



HIDDEN CHAMPIONS

Smart solutions to
impossible challenges



UNOPS



Cover photo: A man in Baharka IDP Camp in Erbil – in the Kurdistan Region of Iraq – can use this solar-powered lamp to charge his mobile phone and as a source of light throughout the night. More than 100,000 kits were distributed to displaced people fleeing violence from Syria. © Newsha Tavakolian, Magnum Photos for UNOPS

“

When rapid responses are so critical to addressing the world’s challenges, it has been vital to be able to call on the expertise of UNOPS, which plays a critical role in the UN system. I know this first-hand from my time at UNHCR.

Today’s world requires new approaches and partnerships that harness the potential of technological change. UNOPS, with a mandate in infrastructure, is a vital part of this future.

By demonstrating how solutions can be delivered on the ground, UNOPS makes a meaningful contribution, bringing innovation to bear as we strive to build a better future for all.”

António Guterres,
UN Secretary-General



Grete Faremo

Grete Faremo

UNOPS Executive Director

Grete Faremo was appointed Under-Secretary-General and Executive Director of UNOPS in August 2014, succeeding Mr. Jan Mattsson. Prior to joining UNOPS, she served as Minister of Justice and Public Security in Norway. Ms. Faremo began public service in 1979 and has held various senior-level positions for the government of Norway, including Minister of Defence, Minister of Oil and Energy and Minister of Development Cooperation for the Norwegian government's Ministry of Foreign Affairs. She also brings a wealth of experience from the private sector and has sat on various advisory boards and associations throughout her career.

Vitaly Vanshelboim

UNOPS Deputy Executive Director



Vitaly Vanshelboim

Mr. Vanshelboim joined UNOPS in July 2006 following ten years serving in various senior roles with UNDP. Before that, he worked for four years with the Organization for Security and Co-operation in Europe Mission in Bosnia and Herzegovina and spent five years with the United Nations Office in Ukraine. Before his UN career, Mr. Vanshelboim served in various capacities for the state and in the private sector. Since joining UNOPS, Mr. Vanshelboim has helped lead UNOPS through major transformations, firmly establishing UNOPS as a central UN resource for providing peace and security, humanitarian, and development projects.

Contents

Critical emergencies

UNOPS role in solving some of the world's greatest issues

- 7 Destroying Syria's chemical weapons
- 14 Rebuilding Haiti
- 22 Bringing life-saving supplies into Yemen

Global priorities

UNOPS action on the ground today

- 31 Investing in rural Myanmar
- 40 Lighting up rural Sierra Leone with renewables
- 50 Reducing the cost of Guatemalan healthcare

The next frontier

Investing in a sustainable future

- 57 Revitalizing Mexico's green energy supply
- 65 200,000 homes in Ghana and Kenya
- 73 Infrastructure planning in the Caribbean

Behind the scenes

Where we focus

- 84 Innovation
- 88 Infrastructure
- 94 Procurement

Introduction

UNOPS has been a well-kept secret for many years. In some cases for good reason. In others, it's been a deliberate decision to seek as low a profile as possible. This book seeks to do the opposite. It reveals some of the secrets of a hidden part of the United Nations. It aims to provide insights on how UN operations can really happen behind the scenes. It shares details that, in some cases, were previously only disclosed on a 'need to know' basis. Readers may have heard of these stories, but they will probably not be aware of the role UNOPS played in them.

Through nine case studies, this book outlines a handful of examples where UNOPS has moved the world closer to achieving the Sustainable Development Goals (SDGs). Be they natural disasters, epidemics, wars or famine, behind the scenes, UNOPS has contributed to addressing some of the greatest challenges of our time, and in the process, helped lift millions of people out of poverty.

The organization has an unusual history. It grew from a small department of the UN Development Programme (UNDP) in the mid-1990s. Its role has always been to make people's lives better in a practical sense – through building schools and hospitals, or supplying medicines, for example. As a service provider, UNOPS always charged other members of the UN family to cover the costs of projects. But when it was part of UNDP, this posed a question: Was it right that part of an organization making policy decisions (UNDP), resulted in another part of the same organization (UNOPS), being funded? The answer, was no. And the solution, in a UN sense, was radical: To leave the core of UN diplomacy surrounding political decisions and funding arrangements, and form a new independent organization.

The radical solution didn't go as planned. In 1995 the organization didn't have enough experience to deliver on assignments efficiently, with the necessary quality, at the right cost. It didn't know how to set prices correctly, and it lost money on too many projects. Being self-funded, not-for-profit, non-political, and entirely independent, wasn't easy. "These UNOPS people are crazy – they'll take on anything!" was how the reputation used to go.

So for much of its first decade, UNOPS was destined for bankruptcy. My predecessor was given six months to shut down UNOPS or change. Keeping a very low profile, the leadership went about trying to revitalize the organization, cutting down on waste and duplication, diversifying revenue sources, and championing the concept of excellence – of trying to benchmark UNOPS against the best of the private sector. Between 2006 and 2014, that goal was for the most part accomplished – the organization regained a very solid financial footing and made major strides in improving its reputation, albeit remaining largely unknown.

In August 2014, when I arrived, I wanted to move away from being the silent partner. I wanted to focus more on working directly for the UN member states who committed to the SDGs. I wanted to improve the way we managed risk further, and use this expertise to offer solutions to some of the world's greatest challenges.

Many projects we take on go beyond the risks private companies would be comfortable with. And sometimes, the perception can be that the work isn't financially rewarding enough, given the task in hand. So when the UN's Organisation for the Prohibition of Chemical Weapons (OPCW) was tasked to destroy chemical weapons and then also a dozen facilities that produced them in Syria, they turned to us. When the government in Guatemala wanted to restock its hospitals and save money, UNOPS got the call. When the World Bank wanted to initiate a \$200 million effort to rebuild basic infrastructure in Yemen, we got the job.

Overall, since 2014, we have grown from a \$1.45 to \$1.85 billion organization. UNOPS has grown, because governments now see us as a preferred partner. Work for governments represents 37 per cent of our portfolio. Our operational reserves have nearly doubled and that has allowed us to embark on the next phase: Starting up our most ambitious initiative to date – social impact investing. I believe this will help us contribute to a much wider set of national goals, at scale.

UNOPS will always be about quality implementation. That's our core. We will always have a big presence in the most challenging environments, where governments are fragile, and where the UN maintains a big peacekeeping force. But the move to diversify into investable deals gives us opportunities in more developed economies. Now we're going beyond simply accepting contracts to perform work. We aim to grow our partnerships with the private sector – sharing the risks, and going to market together. We're beginning to find bankable projects we can invest in from our own balance sheet. Our first agreements in this area are estimated to bring more than \$10 billion of private financing into developing 100,000 affordable homes in both Ghana and Kenya.

Whether you've heard of us or not, UNOPS has always taken on complex challenges. This book tells the story of nine such projects, challenges which, to many, seemed impossible. All of them demonstrate our commitment to making the SDGs a reality.

Grete Faremo

UNOPS Executive Director

CRITICAL EMERGENCIES

UNOPS ROLE IN ADDRESSING SOME OF THE WORLD'S GREATEST ISSUES



The Danish cargo ship carrying chemicals shipped from Syria arrives at the Italian Gioia Tauro port on 2 July 2014. An estimated 600 tonnes of chemicals were on the ship, awaiting transfer to the U.S. MV Cape Ray to neutralize the most toxic chemicals, including mustard gas and raw materials for sarin nerve gas. © Getty Images/Anadolu Agency

DESTROYING SYRIA'S CHEMICAL WEAPONS

How UNOPS made destroying Syria's high-grade chemical weapons, in record time, a reality

It all started with a phone call in June 2014. The Italian ambassador to Denmark, H. E. Stefano Queirolo Palmas, called UNOPS Deputy Executive Director Vitaly Vanshelboim, saying he wanted to discuss something highly confidential. "I was surprised that he was calling because we didn't normally contact each other," said Vitaly. "I thought maybe he wanted to suggest a candidate for a job." Instead, the ambassador asked if UNOPS would take on a challenge with the highest of stakes. "He had been told that the case at hand was so complicated that UNOPS was the only agency who could potentially deal with it," said Vitaly.

In the months before the phone call, there had been mounting pressure on the Syrian government to declare its chemical weapons, and allow the international community to destroy them. Syria eventually agreed, on condition that it was done before Ramadan. So UN negotiators struck an agreement. A Danish ship would take the weapons from Syria to a port on the south coast of Italy, from there they would be destroyed at sea by a specialized American military vessel. But there was a problem: Ramadan was 29 June – just days away. And the risks were immense, especially the potential for a chemical spill. "We were told [a spill] would likely cause tens of billions of dollars' worth of damage, it would potentially close the port for months if not years and it could even topple the government," Vitaly explained. The odds were stacked against the operation.

In February 2014, four months before the operation, a lower grade of chemical materials was transferred from Syria, involving ships from Denmark, Norway and the United Kingdom. © Alex Knott, Crown Copyright/MOD



During the call, Vitaly could immediately see that there were good legal reasons not to take on the challenge. But he also realized that the costs of inaction would be severe. “If we did nothing, the one chance to destroy these weapons would be lost,” he said. So Vitaly (who was acting as Executive Director of UNOPS at the time) spoke to the office of the UN Secretary-General, which told him that it could not give formal clearance, but would be grateful if UNOPS could proceed. “The UN’s reputation was at stake and we were ostensibly on our own, albeit with many sympathizers and well-wishers,” said Vitaly.

Complications were numerous. The critical challenge was moving the chemicals from the Danish ship to the American vessel. The cargo was 80 containers of the highest category of chemical materials made by Syria. Everyone wanted to get these materials out of the country. But no-one wanted to be associated with the risks. What if something went wrong? What if there was a spill? The idea triggered protests at the port. Insurance providers said they could not cover the operation. Then, the Italian government advised that, given the extreme time pressure, UNOPS could only do business with one company, which ran logistics in the port. This, and the need to complete the agreement in a matter of days, meant UNOPS needed to expedite all its procedures if the deadline stood any chance of being met.


UNOPS decided to go ahead with the operation, at the request of and in collaboration with OPCW, the US, Italian and Danish governments, and other parts of the UN. The timelines were incredibly tight. The company from the port imposed a deadline of the end of 26 June to reach an agreement.

If the operation was going to happen, it had to be setup between 26 and 29 June.

Over five days, 200-pages of agreements were drafted with UNOPS to support the operation. At the same time, UNOPS secured all the logistics and setup operations for the exercise. Insurance was found, and the final pieces of the puzzle started to fall into place. The legal agreement came down to the wire, as UNOPS sought quick clearance from the parties involved and their lawyers. “We moved fast and lots of exceptions and judgment calls needed to be made,” he said. The company set a final deadline of midnight for the agreement to be in place. Vitaly signed the last page of the agreement with only minutes to spare.

Once clearance came, the port was sealed off for 48 hours for reasons not explained to the local residents. A ‘war room’ with the various actors was set up, involving daily conversations with senior government officials, the commanders of the ships, OPCW and the hazardous materials response teams, and the port. No one else could bring all these parts together. But it was a success: Within 24 hours the weapons left Syria, were brought into the port, moved onto the US naval ship MV Cape Ray, and taken out to sea, where the destruction began.

Was the operation worth it? About 600 tonnes of chemical materials were destroyed on the MV Cape Ray. Soon after the operation, some of the Syrian towns that had held these weapons fell to ISIS. Vitaly is convinced that UNOPS helped save countless lives. “Just imagine for a second that all those chemicals were still in Syria,” he said. “There’s no way you can rule out that some wouldn’t



From the operation, 2 July 2014:
A container of high grade chemical materials is transferred from the dock to the loading deck of MV Cape Ray, tasked with the neutralization of chemical materials from Syria in accordance with OPCW guidelines.
© U.S Navy/Seaman Desmond Parks

fall into the hands of ISIS.” What would have happened if UNOPS hadn’t taken on the challenge? Vitaly’s answer is simple: “The consequences would have been unthinkable.”

International media including the BBC, The Guardian and the Washington Post followed the story closely. After it was completed, Italy’s Environment Minister said he was proud of his country’s “contribution to international security” and US President Barack Obama hailed it as “an important achievement in our ongoing effort to counter the spread of weapons of mass destruction.” But UNOPS role in the operation remained a secret. “It was an unusual operation for us,” said Vitaly. “It did not go on for several months or years like a typical UNOPS project, but it was just a few weeks from start to finish.”

Q&A

with Vitaly Vanshelboim, UNOPS Deputy Executive Director

How does this project show the value of UNOPS?

Before we were contacted, the US, Italian and Danish missions to the UN and the Secretary-General’s office said only UNOPS could handle the case. Whether people like us or not, they see us as a driven organization that will take on impossible tasks. For a long time there was a perception of us as an ‘eleventh hour agency.’ Others might first try a project themselves but if it became too complicated or risky they could call in UNOPS. I don’t think that’s the case with UNOPS anymore. But it is true that we are very flexible, agile, fast-moving and able to find new ways of getting things done. For others, getting permission for this kind of project would take many months. In this case we had to make super-quick decisions and take calculated risks.

Tell us about some of the risks of the project?

One of my colleagues asked a critical question: Suppose one container has one small leakage. What would happen? The response from the hazardous materials experts was chilling. They said they’d mapped all the winds and tides. If it went wrong, they were planning for a two-kilometre wide gas field of toxic chemicals, within a matter of hours. Had any of those

chemicals been dropped and spilled, it could have been disastrous.

What was the outcome of the operation?

You will have heard how many people have tragically been killed and injured by chemical weapons in Syria in recent years. Just imagine for a second if all those chemicals were still in Syria. It is probable that they would have been used against Syrian people. This was totally unbeknownst to us at the time. The potential outcome of not going ahead with this mission, was what drove us to make it work.

Can you share with us a memory of the project that has stuck with you?

Even though we made several exceptions to our usual processes, getting an agreement in place was still going to be very tight. So at 11:30pm on that day of the deadline, I was in a hotel in Geneva signing every single page of the 200 pages of that agreement. I remember my fingers hurting because I had to sign them quickly so they could be faxed to the company in time. We only finished a couple of minutes before midnight. It was not funny at all but quite gratifying in the end that we made it on time.

Q&A

with Stefano Queirolo Palmas, Former Italian Ambassador to Denmark

Why was this project so important?

Syria possessed a large stockpile of chemical weapons. With the outbreak of the Syrian Civil War in 2011 concerns were raised about both the security of Syria's chemical weapon sites and about the potential use of chemical weapons. In September 2013, Syria joined the Chemical Weapons Convention, and agreed to the destruction of its chemical weapons, under the supervision of OPCW. In January 2014, Italy agreed to allow usage of the port of Gioia Tauro for transloading Syrian priority chemicals from the Danish ship it was initially transported on to the U.S. Vessel Cape Ray for destruction.

What made it difficult?

At least five different actors were involved in the operation: The OPCW, the Italian, Danish and US governments, and the Italian port terminal operator. Due to the exceptional and multinational characteristics of the transloading operation, difficulties emerged in relation to the procurement of port services, legal implications and assumption of liabilities.

What was the outcome of the project?

On 2 July, 600 tonnes of chemical weapons were loaded onto the Cape Ray at the Italian Gioia

Tauro port. By August 2014, all of the declared chemicals had been destroyed. It is important to stress once more that the role of Italy was quite instrumental, in term of assets, resources, diplomatic perseverance and dedication.

Why did you approach UNOPS about this project?

UNOPS was considered the best equipped organization to deal with the complex issues related to the procurement of port services in a multinational and politically sensitive operation.

What was it like working with UNOPS?

It was a positive experience. [I] appreciated [their] professionalism and efficiency – a readiness to deal with rather unprecedented tasks was also a key asset.



UNOPS was considered the best equipped organization to deal with the complex issues

Stefano Queirolo Palmas,
Former Italian Ambassador
to Denmark

What did UNOPS bring to the project and how did they help to make it a success?

High level administrative, legal and technical expertise. In close coordination with the Italian government and the OPCW, the three legal instruments necessary to the implementation of the project were quickly prepared: The procurement contract with the port terminal operator, a contribution agreement between UNOPS and the OPCW related to the operation financing, the exchange of letters between UNOPS and the Italian government on the use of Italian funds and other legal aspects. Naturally, due to the delicate nature of the matter and the extraordinary nature of the operation, preemptive negotiations were complex, either in Copenhagen, Den Hague and New York. But [the] final result is what really matters.



Following the 2010 earthquake, the 16 Neighbourhoods/Six Camps (16/6) project was launched to shut down six of the camps for internally displaced people and resettle those living there into 16 newly rehabilitated neighbourhoods. Supported by UNOPS, the joint collaboration between four implementing organizations demonstrated the United Nations' objective to 'deliver as one.'

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REBUILDING HAITI

Recovering from one of the deadliest earthquakes in history

On the afternoon of 12 January 2010, a 7.0 magnitude earthquake struck Haiti. It was the strongest earthquake to hit the region in more than two centuries, and one of the biggest disasters ever to hit an urban area. It killed over 220,000 people and left around 1.5 million people homeless. It also left behind a community in turmoil. The epicentre was approximately 25 kilometres west of the densely-populated neighbourhoods in Haiti's capital, Port-au-Prince.

The earthquake severely damaged many low-income neighbourhoods in Port-au-Prince. In the past, these were often established on steep hillsides with little or no planning, using poor quality construction materials. In 16 low-income neighbourhoods in Port-au-Prince, more than half of the houses suffered partial or heavy damage from the earthquake due to a lack of seismic standards. Many of the residents in these neighbourhoods had little choice but to resettle in camps nearby.

During the emergency phase immediately after the earthquake, UNOPS acted quickly to support Haiti. It repaired more than 800 houses and constructed over 1,500 shelters in the capital. Working closely with Haiti's government, UNOPS conducted more than 400,000 building assessments, earning respect as a trusted and experienced partner for infrastructure projects in Haiti's most vulnerable neighbourhoods.

Then in 2011, UNOPS became involved in a major project to shut down six of the camps for internally displaced people and resettle those living there into 16 newly rehabilitated neighbourhoods. The 16 Neighbourhoods/Six Camps project, known as 16/6, was led by the government of Haiti and jointly implemented by UNOPS, UNDP and the International Organization for Migration (IOM). UNOPS designed and implemented low-income housing and infrastructure works in eight of the neighbourhoods, with a budget of over \$16 million.

UNOPS was responsible for repairing and rebuilding damaged houses so that they satisfied risk mitigation standards, as well as improving community infrastructure, such as sanitation and waste



Haiti's devastating earthquake in 2010 took more than 220,000 lives and left 1.5 million people homeless. Following the disaster, with leadership from the government of Haiti and participating members of the UN family, UNOPS supported a large-scale reconstruction project in the country's capital.
© UNOPS/Claude-André Nadon

management facilities, footpaths and access to drinking water and other utilities. UNOPS repaired more than 1,200 homes and built 750 new houses in some of the most complex neighbourhoods of Port-au-Prince. With sustainability always a priority, UNOPS trained the homeowners in construction techniques, to help them continue to maintain their own houses in the future, in line with the local culture.

The Haiti project offers wider lessons about how UNOPS can help communities to become more sustainable. UNOPS has found that developing resilient housing and infrastructure provides a foundation for generating productive, self-sustainable environments and communities. The 16/6 project is an example of what UNOPS calls “disaster risk reduction best practice.” It provides a social housing model that can be applied to reconstruction efforts in similarly precarious locations.


UNOPS focused on more than just bricks-and-mortar as it sought to set Haitian communities up

for the future. As only around 40 per cent of people in Haiti pay for electricity – many are hooked up illegally to electrical and water supplies – it has assisted with the establishment of community-led councils to take responsibility for water, electricity, and waste management and sanitation. The initiative is helping residents to change their habits and better understand the concept of paying for these services.

To combat gang violence in the neighbourhoods under rehabilitation, UNOPS helped make residents feel safer by installing hundreds of solar street lights and constructing the new houses in accordance with good public space management to help alleviate social problems. The project created more than 15,000 working days and UNOPS hired 95 per cent of its workforce from the local community.



Following the 2010 earthquake in Haiti, UNOPS was responsible for repairing and rebuilding damaged houses so that they satisfied risk mitigation standards, as well as improving community infrastructure, such as sanitation and waste management facilities, footpaths and access to drinking water and other utilities. © UNOPS/ Claude-André Nadon



The project created more than
15,000 working days and UNOPS
hired 95 per cent of its workforce
from the local community. © UNOPS
/Claude-André Nadon

// UNOPS played a critical role in reconstruction efforts

Garry Conille,
Former Prime Minister, Haiti

FROM OUR PARTNERS AND THE PEOPLE WE SERVE


“The earthquake that devastated Haiti was one of the most destructive in history. It is difficult to express the scope of the rebuilding needs – more than 180,000 homes were destroyed. But along with many partners, UNOPS played a critical role in reconstruction efforts, repairing and rebuilding damaged homes, providing employment and training for Haitians in the process, and pioneering a new model of social housing across low-income areas. In total, this work benefited more than 30,000 families.”

Garry Conille,*
Former Prime Minister, Haiti

**During 2014-2015 Garry Conille worked as UNOPS
Regional Director for Africa*

“This project has not only brought quality health services to the local community, but it has become a trusted go-to institute. We can see this by the ever-increasing number of hospital visits. We used to have around 30 patients per day, whereas now the hospital receives somewhere between 120 and 150 consultations on any day of the week.”

Dr. Emmanuel Louis Charles,
Medical Director at a UNOPS-built
community hospital



A cargo ship unloads sugar at the Red Sea port of Saleef, Yemen, 30 September 2017.
© Reuters/Abduljabbar Zeyad

BRINGING LIFE-SAVING SUPPLIES INTO YEMEN

Helping ensure essential goods continued to flow into Yemen during the humanitarian crisis

The current conflict in Yemen has resulted in a widespread and devastating humanitarian crisis. It has left more than 80 per cent of the population in dire need of humanitarian assistance. According to the latest estimates of the UN Office for the Coordination of Humanitarian Affairs (OCHA), by early 2019, 24 million people were in need in the country, and over 10 million people faced severe food insecurity.

As part of its efforts to facilitate access to essential commodities, UNOPS has worked with partners in Yemen to meet basic needs. To facilitate the inflow of commercial goods, UNOPS, in partnership with OCHA established the United Nations Verification and Inspection Mechanism (UNVIM) for Yemen in December 2015, on behalf of the government of Yemen, the UN and its Member States. UNVIM was created to oversee the monitoring and inspection services of commercial and bilateral assistance cargo destined for Yemeni Red Sea ports, which are not under the control of the government of Yemen.

Since its establishment, there have been a number of challenges often found in fast-changing, active, conflict situations. In response, UNOPS worked together with the main stakeholders to establish solutions to deliver on the mandate of the mechanism in the most efficient way. Setting up its operations in Djibouti, UNVIM developed a range of procedures to avoid significant delays



Workers unload sacks of wheat outside an aid distribution centre in the Red Sea port city of Hodeidah, Yemen 14 June 2018. © Reuters /Abduljabbar Zeyad


and blockages in delivering goods to people in Yemen. “We are extremely pleased to have had the opportunity to develop a solution to an issue that was increasing the current challenges that Yemen and its people are dealing with. In operationalizing UNVIM, UNOPS, together with our partners, was able to contribute to efforts to provide access to essential items and goods to the people of Yemen,” noted Farouk Hirzalla, UNOPS Project Manager for UNVIM.

In addition to ensuring sufficient infrastructure and procedures to operate the mechanism, UNOPS directly engaged with stakeholders, including in the shipping lines, to answer their queries and encourage them to return to Yemen’s Red Sea ports. This work has enabled UNVIM to become a source of reliable commercial data on imports to areas of Yemen not under the control of the government. “The statistics and analyses are shared with international organizations, NGOs, and other relevant stakeholders working in Yemen,” said Farouk. The project team also worked closely

with the government of Yemen, hosting an official of the Ministry of Transport, who supported in expediting clearances for the commercial cargo shipments.

Between 5 May 2016 and 31 December 2018, 875 commercial vessels were cleared, out of which 271 vessel inspections were undertaken in order to confirm compliance with the relevant UN Security Council Resolutions. This has facilitated the delivery of over 10 million tonnes of food, fuel and supplies to the ports of Hodeidah, Ras Isa and Saleef.

Following an agreement at peace talks between the Yemeni parties in Sweden that was reached in December 2018, UNVIM will now also undertake an enhanced monitoring and inspection role. “We are ready to provide whatever support is envisaged necessary to implement the agreement and support efforts to bring peace to Yemen,” said Farouk.

A large cargo ship with a white superstructure and a dark hull is being towed by a smaller tugboat. The ship is moving through the water, and the tugboat is positioned in front of it, pulling it. The sky is clear and blue, and the water is a deep blue. The ship has several cranes and antennas on its deck. The tugboat is a smaller, more compact vessel with a white hull and a dark superstructure. It is pulling the larger ship with a rope. The scene is set in the Red Sea, near the port of Hodeidah, Yemen.

A ship carrying 5,500 tonnes of flour is towed by a tugboat at the Red Sea port of Hodeidah, Yemen, 26 November 2017. © Reuters/Abduljabbar Zeyad

Q&A

Farouk Hirzalla,
UNVIM Project Manager

Why was this project so important?

Impediments on commercial imports to Yemen have led to severe lack of basic items. In order to address the dire humanitarian situation in Yemen, the restoration of regular commercial cargo flows into the country is essential.

What challenges stood in the way of success and how did you overcome them?

The UNVIM project has been operating in a rapidly evolving environment affected by conflict. Working in these types of environment is by itself very challenging; however, UNVIM has been very lucky to work with the partners and stakeholders gathered around one goal – to help the people of Yemen. Whenever there was a specific challenge or an issue, we always worked closely with our partners to bring the issue to an effective solution. For example, we worked with our partners to decrease the amount of time that it takes to issue a clearance, starting from 48 hours at the beginning of UNVIM operations, to the most recent figure of 10 hours. We also hold monthly meetings for UNVIM, gathering all the main stakeholders


and partners, and use that forum to jointly discuss any issues that may come up and how to best resolve them in a speedy manner.

What did the project achieve?

Between May 2016 and December 2018, the mechanism has received 1,071 clearance requests and granted 875 clearances with 271 vessel inspections in international waters and territorial waters. During the same period, the mechanism has facilitated the delivery of over 10 million tonnes of food, fuel and supplies to the ports of Hodeidah, Ras Isa and Saleef.

What feedback have you had?

The achievements of UNVIM have been recognized and commended by senior UN officials. It has also been praised in several high-level reports to the UN Security Council, and by the UN Secretary-General, the Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator, as well as fellow UN agencies.



A container ship sees the safe delivery of life-saving cargo, to improve the lives of people that need it the most.
© Getty Images/wissanu01

"I think UNVIM has been doing a remarkable job [...] I am absolutely sure that UNVIM has been doing its work with a lot of professionalism [...]"

António Guterres,
UN Secretary-General,
press conference at United Nations
Headquarters, 16 January 2018

"The United Nations Verification and Inspection Mechanism is an effective system for screening imports bound for these ports."

Mark Lowcock,
Under-Secretary-General for
Humanitarian Affairs and Emergency
Relief Coordinator, Statement to
the UN Security Council,
27 February 2018

"As before the conflict, the vast majority of the needs of the Yemeni people are met through commercial deliveries. UNVIM is a unique first in such arrangements pulled together by OCHA and now run by UNOPS, I take the opportunity to call for the renewal of its mandate. Let us back something that is working."

Stephen O'Brien,
Former Under-Secretary-General for
Humanitarian Affairs and Emergency
Relief Coordinator, Statement to the
UN Security Council on Yemen,
31 October 2016

GLOBAL PRIORITIES

UNOPS ACTION ON THE GROUND TODAY



Rice farmers face significant constraints to productivity in Myanmar, such as lack of access to good quality seed and a shortage of skilled labour. LIFT and UNOPS work together to address these challenges.
© UNOPS/John Rae

INVESTING IN RURAL MYANMAR

UNOPS-managed funds are transforming Myanmar's agricultural sector and lifting millions out of poverty

An estimated 54 million people live in Myanmar and more than a quarter are below the national poverty line. Seventy per cent of the population lives in rural parts of the country, encompassing three-quarters of the overall poverty share. As the largest country in mainland southeast Asia, Myanmar has one of the lowest population densities in the region. Its highly fertile lands give the country significant potential to increase its production and profits in agriculture. Yet so many farmers and their families are living in poverty.

The UNOPS-managed Livelihoods and Food Security Fund (LIFT) was established in 2009 to pipe much-needed investment into Myanmar's agricultural sector and improve the lives and prospects of smallholder farmers and landless people in rural Myanmar. UNOPS looks after funds from the governments of Australia, Denmark, France, Ireland, Italy, Luxembourg, the Netherlands,



LIFT and UNOPS target smallholder farming families and the landless rural poor in Myanmar, funding projects that help them raise their incomes, improve their nutrition and food security, and live better lives.
© UNOPS/John Rae

New Zealand, Sweden, Switzerland, the United Kingdom and the United States of America, as well as the European Union and the Mitsubishi Corporation.

Farmers had known for years that new machinery would improve their yields and their returns, but they could not afford the terms of a loan to buy new machinery. Private banks required a 30 per cent down payment and repayment within a year. So LIFT approached banks to find another way to bridge this gap. Yoma Bank agreed to offer three-year loans with a reduced down payment of 10 per cent. LIFT would cover 20 per cent of the losses in cases of default.

In 2017 and 2018, this helped more than 5,000 small and medium-sized business to buy transport vehicles, tractors or combine harvesters. The resulting mechanization of agriculture is estimated to have saved nearly \$12 million in production costs while gross margins per acre increased by almost \$22. “Importantly, the project has demonstrated to Yoma and other banks that farmers are a good credit risk and these new financing terms are becoming the norm,” said Andrew Kirkwood of UNOPS.


Overall, the impact of funds like LIFT has been remarkable. By the end of 2016, 7.2 million rural people – or roughly 20 per cent of Myanmar’s rural population – had received LIFT support. In 13 states and regions and 222 townships, 1.6 million households had directly benefited from LIFT

activities, including 240,000 female-headed households. Nearly 200,000 households had received support in agricultural production and over 163,000 people were trained in agricultural techniques.

Case study of a farming family

In Kyar Kan Taunt, a village in the Ayeyarwady Delta, some 100 kilometres west of Yangon, 70-year-old Yin Hlaing lives with his wife, six children and nine grandchildren. The family sets out to produce rice and black gram every year. The crop is highly time sensitive – if planting is not completed on time, farmers could lose up to 60 per cent of their potential yields. Ever since Yin Hlaing worked on the farm as a child, the farming methods used were labour-intensive and time-consuming, even forcing the family to work intensively through Myanmar’s annual monsoon season.

But in 2016, the family’s farming practices were transformed. After trying to save money and researching tractors for years, Yin Hlaing and his family were able to buy a tractor through the LIFT-funded Yoma Bank Agribusiness Finance Programme. They quickly felt the benefits: What used to take three or more months is now done in five days while at the same time achieving better yields.



Agribusiness finance programmes provide affordable finance for tractors, threshers, combine harvesters and other equipment to thousands of farmers across Myanmar. The fund is managed by UNOPS. © UNOPS/John Rae

Min Htike and his brothers went with their father to purchase the tractor and sign the contract. Now, Min's ambitions for the future of the farm have grown. His long-term aims are to buy a combine harvester, purchase more land and develop a farm demonstration plot for farmers' education. He wants roads and electricity in the village. The whole village has already benefited from his family's success. Dozens of local farmers rent Yin's tractor so the farms in the village that plant black gram are now prepared for the years ahead. He says he feels confident that the village will have a good season and is proud knowing his tractor played a part in achieving this.

Yin Hlaing's wife, Daw Than Than, recalls how hard it was to watch her family work so hard in the rice fields, trying to finish the work in time for the crop's season. When her children were young, the family could not afford to have all of them stay in school – they were needed to stay back and work on the farm. Now, the possibility of her grandchildren getting an education is real. Her eldest granddaughter is already attending university in nearby Pathein. The mechanization of the farm means the entire family has more time for social activities in the village, and more free time to spend with one another. And children can just be children.

Q&A

with Andrew Kirkwood, UNOPS Director and Representative in Myanmar

What challenges did you face and how did you overcome them?

Farmers in Myanmar struggle to earn a living off the land. Crop yields are low – rice yields are lowest in southeast Asia, on par with Cambodia. But, even more importantly, labour productivity is extremely poor – it costs twice as much to grow an acre of rice in Myanmar as in Cambodia. And it's getting worse because people are increasingly taking jobs in other sectors like the growing garments sector. This means labour costs are increasing and profits from farming are even lower.

The normal reaction of farmers would be to mechanize some of the farming, especially land preparation and harvesting. However, very few farmers can afford a tractor and banks weren't helping. A number of private banks would lend money to farmers, but they required 30 per cent down payment from the farmer and the loan had to be paid back within a year. LIFT's analysis showed that farmers couldn't afford these terms, even though the business case for new machinery was strong. So, LIFT approached a number of banks with an offer

to share the risk if the bank would offer better terms. Eventually, Yoma Bank agreed to offer three-year loans (instead of one year) and reduced the down payment requirement from 30 to 10 per cent. In exchange, LIFT provided a partial risk guarantee (we agreed to cover 20 per cent of the loss from any defaults).

How does this project show the value of UNOPS?

For me, this is a great example of UNOPS being able to leverage the expertise and financing of the private sector for achieving the 2030 Agenda. The private banks in Myanmar needed someone to share the risk of introducing a new product to the market. First, UNOPS did the analysis and consultations in the local context to make a case to donors (to LIFT) and to the private sector (Yoma Bank) that there was an alignment of interests to achieve a common goal. Second, UNOPS rules and regulations were flexible enough to make it happen. Third, we managed the project in way to control risks and ensure the realization of benefits for our intended beneficiaries.

// By the end of 2016, 7.2 million rural people – or roughly 20 per cent of Myanmar’s rural population – had received LIFT support

Andrew Kirkwood,
UNOPS Director and Representative
in Myanmar

What are the lessons we can learn from the project?

First, the UN and the private sector have different vocabularies. It was a challenge to really understand why the banks found it difficult to offer the new loan product. At the same time, we had to explain what UNOPS could and couldn't do many times. It took quite a long time and a lot of meetings to figure out how to make it work. It isn't easy to structure collaboration between public financing (LIFT) and the private sector, but when you get it right, the outcomes are much greater – huge leverage of financing.

Second, these kinds of partnerships put a premium on stakeholder engagement. We needed to spend a lot of time explaining to

stakeholders (including media, UN, donors, our personnel) why we were “giving” money to a private bank. In fact, we weren't giving money to the bank, but we were sharing some of the risk that the banks were previously insisting were borne by the farmers.

Is there a memory that sticks with you from the project?

I cried when I read the story of U Yin Hlaing and the joy it brings him to be able to walk to the school every day to pick up his granddaughter. The story reminds me that I have a lot in common with a farmer in a remote part of Myanmar. The simple and important things in life are universal.

© UNOPS/John Rae



Agriculture offers great opportunities to drive development and raise living standards for millions of people in rural Myanmar. The UNOPS-managed LIFT has provided thousands of farmers with support in agricultural production and training in agricultural techniques.

© UNOPS/John Rae





A better learning environment: Solar power now provides electricity for this school in Sierra Leone – day and night.
© UNOPS/Olivia Achland

LIGHTING UP RURAL SIERRA LEONE WITH RENEWABLES

Rethinking development: Using health centres as power stations

Between 2014 and 2016, the Ebola crisis claimed thousands of lives in Sierra Leone. Healthcare systems were devastated. Medical professionals were left without power as they battled to deal with the spread of the disease. A lack of reliable power generation was a major obstacle to the country's ability to both deal with and quickly recover from the emergency.

Across the country hundreds of thousands of people access healthcare services without a reliable source of power. Many births happen at night so midwives in rural health centres often rely on flashlights or mobile phones to aid deliveries. Expectant mothers in Sierra Leone have a 1 in 17 chance of dying in childbirth – one of the highest maternal mortality rates in the world. When mother-of-five Konnie Bangura gave birth to her first child, Salieu, the nurse couldn't see properly.

“The lighting was so bad that as the nurse was trying to deliver him, she mistakenly cut him on the forehead with the equipment being used,” she said. “He has that scar till today.”

Only 20 per cent of the country has access to electricity, but rural areas are the worst affected – only one per cent of them are electrified. Rural towns and villages primarily use small diesel or petrol generators and kerosene lamps. To produce power and lighting this way can mean that these communities pay 10 to 30 times more than in urban areas, which benefit from grid connection and tariffs that are often subsidized. For a comparable energy supply that costs an urban customer \$1, a rural customer will pay \$10 or more. That is why UNOPS is involved in a project to dramatically improve the energy supply to rural communities across Sierra Leone.

The Rural Renewable Energy Project is funded by the UK's Department for International Development (DFID) in a partnership with UNOPS and the Ministry of Energy in Sierra Leone.

In the first project of its kind and scale in Sierra Leone and the sub-Saharan region, this revolutionary project extends beyond the health needs of rural communities to supply entire villages



With the right approach, solar power could be a real game changer in encouraging sustainable development through energy access – driving improvements in health services, education and economic activity.
© UNOPS/Olivia Achland

with electricity. It is a four-year, nationwide project, building solar-powered mini-grids, centred on community health centres and operated as commercial enterprises.

A first phase installed solar power at 54 community health centres across Sierra Leone. Next, the health centre power installations were extended to form mini-grids, which are operated by private sector companies. And the project is expanding. By 2021, it is aimed that up to 200,000 people will have benefited from at least 90 mini-grids powered with renewable energy. And as mini-grid generation technologies become cheaper – resulting in lower start-up, operation and management costs – they can significantly reduce what people have to spend on energy.

Although solar power is seen as having great potential to tackle Sierra Leone's energy problems, designing a system that works is not straightforward. "Sierra Leone's countryside is littered with examples of solar power installations that are no longer functioning – or never functioned properly in the first place," said Nick Gardner of UNOPS. "Designing the most appropriate solar solution for each local area is incredibly complex."

So the project brought in private companies who were invited to tender their services to run the power supply network in each village. It is estimated that this will generate about \$9 million worth of investment in the next phase of the project, which will develop larger mini-grids in an additional 40 villages. UNOPS will continue to work with local private sector firms to ensure the business

models are sustainable and energy continues to be provided to villages long after the project ends. "Making it attractive for the private sector to operate solar power installations encourages continued investment in the energy sector in rural areas, creating a truly sustainable solution," said Nick.

Access to electricity has already improved healthcare in rural Sierra Leone, according to Dr. Alhaji Sayni Turay, a District Medical Officer in the country. "The solar light has made a huge difference," he said. "Now the cost of buying lamps and batteries is no more and we have 24 hours [of] light, which helps us with lab work and also our referral system. We are able to charge our scanning machine well and also carry it with us when we go on outreach."

The electrification programme will bring wider benefits to Sierra Leone. The project will use an integrated approach to enhance energy security, support business start-ups, reduce local pollution and improve the livelihoods and living conditions of local communities – with special attention to vulnerable groups, including women and young people. Access to electricity will allow families, businesses and communities to develop and grow.

"We are looking forward to the positive impact that electricity will bring to rural communities in terms of economic development, health, education, empowerment of women and reduction of greenhouse gas emissions," said Ary Bobrow of UNOPS. "Besides providing a source of power, the project will help bridge economic divides between the country's urban and rural areas."

A nurse at the Conakry Dee clinic in Sierra Leone visits nearby communities.
© UNOPS/Olivia Achland



STATEMENT

Nick Gardner,

UNOPS Country Manager in Sierra Leone

“In rural areas of the country, health centres and a steady flow of electricity are desperately needed. Difficulty accessing health services – and the difficulties local health centres face providing round-the-clock care without access to a steady source of electricity – contributes to Sierra Leone being a dangerous place to give birth. Expectant mothers have a 1 in 17 chance of dying in childbirth – one of the highest maternal mortality rates in the world.

In a country where many births occur at night, midwives in many rural communities rely on flashlights or mobile phones to aid deliveries. If something goes wrong, they have little access to the facilities they need to save mothers’ lives. Using renewable solar energy to power the health centres means electricity for the tools needed to perform emergency procedures and full lighting for midwives to work. It means electricity for the refrigerators needed to store blood for transfusions or the vaccines needed to prevent diseases.

Using the health-centres-as-a-power-station approach, private operators take responsibility for the long-term operations and maintenance of the mini-grid systems. The health centres receive free electricity in return for the land on which to build the power station for the whole village. And using mini-grid distribution

systems to provide power to the whole village will bring down the cost, enabling consumers to save money – or use more power for other activities for the same cost.

Once fully operational, mini-grids in smaller villages provide immediate income generating opportunities. Private sector operators can go beyond simply providing power. From selling mobile phone top-ups or providing phone banking services, to selling internet access or providing micro-financing for domestic appliances – the possibilities are endless. And making it attractive for the private sector to operate solar power installations encourages continued investment in the energy sector in rural areas, creating a truly sustainable solution.

Although initially aimed at smaller villages, the next phase of this project will encourage private sector operators to co-invest to develop similar mini-grid systems for larger villages. This will eventually create an environment where the private sector is pushing forward the development of mini-grids without the need for donor support. Sierra Leone will become a model for maximizing sustainable energy access in rural areas – and will show how partnering with the private sector to address development needs can have far-ranging benefits.”



The UK is proud to work with UNOPS to provide more than 200,000 people in rural Sierra Leone with access to solar energy

Mary Hunt,
Head of DFID Sierra Leone



A reliable source of electricity from solar energy in rural health clinics across Sierra Leone help ensure that medical professionals deliver a higher standard of care.
© UNOPS/Olivia Achland

FROM OUR PARTNERS AND THE PEOPLE WE SERVE

“The UK is proud to work with UNOPS to provide more than 200,000 people in rural Sierra Leone with access to solar energy. We are grateful for their technical expertise and excellent management of this project.”

Mary Hunt,
Head of DFID Sierra Leone

“I had all my children at this Bumpe clinic. But this time when I came in to deliver Abibatu, it was different. I did not have to come with a torch light and batteries, and that saved me some money. With all my children, the births have been at night, [in the] dark. But this time the delivery room was well lit and this made me happy that the nurses will see well as they do their work.”

Adama Squire,
Resident of Bumpe, Sierra Leone

“A lot of deliveries happen at night so the electricity makes the work easier to see when any sorting [of medical supplies] is being done and to avoid any mistakes or unnecessary discomfort to the mother. Due to the constant electricity, a good number of supplies are kept in proper condition and this also makes outreach to neighbouring communities to offer inoculations and related services easier.”

Margaret Albert,
Midwife at the health centre
in Bumpe, Sierra Leone

“Our clinic covers 38 communities and so it is very busy at times. The solar light has made a huge difference. Now the cost of buying lamps and batteries is no more and we have 24 hours light, which helps us with their lab work and also our referral system. We are able to charge our scanning machine well and also carry it with us when we go on outreach.”

Dr. Alhaji Sayni Turay,
District Medical Officer



The IGSS reported an estimated 54 per cent savings in the purchase of medicines with support from UNOPS. The savings of approximately \$155 million dollars helped the Institute invest more money into better medical facilities. © UNOPS

REDUCING THE COST OF GUATEMALAN HEALTHCARE

Helping Guatemala’s hospitals to halve the cost of supplies

Guatemala has high levels of perceived corruption in the public sector, according to the 2017 Corruption Perceptions Index from Transparency International, where it was ranked as 143 of the 180 countries assessed.

In 2015, it was discovered that some major cases of corruption were affecting medicine procurement in Guatemala’s Social Security Institute (IGSS). Hidden structures inside the Institute meant that certain suppliers were doing very well from government procurement. This meant medical services

were more expensive than they needed to be and it was holding the country back from gaining access to vital drugs and building new and improved medical facilities.

In 2016, UNOPS was brought in to design sustainable policies around procurement, infrastructure and project management for the IGSS. But entrenched corruption is very difficult to remove and UNOPS faced significant challenges from inside and outside the Institute. Long-term suppliers who had profited from these practices inside the Institute resisted attempts to reduce costs. Legal challenges and protests were launched against the reforms. Stories attacking the project were placed in the media. Andrea Calvaruso, the Officer in Charge at UNOPS Guatemala, said his team had to operate in an “extremely complex environment.” This seems like an understatement.

UNOPS priority was to improve the way the IGSS acquired medicines and medical supplies. Once it had implemented a transparent procurement system, it then began a more wide-ranging

UNOPS is helping strengthen the capacity of the IGSS by improving standardized procedures and monitoring tools, as well as training staff in public procurement and project management, so that it can better serve people in need. © UNOPS



institutional reform of IGSS. It focused on procurement, organizational management, logistics and health services. Experts came in to work alongside staff in the Institute. Andrea said this approach led to “changing mindsets.” Underlying all of these changes was the need to introduce a culture which rejected corruption. “UNOPS brought transparency and clear rules in the procurement processes,” said Andrea.

The project has delivered big savings for Guatemala. UNOPS organized four public tender events after putting in place transparent and effective procurement processes. These led to savings of more than \$155 million. The IGSS has reported an estimated 54 per cent saving on the purchase of medicines since they began working with UNOPS. IGSS held international tenders to acquire 568 of the 731 basic drugs that they required, which included essential medicines and drugs of high commercial value important for patients.

The costs savings have enabled Guatemala’s healthcare service to invest in improved facilities. “With these resources, the Institute could build a new hospital, reduce the cost of medical services, extend insurance coverage and much more,” said Fabrizio Feliciani, UNOPS Regional Director for Latin America and the Caribbean. Carlos Contreras, Director of IGSS, said UNOPS is helping the

Institute with “institutional re-engineering and analysis, so that IGSS can strengthen its capacity, change and procure in a completely different way.”

The project has left a legacy of transparency in a country with a high risk of corruption in public procurement. These efforts were singled out for praise by the anti-corruption NGO Transparency International Guatemala. “The UNOPS project helps fight the lack of transparency traditionally associated with public procurement in the social security,” said its President, Manfredo Marroquín. UNOPS also helped strengthen the capacity of IGSS by training staff in public procurement and project management. This has laid the foundations for an efficient and transparent future for procurement by the IGSS.

UNOPS is applying this model to healthcare systems around the world. Already, it has provided hundreds of millions of dollars of health-related project support globally, from constructing hospitals to procuring medical equipment supplies. This helps communities gain greater access to the health facilities, services and supplies they need and delivers sustainable health outcomes for millions of people.

The IGSS has reported an estimated 54 per cent savings in the purchase of medicines with support from UNOPS. © UNOPS/ Aida Ariño-Fernández

Q&A

with **Andrea Calvaruso**,
Officer in Charge for UNOPS in Guatemala

What is your role in the project?

My role is to design sustainable policies regarding procurement, infrastructure and project management for our associates, especially the IGSS.

Why was the project needed and what was its aim?

Some countries in Latin America suffer from high levels of perceived public sector corruption, and Guatemala is not the exception. In 2015 high profile cases of corruption regarding medicine procurement were discovered in the IGSS, as a result, the medicine supply for millions of beneficiaries was at risk. Since 2016, by invitation of the new board of the Institute, UNOPS has had a fundamental role in the strengthening of institutional procurement capacities of IGSS as part of a project focused on the acquisition of medicines and medical supplies.

What did the project achieve?

After the four public tender events, the savings generated are more than \$155 million, which represents a 54 per cent reduction in costs compared to previous costs of similar procurement exercises. In order to support the change management process, UNOPS is also delivering tools, methods, and processes

that will strengthen the institute.

What challenges stood in the way of success and how did you overcome them?

The technical assistance for the IGSS is implemented in an extremely complex environment because savings achieved mean less profits for suppliers who had previously benefited from less transparent approaches. As a result, the project had to overcome internal and external resistance, as well as legal tricks and protests to block our work and achievements, media attacks, and unwillingness to change at different levels of the institution. It has been a hard and gratifying experience.

How does this project show the value of UNOPS?

UNOPS brought transparency and clear rules in the procurement processes. Moreover, we have been making things happen especially in five key IGSS areas: Procurement, organizational management, logistics, monitoring and evaluation, and health services. Our approach, consisting of experts working inside the Institute and side-by-side with the partner, has changed mindsets and made transformation possible. The process is ongoing and the benefits for Guatemalan people are now becoming visible.

THE NEXT FRONTIER

INVESTING IN A SUSTAINABLE FUTURE



UNOPS is helping bring clean energy to 50,000 people in low-income communities and helping the government achieve ambitious targets in energy reform and renewables. © Getty Images/Mateo Jauregul

REVITALIZING MEXICO'S GREEN ENERGY SUPPLY

How UNOPS stepped into the renewables sector to revitalize a struggling wind farm

By mid-2017, a wind farm providing renewable energy to the people in and around the Mexican city of Monterrey was stranded. The farm had been running for five years and had eight turbines producing 22 megawatts of renewable energy. But the project was spending more than it was bringing in, it was not receiving some payments on time, and it was in danger of closing down. This would have cost people their jobs and increased the cost of energy for local residents, not to mention the environmental cost of losing a source of green energy. So UNOPS stepped in.

UNOPS submitted a proposal to recapitalize and operate the wind farm, beating private companies to win the tender. It then invested \$8.8 million of its own resources into the farm. “The wind



The Mexican wind farm that UNOPS recapitalized and operates now costs local municipalities 15 per cent less in energy costs. © Getty Images /Luke Wendling

farm was a great idea and it was well-built so we saw potential to turn it around. It was a great opportunity for UNOPS to enter into the future of energy production,” said Vitaly Vanshelboim, Deputy Executive Director of UNOPS. UNOPS and its partners renegotiated long-term purchasing agreements which reduced the cost of running the farm and signed new agreements. It improved the deal with the debt provider which was covering nearly three-quarters of the cost of the operation.

This was not a typical UNOPS project. “We normally prefer to take on Greenfield projects and it was our first foray into the investable world,” said Vitaly. “But we got involved because we could see things would not end well for the farm otherwise and we could add real value.” UNOPS faced the same challenge that had previously damaged the farm’s performance: There was no guarantee that local municipalities would pay even when they had signed a deal. “We had to figure out the best ways to ensure people would pay the special purpose vehicle that we helped set up,” said Vitaly. He said the team learned lessons while trying to put together the new deal. “We had to design heavily customized share-purchasing and shareholder agreements which had so many legal permutations that we had not had to think about in the past,” he said. It was complicated by the UN processes, which often use a different type of language to that seen in private sector agreements.

UNOPS benefited from the high levels of trust in the United Nations in general and UNOPS in particular. This meant the farm’s owners and other stakeholders trusted that UNOPS was not seeking to exploit them. This trustworthiness also helped UNOPS to strike a financing deal with commercial entities like BNP Paribas who acted as financial advisers on the deal. UNOPS set up a complicated ownership arrangement, with a handful of equity holders of different sizes coming from different countries. “We were able to work with all of them by using the typical UNOPS strengths of flexibility, quick decision-making, an ability to find solutions in difficult circumstances and being prepared to take calculated risks,” said Vitaly. The deal was completed very quickly, even by private sector standards.

The wind farm made quick strides to profitability, so much so that a solar energy expansion is now being planned on the same site. This would provide an additional 50 megawatts of clean energy, which is more than double the current output of the farm. “This energy supply is essential to a city the size of Monterrey,” said Vitaly. “And with its proximity to the American border, the farm will soon be a significant energy provider.” The project will be able to produce green energy at a lower cost for 50,000 individuals, and provide employees with secure jobs. It will promote climate-smart



© Getty Images/Duncan P Walker

// To accelerate the achievement of the SDGs, we need strong partnerships

Grete Faremo,
UNOPS Executive Director

infrastructure and help Mexico deliver on its ambitious targets in energy reform and promotion of renewables.

The outcome is good for the environment, because it has kept a wind farm going that otherwise faced closure. It was a good result for the local municipalities, which now pay 15 per cent less for energy. It even boosted UNOPS finances by providing a return on their investment. “The project would probably have remained stranded if we had not helped share the risk of investment, making a non-bankable project bankable,” said Grete Faremo, UNOPS Executive Director. The site also operates a free learning centre for schoolchildren, who travel from all over Mexico to learn about the benefits of renewable energy.

Perhaps more significantly, the project has demonstrated a new way of working that will allow UNOPS to be even more effective in the future in delivering major green energy projects. “We

wanted to prove our mettle in Mexico and it was a bit of a test case,” said Vitaly. “Now we are already negotiating much bigger deals in Mexico and other countries and it gives us a good platform to increase the supply of renewable energy around the world.” At present, UNOPS is exploring additional investments in the Caribbean, Ghana, Honduras, India, Kenya and Myanmar, amongst others.

“This is a new role for a UN entity,” said Grete. “But it showcases new ways of working in partnership to unleash more resources than would have been the case without us exploring this new model.” Partnerships will be key to proving that successful and profitable renewable energy projects are possible around the world. “The message is clear,” Grete added. “To accelerate the achievement of the SDGs, we need strong partnerships.”



In Mexico, UNOPS is revitalizing a wind farm bringing clean energy to 50,000 people in low-income communities and helping the government achieve ambitious targets in energy reform and renewables.
© Getty Images/Mimadeo

Q&A

with Vitaly Vanshelboim, UNOPS Deputy Executive Director

Why did UNOPS take on this project?

We thought the wind farm was a great idea and it was well-built but we saw the deal going into default in Monterrey and decided that this was a sector where we wanted to prove our mettle. We could see that they made a few errors on costings, spending more than they were earning, and some of the local municipalities were not paying on time, so the project was losing money. So we wanted to see if we could rescue the project. We invested some of our own money, improved financing terms from other entities and renegotiated long-term purchasing agreements to make the project commercially viable.

What was the outcome?

The cost of the energy that the farm now sells to municipalities is 15 per cent less than what

they would have paid otherwise so it was great for the government, the people and for UNOPS. It was a bit of a test case but now we have negotiated much bigger deals in Mexico and other countries. Renewable energy is one of UNOPS three big priorities within the framework of our Social Impact Investing Initiative (S3I).

How did this project show the value of UNOPS?

It was a very quick operation and it worked. We renegotiated long-term agreements with consumers of energy. We were able to show some of the typical UNOPS strengths of flexibility, an ability to find solutions in difficult circumstances, and not being averse to taking calculated risks. We are very quick to make decisions once we believe in something.

What lessons did you learn from the project?

It was not a typical project because under normal circumstances we prefer to take on normal Greenfield projects, but we got involved because we could see things would not end well for the farm otherwise. We definitely learned a lot on technical, legal and governance issues. This was the first financial close that we achieved within the context of an investable deal so we faced so many legal permutations that we hadn't had in the past when it came to the design of share-purchasing and shareholder agreements. There were a host of issues especially around adapting standard UN language to construct the new customized agreements and making them acceptable to us and to the public sector was very difficult.

It also became very obvious once we learned more about the project that even if you sign a legally binding deal, there is no guarantee that you actually get the money and that's what happened to the project before we got involved. They had signed deals with some

local municipalities who then refused or were unable to pay. So we had to figure out intelligent methods and protections to make sure that did not happen to us.

Why was the project successful?

Firstly, we enjoy a lot of trust from governments at many different levels as well as from local communities, and we could move fast because the owners of the project knew that even though we invest commercially, profit is not our main motivation, and they can trust us. They also appreciated our knowledge of social aspects of large-scale projects and experience of working with local communities. This saves time because if we had been coming from the private sector it would have taken months to establish trust but the reputation of the UN meant that we could move much faster. It also helped us to connect with the international commercial sector and entities like BNP Paribas. We got four or five equity holders from different countries, of different sizes, but it was possible for us to work with all of them.



Residents of urban areas in Nairobi currently face a number of challenges relating to infrastructure. Agreements to provide affordable housing in Ghana and Kenya represent landmark agreements to address housing needs as part of the UNOPS Social Impact Investment Initiative. © UNOPS/John Rae

200,000 HOMES IN GHANA AND KENYA

Ambitious large scale affordable housing schemes can make national housing priorities a reality

US President Trump's speech dominated the headlines during the UN General Assembly in New York in September 2018. But on the sidelines, UNOPS announced social impact investing partnerships with the governments of Ghana and Kenya to build 100,000 affordable homes in each country. It may be less eye-catching than the politics of the presidency, but this project will be vitally important to Ghana and Kenya. It is estimated that Kenya needs 2 million more houses and Ghana needs 1.7 million more.

The agreement is a milestone in UNOPS S3I, in which UNOPS has committed to fostering innovative financing for the SDGs. Grete Faremo, UNOPS Executive Director, explained: "Ensuring that people have an adequate and sanitary place to call home is a prerequisite for enhancing social and economic opportunities, and stimulating economic growth and development. That's why UNOPS has made affordable housing a core focus of its Social Impact Investing Initiative."



In Ghana, many residents live in communities facing serious challenges relating to infrastructure. In support of the government of Ghana, UNOPS has kickstarted a major housing project. © Getty Images/Anton Ivanov

The twin challenges of the project are securing land and finding financing. UNOPS is tackling both by forging a partnership between the public and private sectors. It is currently seeking to mobilize resources from its funding partners to support the housebuilding. Each initiative will require \$5 billion of investment. UNOPS track record and trustworthy reputation provides reassurance to private entities that they can invest in Ghana and Kenya with less risk. The public sector plays a crucial role too, because the government will identify and allocate land for potential developments, and try to create an enabling environment for foreign direct investment.

The presidents of Ghana and Kenya are optimistic about the partnerships with UNOPS. Kenya's government aims to close the housing gap by providing around half a million affordable houses for its citizens by 2022, and President Uhuru Kenyatta says he strongly supports UNOPS engagement in the initiative. President Nana Akufo-Addo of Ghana said the size of his country's housing deficit was unacceptable and thanked UNOPS for helping to reduce the deficit.

The 100,000 units in Ghana will be high-quality, sustainable and resilient. They will be constructed using energy-efficient solar rooftops. Crucially, the project will benefit many more people than those

who move into the new homes. Local building materials, equipment and expertise will be used on the buildings, providing jobs and business for the local community.

Partnerships are a core part of UNOPS strategy for supporting developing economies and achieving the SDGs. UNOPS S3I seeks to de-risk and structure infrastructure investment projects in an effort to help attract financing from the private sector. Projects selected are subjected to a rigorous and comprehensive due diligence process that will ensure a positive environmental, social and economic impact, with financial returns for private sector investors.

It is hoped that the projects in Ghana and Kenya will provide a model of how partnerships can benefit all parties involved. "We know that developing economies will need large-scale investment to build sustainable infrastructure and achieve their sustainable development targets," said Grete Faremo. "By reducing the investment risk of development activities, and forging new partnerships between the public and private sectors, we can unleash new opportunities and resources that will help to accelerate progress towards the SDGs."



In a milestone agreement, UNOPS will help the government of Ghana open access to sustainable, affordable and environmentally sound housing for its citizens. © Getty Images/Ruffraido

Q&A

with **Honore Dainhi**,
UNOPS Director for Africa

What is your role in the project?

I am the Regional Director for Africa at UNOPS, responsible for the strategic direction of UNOPS in Africa and for the steering of UNOPS operations across the region. I provide support to UNOPS Deputy Executive Director, Vitaly Vanshelboim, who leads our Social Impact Investing Initiative, which the affordable housing opportunities in Ghana and Kenya are part of.

How will this project benefit Ghana and Kenya?

Some studies estimate the housing deficit at circa 2 million units in Kenya and 1.7 million units in Ghana. The projects will support the efforts aimed at closing these deficit, by providing 100,000 housing units in each of the two countries. The implementation of the projects will also create a substantial number of direct and indirect jobs.

How does it show the value of UNOPS?

This is an illustration of UNOPS ability to help attract finance from the private sector by de-risking infrastructure investment projects.

How is it that UNOPS is able to de-risk infrastructure investment projects?

We are specifically talking of projects that would take place in difficult environments such as Fragile and/or Conflict-Affected States (FCAS). There are specific risks associated with such environments, for example operational risks, that generally keep international private sector investors away. In several FCAS, UNOPS has years and even decades of on-the-ground operational experience. We have been successfully implementing many projects in these challenging environments, and have developed an expertise in managing related operational risks. By taking an operational

// We are very excited about this project

Uhuru Kenyatta,
President, Kenya

role in infrastructure investment projects, we bring that expertise to bear to help reduce the projects' operational risks.

How much money will you need to raise in investment to build these houses?

The approximate total investment for each of country is \$5 billion, through a mix of equity and debts with the latter being the biggest part by far.

Why are private-public partnerships so effective in big infrastructure projects like this one?

In order to achieve the SDGs by 2030, the annual investment gap in major SDG sectors in developing countries is estimated at \$2.5 trillion per year. Considering the current levels of private sector funding, the remaining funding shortfall to be covered by the public sector, including Official Development Assistance (ODA), is estimated at \$1.6 trillion per year. It is widely understood that the public sector will not be able to provide such huge funding. It is therefore of paramount importance to create

the conditions to attract more/new private sector financing via private-public partnerships, for example. The private finance dimension of private-public partnerships is therefore a key enabling and success factor for big infrastructure projects like this one.

How is this project contributing to achieving the Sustainable Development Goals?

As part of SDG 11 (Sustainable cities and communities), there is a target to ensure access to safe and affordable housing for all. The projects contribute to achieving SDG 11 by providing 100,000 housing units in each of the two countries.

What is the construction timeline and when will people be able to move into the houses?

These details will become clearer as events unfold. At this moment, we are concentrating our efforts on mobilizing financing partners. It is key to highlight the strong commitments of the governments of Kenya and Ghana in making suitable plots of land available for the projects.

"We are focusing on financing and investment frameworks that will unlock private sector financing. We are very excited about this project and we look forward to unlocking similar partnerships that will allow us to fulfil our duties as leaders and pave the way for adequate, decent, and affordable housing for Kenyans."

Uhuru Kenyatta,
President, Kenya

// With the signing of this project agreement, we shall be ushering into existence a new dawn for Ghana

Nana Akufo-Addo,
President, Ghana

"I believe we are all well aware of the challenges Ghana, and most of Africa, faces when it comes to the provision of decent, well-planned and organized housing for our citizens. The difficulty in addressing this ongoing challenge has led to a huge housing deficit in our country. I believe that with the signing of this project agreement, we shall be ushering into existence a new dawn for Ghana and our citizens."

Nana Akufo-Addo,
President, Ghana




Communities in the Caribbean and Small Island Developing States are at the frontline of climate change.
© UNOPS/Elise Laker

INFRASTRUCTURE PLANNING IN THE CARIBBEAN

Reforming infrastructure planning to tackle climate change effects

Small Island Developing States (SIDS) like Saint Lucia and Curaçao are at the frontline of climate change effects. They are more vulnerable than most countries to storm surges, rainfall intensity and rising sea levels. While some governments elsewhere in the world are still disputing the threat of climate change, these islands are already suffering its effects. "Some people see it as a remote and abstract concept that might become real in a far distant future," said Zita Jesus-Leito, a minister in Curaçao. "But we feel it already. We see that it is affecting our lives. Our environment is responding and we are experiencing more extreme and unpredictable weather events. Rising sea levels, tropical storms, floodings [...] The list is seemingly endless."

New research suggests that if these states manage their infrastructure well, they can mitigate these increasing climate risks. A report carried out by UNOPS and the University of Oxford-led Infrastructure Transitions Research Consortium (ITRC), *Infrastructure: Underpinning Sustainable Development*, found that infrastructure influences all 17 of the SDGs and 80 per cent of their targets. That is why, since 2016, UNOPS has led projects in Curaçao and Saint Lucia that aim to make the countries more resilient to climate change and give them a more sustainable future. They are implementing an initiative developed by UNOPS, known as Evidence-Based Infrastructure (EBI).



Resilient and sustainable
infrastructure can help mitigate
increasing risks from climate change.
© Curaçao Ministry of Traffic
Transport and Urban Planning

The projects have supported the governments by implementing the latest concepts, approaches and tools for effective long-term infrastructure systems planning. The EBI initiative gives governments the capability to use the latest developments in infrastructure systems modelling, which lets them understand how their current infrastructure systems are performing and how these will perform into the future. Now, these governments will be able to model, with supporting data, the potential impacts of and responses to the demands of economic growth, growing and ageing populations, climate change challenges and other natural hazards. The initiative also supports evidence-based infrastructure policymaking in these governments.

A typical challenge to the success of infrastructure projects is that they take many decades to complete, but shorter-term changes of government can pull decision-making in different directions. So these projects are putting in place plans that will roll out over the long term. “This is intended to enable governments to develop effective long-term infrastructure plans that transcend short-term political cycles,” said Nick O’Regan of UNOPS. “Linked to procurement plans, it will give governments the ability to attract much-needed financing to fund projects and programmes that

can be seen to contribute to long-term sustainability and increased resilience to the threats faced in these countries from climate change and other natural hazards.”

Another challenge the project faces is working across Caribbean islands, because many of them are too small to develop their own plans. Therefore, UNOPS is proposing to create a regional capability, which will be accessible by all engaged governments in the Caribbean. This will allow many more governments to collect, analyze, model and use their data more effectively.

Governments’ structures are typically siloed into traditional infrastructure sectors, which can lead to each department focusing on its own area of responsibility rather than considering the longer-term and wider context of its impacts. Changing the way a government has traditionally organized itself is difficult. “It would be easy for UNOPS to follow the status quo approach in regard to infrastructure and to contribute to and through a silo-based approach in individual sectors,” said Nick. Instead, the project is breaking down these silos creating cross-governmental units to plan and deliver infrastructure within the scope of long-term planning. Nick said that taking the hard route



Infrastructure better able to withstand the impacts of climate change is critical for Caribbean islands. © Getty Images/Chris Miller

of structural reform will “empower and enable governments to take control of their development agenda.”

The analysis by UNOPS and ITRC convinced the governments of Saint Lucia and Curaçao that they need to move out of their silos. “The EBI analysis also clearly showed us that the different infrastructure systems on Curaçao have strong interdependencies,” said Minister Jesus-Leito. “The need to adopt a cross-sectoral approach to strategic infrastructure planning was demonstrated during our journey and recognized by the Curaçao government.”

The projects will be completed this year, and it is expected that their outputs will inform follow-up projects and activities. Other islands across the Caribbean have already expressed an interest in adopting the approach. Minister Jesus-Leito said the project has set her country up to meet future

infrastructural challenges. “The analysis and tools provide us with the capacity to underpin future cross-ministerial long-term infrastructure planning in Curaçao,” she said. “The work done with UNOPS will help us to undertake integrated national infrastructure planning of public and private investments, much needed to address our future challenges.”

Nick says that giving governments this new way of thinking about infrastructure planning will be vital to their ambitions to develop sustainably. “When there is a need for trillions of dollars of investment to close the infrastructure gap to underpin sustainable and resilient development, every dollar counts,” he said. “Yet so much is being wasted through poor infrastructure investment, design and development decisions.” Bringing about this change is not only important for the future of people in the Caribbean, but for the future of the planet.

Q&A

with Nick O'Regan,

UNOPS Director of Infrastructure and Project Management

What are the environmental threats facing these countries?

SIDS are at the frontline for climate change effects. Increased storms and storm surges, rainfall intensity, and sea level rise are some of the effects being felt more keenly in SIDS. It is clear that infrastructure plays a key role in enabling development, and also mitigating the increasing risks faced by SIDS. Well-managed infrastructure, throughout its lifecycle, is therefore of great importance. For instance, in a newly released report by UNOPS and ITRC it was found that infrastructure influences all 17 of the SDGs, and around 80 per cent of the 169 targets, including four of five targets under SDG 13 (Climate action).

What are the project's aims?

The project is intended to introduce the latest concepts, approaches and tools to long-term

infrastructure systems planning to governments with particular focus upon the Caribbean, Saint Lucia and Curaçao. The intended outcome from this effort is to create the much-needed capability and capacity for governments, so that they can better understand a number of areas. Using the very latest developments in infrastructure systems modelling, we can understand how their current infrastructure systems are performing, and how these will perform into the long-term future – while also modelling the potential impacts of and responses to the nexus of economic growth demands, growing and ageing populations, climate change challenges and the natural hazards that the region is exposed to.

This is intended to enable governments to develop effective long-term infrastructure plans that transcend short-term political cycles. These plans should also enhance the ability to attract much-needed financing to fund

project and programmes. They can also be seen to contribute to long-term sustainability and increased resilience to the threats from climate change and other natural hazards. By empowering governments with the necessary tools and data to better manage infrastructure, it is expected to make sure scarce resources are used more effectively, for greater economic, environmental and social good.

How does it show the value of UNOPS?

It would be easy for UNOPS to follow the status quo approach in regard to infrastructure and to contribute to and through a silo-based approach in individual sectors. However, our purpose is to help people in need and to help countries achieve sustainable development. UNOPS has chosen to follow this less easy path to deliver really effective capability and capacity development to governments, including in the Caribbean, in the infrastructure sector.

Through the delivery of the very latest in best practice, systems and tools to governments, UNOPS intends to directly empower and enable governments to take control of their development agenda through the creation of the evidence for, and subsequent understanding of the consequences of, decision-making made by governments in regard to large-scale investment in infrastructure to ensure a sustainable future.

Why do you think the project is important?

The demands of a rapidly growing global population and the effects of global warming is placing unprecedented strain on the earth's

resources. I, like millions of other parents, worry about the uncertain future my children and their children are facing. The choices being made now can have a long-term negative impact on their lives. And when there is a need for trillions of dollars of investment to close the infrastructure gap to underpin sustainable and resilient development, every dollar counts, yet so much is being wasted through poor infrastructure investment, design and development decisions.

Tell us about a challenge you faced and how you overcame it?

An evidence-based approach to infrastructure development utilizes objective information and evidence to make certain that national infrastructure systems are effective, sustainable and efficient in the face of future uncertainties, and are able to meet the growing needs of the population. However, such an approach needs a paradigm shift to break away from the status quo silo mentality in infrastructure development, to an understanding that infrastructure is an integrated system of systems, and that there is interdependence across sectors.

Changing decades-old mindsets, systems and processes is not easy, and so it is fantastic to see SIDS on the frontline of climate change, being champions in this shift to an approach that will help them meet the challenges of an uncertain future. They recognize that there is no time left, or resources to spare to get it wrong – that the decisions they make now will affect the future of their children and the future of their nation.

STATEMENT

Zita Jesus-Leito,

Minister of Traffic, Transport and Urban Planning, Curaçao

In 2016, we embarked on a journey of sustainable and resilient infrastructure planning using the Evidence-Based Infrastructure framework. We went on this journey with the help of UNOPS and ITRC, headed by the University of Oxford.

With the help of this framework we deepened our understanding of the opportunities and challenges we face as a young nation. We also deepened our understanding of how evidence can be used in decision-making to best position resilient infrastructure as a driver of sustainable socio-economic development. The evidence-based approach helped us to understand our future challenges and has provided practical recommendations on how we can address our challenges.

Analyses using this approach also clearly showed us that the different infrastructure systems on Curaçao have strong

interdependencies. The need to adopt a cross-sectoral approach to strategic infrastructure planning was demonstrated during our journey and recognized by the Curaçao government.

We have the first results of our collaborative infrastructure assessment of Curaçao. The analysis and tools provide us with the capacity to underpin future cross-ministerial long-term infrastructure planning in Curaçao. The work done with UNOPS will help us to undertake integrated national infrastructure planning of public and private investments, much needed to address our future challenges.

Working with UNOPS has been eye-opening, innovative and practical. With the help of the EBI framework, we deepened the understanding of the opportunities and challenges we face as a young nation that is proudly based in the Caribbean. And we are up for the challenge.

**Working with
UNOPS has been
eye-opening,
innovative and
practical**

Zita Jesus-Leito,
Minister of Traffic, Transport
and Urban Planning, Curaçao

BEHIND THE SCENES

WHERE WE FOCUS

*In Geneina, Sudan, UNOPS helps
develop school infrastructure that
supports the education of girls.
© UNOPS/Atsushi Shibuya*



UNOPS helps the UN and its partners run peace and security, humanitarian and development projects. Our mission is to help people build better lives and countries achieve peace and sustainable development. We focus on implementation, and are committed to UN values and private sector efficiency. Our partners call on us to supplement their own capacities, improve speed, reduce risks, boost cost-effectiveness and increase quality.

Each year, through around 1,000 projects, we deliver more than \$1.8 billion worth of support in more than 80 countries, mainly in fragile and conflict-affected environments.

More details on three core areas of our work follow.



The challenges the world faces have never been greater. Meeting those challenges requires more than aid. It requires ideas – and innovation.
© Bryan Taylor

INNOVATION

UNOPS strives to be at the forefront of innovation in order to achieve the SDGs. It designs innovation hubs and start-up labs, runs hackathons, and tests new solutions based on artificial intelligence and other emerging technologies. Recently, it has set up innovation centres around the world, which it manages on behalf of local, regional and national stakeholders, as well as with partners including the Massachusetts Institute of Technology (MIT) and Harvard University. These are intended to spur a country's entrepreneurial ecosystem, support young innovators and develop local knowledge to address local challenges.

In late 2018, for example, UNOPS set up a global innovation centre in a science park in Sweden, with support from Sweden's innovation agency Vinnova. The centre will focus on developing cutting-edge and disruptive technology based on engineering, mathematics, medicine, physics and science, which can have a positive impact on the lives of individuals and society. Earlier that year, UNOPS set up a similar initiative in Antigua and Barbuda, on behalf of the government. This is the first dedicated facility in the Caribbean to encourage local entrepreneurship to develop solutions around climate change and clean technology. Over three years, partners from the private and public

sector will provide workshops on open source programming and entrepreneurship for students and young people.

UNOPS believes that innovation has the greatest potential in developing countries. So it is focusing its efforts on Africa, Latin America and the Caribbean, the Middle East, Asia and the Pacific, where innovating and replacing old technologies could make the most change for good.

As there are rapid growth markets in these regions, innovative projects can bring greater economic opportunities. For example, in Myanmar, UNOPS is supporting biotech and robotics to ensure that people in remote villages receive the same access to routine vaccinations as those in urban areas. In Nepal, UNOPS has helped develop the first humanitarian digital platform designed for infrastructure monitoring and quality assurance with an innovative technology called FieldSight. Built to work on mobile devices and in difficult-to-access locations, FieldSight is monitoring more than 30,000 houses in Nepal, as well as water, hygiene and sanitation sites; schools; police stations; and other infrastructure.

Investing in local innovation activity is an example of a recent shift in development work – from providing direct assistance, to laying the groundwork for indigenous knowledge, capacity and



UNOPS is headquartered in UN City, Copenhagen, Denmark in one of the most sustainable buildings of its kind in Scandinavia. The building has been designed to use at least 55 per cent less energy than a similar-sized office building and thus contributes to the UN's mission of making operations more energy efficient.

© Adam Mørk

// We look for ways to make innovation inexpensive

Vitaly Vanshelboim,
UNOPS Deputy Executive Director

ingenuity. If this can be fully harnessed, it will stimulate sustainable economic growth. “At UNOPS, we see our role as being there to help facilitate opportunities for the private sector, so that action happens where action is needed,” said Grete Faremo.

UNOPS stays on top of the newest technological developments and tests their potential for improving developing countries. In Afghanistan, UNOPS is also testing artificial intelligence, chatbots and social media messaging in order to improve the information given to internally displaced persons (IDPs). Afghanistan had over 1.2 million IDPs at the end of 2017, and a further 250,000 are estimated to have been displaced in 2018 from droughts across the Western Region of the country. These emerging digital tools have the potential to not only provide information and seek feedback from users, but to quickly and accurately pinpoint trends in needs as they arise, identify assistance gaps and allow for more refined and tailored responses.

“Artificial intelligence, chatbots and social media messaging tools present enormous opportunities for enhancing the impact of humanitarian work,” said Charlotte Lancaster, former UNOPS

Project Manager for Awaaz Afghanistan, the country’s first nationwide humanitarian call centre, implemented by UNOPS. “And in the near future, these will likely become an indispensable part of it.”

Companies and governments have thrown billions of dollars at projects that promise to deliver innovation, but UNOPS takes a different approach. “We look for ways to make innovation inexpensive,” said Vitaly Vanshelboim. “It is often the tendency for governments to throw more money at innovation – some companies spend tens or hundreds of millions of dollars on it, but we have found that innovation works best on a shoestring budget.”

When undertaking innovation projects with or on behalf of partners, UNOPS remains focused on finding new ways of saving money, rather than saddling it with large invoices. “Innovation should reduce not increase costs so I think it is abnormal when people ask for big budgets on innovation – it should be the other way around,” said Vitaly. “The best UNOPS techniques do things inexpensively but with high quality.”



As peace spreads through Colombia, the residents of El Salado are returning to rebuild their community – with support from the government of Colombia and UNOPS. © UNOPS /John Rae

INFRASTRUCTURE

UNOPS promotes an evidence-based approach to infrastructure development decision-making. It has developed a framework, complete with practical tools, to help governments better understand what to build, when to build, how to build and even when not to build. This work involves helping a country create a long-term strategy for its infrastructure needs over the next 30 or 40 years, and build its capacity to deliver on it. “We have started working on this in Saint Lucia and Curaçao - small islands in the Caribbean,” said Grete Faremo. “Instead of taking about ad-hoc projects, we’re able to give the respective governments a roadmap of what they should be building over decades.”

It is tempting for governments to always look forward to the next infrastructure project. But the sheer cost involved in maintaining existing infrastructure is often overlooked. “Infrastructure is probably the biggest headache for developing governments,” said Vitaly Vanshelboim. “They all need hundreds or billions or even trillions of dollars to solve infrastructure challenges, just to maintain the quality of schools and health clinics until 2030.” It goes without saying that this is an enormous challenge. “There is no way the public sector can pay that, even with an abundance of goodwill behind them,” said Vitaly. “The only way to resolve the problem is by forming partnerships.”

Partnerships are at the heart of UNOPS approach to the many infrastructure projects it has taken on.



In South Sudan, UNOPS enables its partners to make vital infrastructure improvements that drive sustainable development and improve peace and security. © UNOPS/John Rae

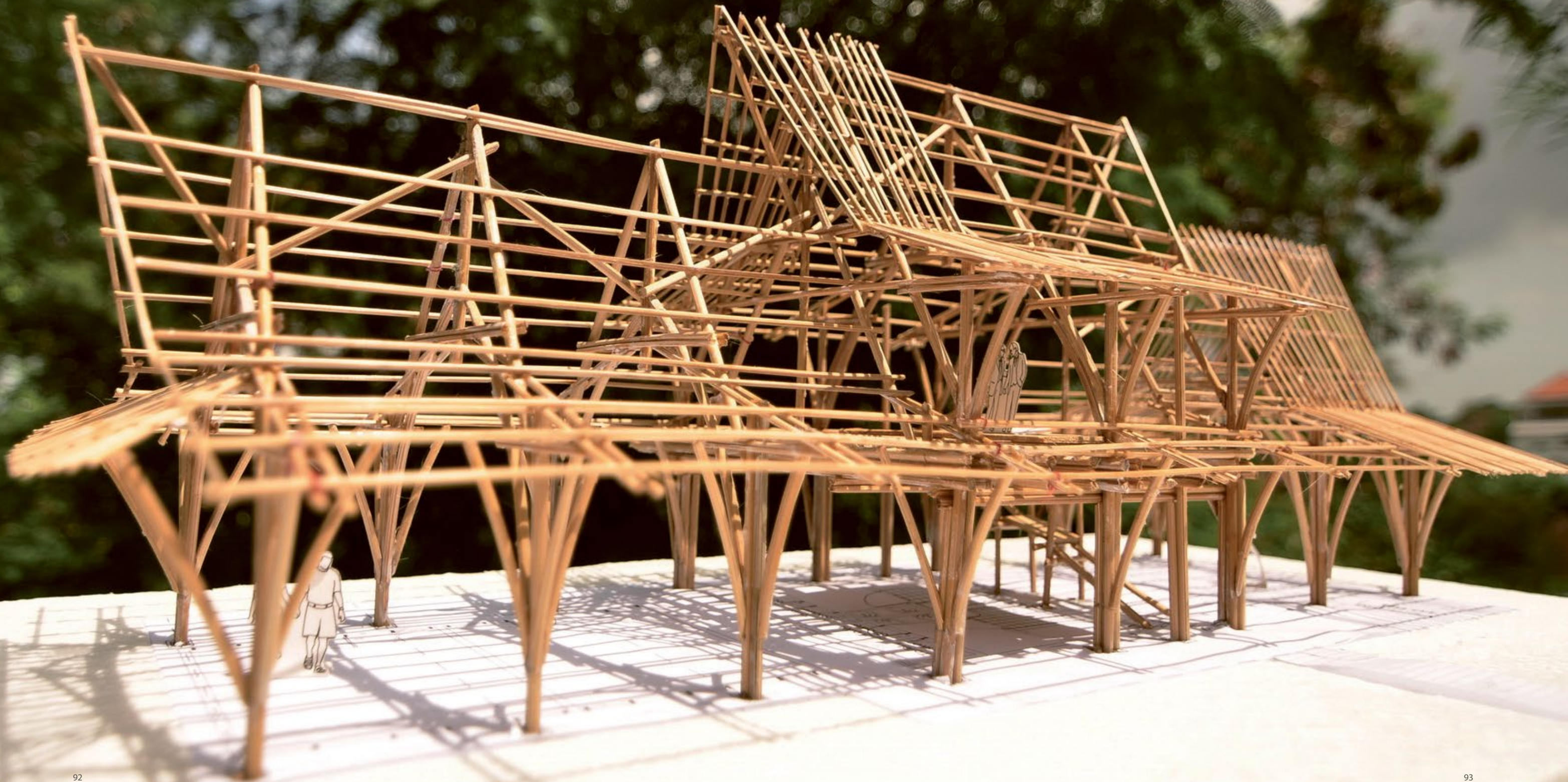
// We're able to give the respective governments a roadmap of what they should be building over decades

Grete Faremo,
UNOPS Executive Director

There are many layers of partnerships involving public and private sector entities who have their own specialisms. The private sector does not only provide the financial backing for projects but also more specific areas of expertise that governments may lack. UNOPS experience and track record means it is able to attract investment from the financial sector, even into states that are affected by conflict.

“Many private sector entities specialize in different areas of infrastructure, so we try to bring together the best knowledge from each specific level,” said Vitaly. “Some bring unique technological know-how, some can provide more financing, and all of them have to be incorporated into the same structure.” He said that partnerships, which represent Goal 17 of the SDGs, are necessary in many areas of governmental work, but infrastructure in particular, adding that “the sheer scale of what needs to happen can only be realized through partnerships.”

A model of the Climate
Communications Centre in
Kalimantan, Indonesia, which utilizes
solar power for all its energy needs.
© UNOPS/Braye Sutherland





UNOPS works closely with the government of Myanmar and partners to improve access to health services for the most vulnerable people across the country. © UNOPS/John Rae

// Our approach to procurement involves much more than traditional ways of delivering goods and services

Grete Faremo,
UNOPS Executive Director

PROCUREMENT

Year-over-year growth has been recorded in UNOPS procurement and supply chain work. Since 2015, UNOPS has procured close to \$3 billion of goods and services, and has seen a 22 per cent growth in the dollar value of procurement performed. Governments, donors and civil society engage with UNOPS to help them build a more effective, efficient and corruption-free approach to public procurement.

For example, several governments in Latin America have worked with UNOPS to help them build more efficient public procurement systems. Governments spend a lot of resources on medical equipment and pharmaceuticals, and textbooks and notebooks for children. And when countries want to build infrastructure, such as highways, that also requires machinery and supplies.

In many regions of the world, corruption and inefficiency are prevalent in the purchase of items such as medical equipment and pharmaceuticals, educational materials, and the goods and services to support the building of infrastructure. UNOPS has demonstrated it has the expertise to create

systems for purchasing these goods at lower prices (considering best value for money), reducing corruption, and increasing levels of transparency and accountability. In some countries, UNOPS has also been able to help introduce pharmaceuticals that weren't available previously to the population.

"This work creates wins for everyone – especially taxpayers in the locations where we are doing this work," said Grete Faremo, UNOPS Executive Director. "Governments love it because it creates direct savings to their bottom line. For example, last year Guatemala estimated savings due to UNOPS involvement in national procurement processes was more than 50 per cent."

UNOPS has gained a wealth of experience in procurement by introducing a culture of learning from each project it undertakes. "We have a lot of experience in challenging circumstances," said Vitaly Vanshelboim, UNOPS Deputy Executive Director. "So we make sure everyone takes advantage of our institutional knowledge by looking for solutions from the past and applying them in new circumstances when appropriate."



The quick and cost-effective procurement of equipment helps the Sri Lankan police do their work and protect people better.
© UNOPS/John Rae

UNOPS uses this experience to train and build capacity with its partners in best practices in public procurement. UNOPS focuses on a sustainable procurement approach that takes into account environmental, social and economic impacts – an approach which creates better outcomes for partners, project beneficiaries, and the environment overall, as well as sending clear message to the market about the importance of gender equality. It offers an individualized range of training options to meet the needs of all its partners, to help them build public procurement capacity and transparent, accountable institutions incorporating world-class sustainability thinking. Through this, UNOPS hopes that when a project with a particular country comes to an end, the country's procurement processes and capacity have been built to be self-sustaining in the future.

Although UNOPS has developed best practices in public procurement, which enable flexibility and speed, not all situations are the same and sometimes emergency procurement procedures are required.

“We are very fast and flexible but at the same time we find ways to remain transparent by letting people know what we are doing,” said Vitaly Vanshelboim. “We are extremely solution-oriented – if we find ourselves in a difficult situation then the rulebook isn't the first thing we think about, but how to find the right solution.”

Say, for example, procurement rules require a government or UN agency to advertise a tender for a minimum of three weeks. If a situation is so urgent that waiting three weeks would lead to lives being lost, UNOPS will seek another solution. “If the tender is to procure a life-saving treatment that is needed sooner than that, others would say they cannot help because of the rules,” said Vitaly. “But we will do what we can to find a way – maybe we will find that the rule does not apply in this case, maybe we can change the rule, maybe we can find another creative solution that is still legal and transparent. That ability to find a solution in another context is what makes us stronger.”

LIST OF ACRONYMS

- Evidence-Based Infrastructure (EBI)
- Fragile and/or Conflict-Affected States (FCAS)
- Guatemala’s Social Security Institute (IGSS)
- Infrastructure Transitions Research Consortium (ITRC)
- Internally Displaced Persons (IDPs)
- International Organization for Migration (IOM)
- Livelihoods and Food Security Fund (LIFT)
- Massachusetts Institute of Technology (MIT)
- Official Development Assistance (ODA)
- Organisation for the Prohibition of Chemical Weapons (OPCW)
- Small Island Developing States (SIDS)
- Social Impact Investing Initiative (S3I)
- Sustainable Development Goals (SDGs)
- UK Department for International Development (DFID)
- United Nations (UN)
- United Nations Development Programme (UNDP)
- United Nations Office for the Coordination of Humanitarian Affairs (OCHA)
- United Nations Verification and Inspection Mechanism (UNVIM)

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