

Udenrigsministeriet

Rigsrevisionen  
Landgreven 4  
1301 København K

Udenrigsministeriet  
Asiatisk Plads 2  
DK-1448 København K  
Telefon: +45 33 92 00 00  
E-mail: um@um.dk

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### **Suspicious of irregularities and fraud within the Business Advocacy Fund, Kenya**

The second phase of the Business Advocacy Fund in Kenya (BAF II) was supported by Denmark with DKK 55,581,811 for the period 2010-2016. Subsequently, a third phase was launched with a grant of DKK 68 million for the period 2016-2020, of which DKK 17,811,952 has been disbursed to the contracted Fund Manager.

BAF II officially closed on 31 June 2016, at which point DKK 1,385,155.57 (KES 22,855,067) held by nine BAF II grantees was yet to be accounted for, either because accounts were delayed or because the grantees were unable to account for grants advanced under BAF II.

The Fund Manager's BAF II portfolio and systems are currently undergoing a forensic audit, which will also include a fraud assessment of the grantees that have not been able to account for their funding.

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

Yours sincerely,

Hanne Fritzen

Senior Consultant

Technical Quality Support