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Suspicion of irregularities in relation to Agribusiness Initiative (aBi) support to ALFASAN 's activities in Uganda

Reference is made to the previous report dated 22 December 2022 regarding mismanagement of funds by Alfasan. The Agricultural Business Initiative (aBi) is a multi-donor entity (Danida, Sida, EU, USAID, and the Netherlands) devoted to private sector agribusiness development. aBi supports Alfasan with a grant of DKK 8,812,302 of which DKK 7,678,184 had been disbursed in 2018-2019.

During routine quarterly project accountability reviews, an internal audit revealed that funds had been spent on activities not budgeted for. There was non-compliance associated with statutory deductions and transactions consistent with fraud. To investigate the anomalies, aBi's Board recommended that the management undertake an external forensic audit. It concluded that there had been ineligible expenses which Alfasan had spent on overruns, non-compliance with statutory obligations (e.g. pension payments and tax), and transactions that were spent on items which had not been agreed upon with aBi Development. The total amount under suspicion is DKK 5,508,708 of which the Danish share is DKK 4,511,028.

A forensic audit was conducted. A subsequent meeting between aBi Development and Alfasan was held to discuss the forensic audit report. At the meeting it was concluded that a criminal case had to be initiated in the Uganda courts of law. aBi Development is currently in the process of filing the witness statement.

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