



Irregularities in relation to Agence Française de Développement (AFD)'s administration of activities in Lebanon

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The Ministry of Foreign Affairs of Denmark provided support to Agence Française de Développement (AFD) via a delegated partnership that is implemented by Expertise France (EF), who are part of the AFD Groupe. This first phase of the "Shabake Project" (2018-2023) had the aim of strengthening the resilience of Lebanese civil society. The project had 13 civil society sub-partners, and there are suspicions of embezzlement with the partner Insan.

The full grant for the Shabake project, totaling DKK 30 million, has been disbursed by Denmark to AFD. Out of a total grant amount, approx. DKK 5.1 million was set aside for INSAN, of which an amount of approx. DKK 4.1 million has been disbursed from the joint Danish-AFD grant. The Danish share of the amount disbursed to the local partner is approx. DKK 1,745,002.

In July 2021, whistle-blowers disclosed information to EF concerning suspicion of fraudulent payments of salaries via currency fraud and contract malpractices on another project with Insan. Due to the nature of the allegations, the investigation was broadened to the Shabake project.

A forensic audit was initiated by EF to examine the allegations and concluded that irregularities in the form of fraudulent payments of salaries via currency fraud, exchange rate fraud and contract malpractices had taken place. The total amount which has been subject to the forensic audit is approx. DKK 1,577,696. The amount under suspicion is approx. DKK 1,068,766 of which the Danish share is approx. DKK 459,617.

Thus far, the grant agreement between EF and Insan has been terminated due to cooperation issues regarding the handling of this case, an official reimbursement request sent for approx. DKK 1,577,696, the French Public Prosecutor notified, and a local lawyer contracted to represent EF in the Lebanese court. In response, Insan sent a counter proposal indicating the amount that they are willing and able to cover. A response is currently being assessed in the donor group.

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

