



Enhed:
TILSKUD

Dato:
11-06-2024

Sagsnummer:
2018-3103/ 2706663

23/00440

C-sag:
C1720

Suspicion of irregularities in relation to the UNDP-implemented Global Environment Facility (GEF) Standards and Labeling (S&L) Project in Russia

Reference is made to the first report dated 9 December 2020, regarding suspicion of irregularities in connection with the GEF-funded S&L Project in Russia. Denmark's core contribution to the GEF amounted to DKK 450 million for the period 2018-2022, which is approximately 2.3 percent of the total GEF envelope for the funding period. Denmark has been a GEF member country since 1994 and provides core contributions to the GEF.

This case was originally brought to international attention when the Foreign Policy Magazine published an article in 2019, prompting thorough investigation and action. The allegations concerned corruption and lack of internal financial controls in UNDP-supported activities, particularly with regard to procurement processes.

Based on the allegations, an investigation was initiated by the UNDP Office of Audit and Investigation (OAI) along with an extensive, external review of UNDP as well as the concerned project activities that were implemented from 2010-2017.

Based on the above mentioned shortcomings identified in independent reviews and an update provided by the Office of Audit and Investigation (OAI), it has been determined that the value of the reimbursement associated with the Standards and Labels Project in Russia is approximately DKK 480,755. This amount is based on an estimate of the GEF funding for the activities implemented by the sub partner that were deemed irrelevant and did not have any beneficial effect on the project outcomes.

UNDP has submitted and implemented an Action Plan to address the issues identified in the external review regarding weaknesses in project management and internal financial controls. Findings from the final external review show that UNDP is in full compliance.

UNDP has reimbursed approximately DKK 480,755 to the GEF Trust Fund account in 2022.

The Ministry of Foreign Affairs thus regards the case as closed without loss of Danish funds.

