation of its partners’ peacebuilding, humanitarian and development projects around the world.

We help people build better lives and countries achieve peace and sustainable development.

OUR VISION

is a world where people can live full lives supported by appropriate, sustainable and resilient infrastructure and by the efficient, transparent use of public resources in procurement and project management.

S3I OFFICE

With support from the government of Finland and the city of Helsinki, UNOPS has launched a new dedicated S3I base in the Finnish capital. From the centre of Helsinki, UNOPS will operate as project developer, conducting a rigorous social due diligence process and ensuring projects are suitable for investment.

To demonstrate UNOPS commitment, and with the support of its Executive Board, UNOPS invests funds from its own balance sheet to help mitigate the risks of specific deals and then brings to bear its formidable capacity to operationalize the deals on the ground. Any revenue generated through this initiative will be reinvested into future projects.
S3I
Sustainable Infrastructure
Impact Investments

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