



## **Suspicion of irregularities in Health Basket Fund activities in Tanzania**

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Reference is made to the previous report dated 24 May 2023, regarding suspicion of mismanagement of earmarked funds to the Health Basket Fund (HBF). The Medical Stores Department (MSD) under the Ministry of Health is mandated to procure and deliver health equipment in Tanzania as part of the implementation. The Ministry of Foreign Affairs of Denmark has granted DKK 456 million to the HBF for the period 2015-2023. DKK 13,354,164 of the grant was disbursed for the earmarked procurement.

The audit report for the financial year 2020-2021, published in April 2022 by the National Audit Office (NAOT), noted that it could not be properly documented that the earmarked funds for the procurement of the health equipment had been procured and delivered. The HBF donors and the Tanzanian counterparts therefore agreed to initiate a Procurement Audit, which covered the earmarked funds. The Procurement Audit was done by the NAOT.

The NAOT Procurement Audit report has been discussed among the HBF donors, the Ministry of Health (MoH), the President's Office for Regional Administration, Local Government (PO-RALG), and the MSD. The procurement audit did not detect any fraud. However, the report observed several weaknesses in the procurement and delivery processes. These weaknesses include delays in procurement and delivery of equipment as well as delivery of equipment to health facilities not included in the agreement for the earmarked funds. It was also noted that part of the procured equipment had not been put into use due to lack of a binding operational agreement between the PO-RALG, the MoH, and the MSD. The Danish Ministry of Foreign Affairs is closely following the implementation of the action plan jointly developed by all the HBF partners to ensure that the recommendations in the procurement audit are addressed.

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