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Suspicion of irregularities in relation to the Danish Investment Fund for Developing Countries' (IFU) activities in Somalia

The Ministry of Foreign Affairs of Denmark provides support for the Danish Investment Fund for Developing Countries (IFU) that cooperates with One Earth Foundation who is managing a programme in Somalia providing loans to small and medium sized enterprises. The programme aims to create jobs and promote sustainable and inclusive economic growth in Somalia. DKK 35,000,000 has been granted for the period 2019-2024, of which approximately DKK 24,000,000 has been disbursed to IFU.

Through One Earth Foundation's whistleblower mechanism, IFU received notice regarding suspicions of irregularities by employees with their partner in Somalia. The suspicions pertained to fraud related to expenses, petty cash fraud as well as circumstantial evidence on inflation of costs related to purchases of goods. The amount under suspicion was estimated at approximately DKK 546,000.

IFU and One Earth Foundation halted all activities and undertook an internal investigation with support from an international law firm. The investigation found evidence of submission of false expenses and weak internal controls by One Earth Foundation, but did not find evidence of Danish funds involved. Two senior managers from the programme were dismissed. One Earth Foundation and IFU contracted a consultancy firm to undertake an organisational due diligence review. They provided an action plan for strengthening internal controls, which is being implemented. The activities have been re-started in July 2024.

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