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## Misuse of funds in relation to a local private company in Ethiopia

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Reference is made to the previous report dated 6 March 2023 regarding suspicions of misuse of funds on a grant to a local Ethiopian company. The Ministry of Foreign Affairs of Denmark (MFA) provided support to a local private company as part of the TechVelopment envelope in Ethiopia, with the aim of strengthening the company's ability to nurture and grow agri-tech innovations and start-ups. DKK 7 million was granted for the period August 2018 to July 2021 of which DKK 5,622,067 has been disbursed.

Based on the company's response, it is clear that the remaining balance of DKK 546,490 has been used on both expenses not in the approved budget and beyond the project's end date. In addition, the company acknowledged the Embassy's right to request the return of the fixed assets upon completion of the project. However, the fixed assets were not yet received as per the deadline communicated to the company. As it is unlikely that the company will be able to return any of the assets to the Embassy, the total claim is DKK 725,532.

Through the help of a lawyer, the Danish Embassy to Ethiopia has attempted to resolve the matter amicably through mediation and numerous requests for return of funds, but all attempts have proven unsuccessful. Therefore, the lawyer has filed a civil court case. The defendants have rejected some of the Embassy's claims, and the case is expected to continue to an oral hearing at the court later this year. The court case is filed against both the company itself as a legal entity and the CEO of the company.

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