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## Suspicion of irregularities in relation to Water Sector Trust Fund's activities in Kenya

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The Ministry of Foreign Affairs of Denmark (MFA) provides support for Water Sector Trust Fund (WSTF) with the aim of providing sustainable management of, and access to, water and sanitation in arid and semi-arid areas in Kenya. DKK 70 million has been granted for the period 2021-2026, of which DKK 39 million has been disbursed.

In September 2024, the MFA received an anonymous whistle blower report including allegations of various misconduct within WSTF. The allegations includes kickbacks during procurement, irregularities related to daily subsistence allowances, nepotism in recruitment processes and misuse of the institution's assets for personal gain. At this stage it is not possible to estimate how much of the Danish grant that potentially could be affected. As such, the full amount, i.e. DKK 39 million, is currently under suspicion but with the expectation that the amount will be reduced significantly as the investigation progresses.

The annual WSTF audit has just commenced and it is expected that a significant number of the allegations can be audited through this audit. PricewaterhouseCoopers (PwC) has been appointed auditor by the Kenyan Office of the Auditor General, who takes the case very seriously and will make a full assessment of any additional investigative steps needed. The Office of the Auditor General will keep the MFA updated on a regular basis.

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