



**Suspected irregularities under UNDP Funding Facility for Stabilization in Iraq**

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Reference is made to the previous report dated 8 February 2024 regarding suspected irregularities under UNDP Funding Facility for Stabilization (FFS) in Iraq. DKK 352,343,750 has been contributed for activities in the period 2015 to 2023.

The case was raised as a result of publications from The Guardian from January 2024. The accusations include allegations of bribes, unapproved subcontracting, and poor results management. Awaiting the final clarification from the investigations, the full amount is still under suspicion.

After the publication of The Guardian's article, UNDP initiated a review to assess the management of FFS in Iraq. The review contained an assessment of management and oversight systems, including whether the systems were being implemented effectively. It was concluded that FFS systems were consistent with UNDP policy and provided recommendations on improving the implementation of these policies and practices. A plan to implement the recommendations was initiated. The donor group will monitor the implementation of the recommendations.

As a next step, UNDP's Office of Audit and Investigation (OAI) conducted a mission to Iraq in May 2024 to focus on procurement processes and control flows including audit reporting. The mission worked to identify the potential need to open specific cases based on the accusations raised and any findings the mission may have. The Ministry of Foreign Affairs is currently awaiting the conclusions of this mission.

The Ministry of Foreign Affairs continues to have close dialogue with UNDP and other donors on the implementation of the recommendations and to assess if additional and coordinated measures will be necessary.

A new report will be forwarded when there are further developments in the case.