



Irregularities in UNOPS' S3i initiative

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Reference is made to the previous report dated 13 June 2024 regarding suspicions of irregularities in the United Nations Office for Project Services (UNOPS) Sustainable Investments in Infrastructure and Innovation (S3i) initiative. UNOPS is financed by management fees from the projects it implements. The S3i investments made by UNOPS came from a reserve of accumulated management fees. Denmark has not provided funds for the S3i initiative, but has paid management fees to UNOPS as the operational partner in various projects. In 2024, Denmark's direct engagement with UNOPS totalled DKK 100.9 million.

The allegations of corruption in the S3i initiative centered on how a majority of the S3i investment loans were provided to a single holding group, Sustainable Housing Solutions (SHS), and its' related or affiliated entities. In response, the UNOPS Executive Board commissioned two independent reviews of UNOPS and the S3i initiative.

In response to the recommendations of the reviews, UNOPS launched a comprehensive response plan. In June 2025, UNOPS reported that approximately 96 percent of the recommendations had been implemented. This was confirmed by an independent review conducted by KPMG in January-April 2025. The implemented actions included enhancement of risk management and ethics functions, and the closing of the S3i office. The remaining two recommendations relate to the recovery of funds from S3i investments, a process led by the UN Office of Legal Affairs, which is set to run until the end of 2027. The independent review by KPMG recognised that UNOPS has made 'meaningful progress' and considers the implementation of the comprehensive response plan to be completed.

The Executive Board also requested UNOPS to reimburse each affected donor for the excess reserve accumulated in the period 2018-2021. Denmark's share of the total excess reserve (USD 123,792,317) is 0.08 per cent and amounts to DKK 676,664, all of which has been repaid to the Ministry of Foreign Affairs.

The Ministry of Foreign Affairs thus regards this case as closed with no loss of Danish funds.