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Suspicion of misuse of funds at Civic Response on Environment and Development in Uganda

Reference is made to the previous report dated 31 January 2022 regarding suspicion of financial mismanagement on a grant to Civic Response on Environment and Development (CRED) supported by the Ministry of Foreign Affairs of Denmark (MFA) through a multi-donor facility, the Democratic Governance Facility (DGF), in Uganda. For the period 2016-2019, DGF has granted and disbursed a total of DKK 2,264,954 to CRED of which DKK 507,624 is the share of Danish funds.

The findings from the audit of the period 2016/2017 indicated missing supporting documentation for reported expenditures. This was confirmed through an expenditure verification report conducted in September 2020 covering the period July 2016 to December 2018. Furthermore, another audit for the period January 2019 to May 2019 was conducted in April 2020. The reports concluded that some activity advances could not be adequately accounted for, and DGF funds had been debited off the project account by Uganda Revenue Authority (URA) due to non-compliance with statutory remittances, which suggested misappropriation of funds.

The partnership with CRED was terminated in 2019 and a refund of DKK 237,417 was requested for, of which DKK 147,199 is the share of Danish funds. The Embassy of Denmark in Uganda has engaged the CRED management on several occasions. However, CRED has not been able to provide documentation for the disallowed expenditures. The Embassy has retrieved and sold the project vehicle through a closed tender bid process in 2024, resulting in DKK 46,900 in proceeds.

The MFA has engaged lawyers on possibilities of recovering all funds. The lawyers are currently undertaking an exhaustive analysis on avenues for the retrieval of funds including the possibility of further legal proceedings.

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