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Suspicion of irregularities in relation to DanChurch Aid's partner, Youth and Society, in Malawi.

The Danish Ministry of Foreign Affairs (MFA) provides support to DanChurchAid's (DCA) efforts to strengthen civil society in Malawi through DCA's Strategic Partnership Agreement (SPA). The agreement includes a yearly commitment of DKK 200 million from the MFA to DCA for the period 2022-2025. DCA shares an office with Norwegian Church Aid (NCA) in Malawi. Through this office, DCA supports a local partner organisation, Youth and Society (YAS), in Malawi. DCA disbursements made to YAS amount to DKK 916,221.

During a monitoring visit by NCA to YAS in July 2022, NCA discovered that YAS had not paid the required pension scheme to the local tax and pension authorities. As a follow-up to this observation, NCA conducted a financial and procurement monitoring visit to check documentation for transactions from January to June 2022. Here it was identified that YAS had not deducted and paid the required pension scheme for four local employees for a period of 18 months. There is no suspicion that YAS has spent the pension funds (DKK 52,944) to cover other ineligible expenses.

NCA/DCA demanded that YAS should clear all outstanding liabilities with the local tax and pension authorities before April 2023. YAS has agreed to submit a detailed activity and spending plan for the remaining part of the project to be approved by NCA before any further activities are initiated. During May 2023, DCA has confirmed with NCA that YAS has cleared all outstanding payments to the local authorities and shared the requested documentation, including proof of payments.

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