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Suspicion of irregularities in relation to Danish Red Cross's activities in Lebanon

Reference is made to the previous report dated 1 February 2023 regarding suspicions of irregularities related to procurement on a grant to Danish Red Cross (DRC) implemented by the sub partner the Palestinian Red Crescent Society's branch in Lebanon (PRCS-L). DKK 22 million has been granted for the period 2022-2023, of which DKK 1,125,499 has been disbursed to PRCS-L.

The suspected irregularities were based on inconsistent variations in the use of exchange rates when converting Lebanese Pounds to USD that were not properly justified by PRCS-L. The total amount suspected was DKK 1,125,499.

In February 2023, an external audit report was conducted, which initiated discussions between DRC and PRCS-L to establish reparatory measures. The audit acknowledged that PRCS-L had failed to use fair market exchange rates. However, DRC had not clearly specified which exchange rate to use. In light of the audit's conclusions which showed that PRCS-L had acted in accordance with International Financial Reporting Standards, DRC decided to resume their collaboration with PRCS-L on project activities with a focus on transparent dialogue and clearer processes for future payments. Consequently, programming was restarted in October 2023.

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