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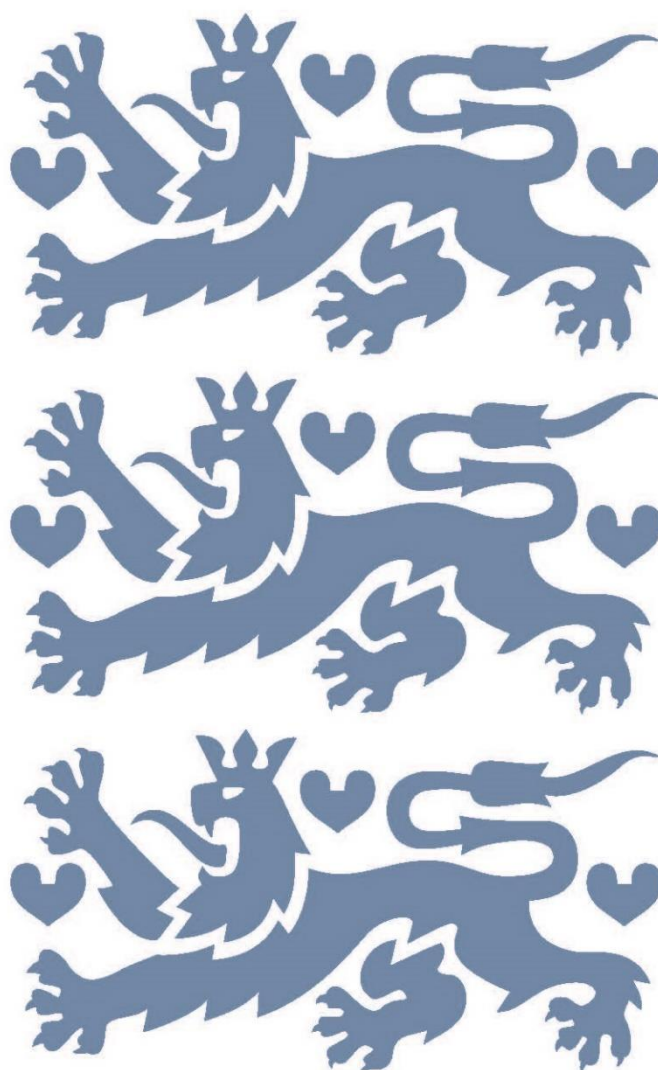


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INTRODUCTION

The Ministry of Foreign Affairs is an integrated organisation comprising one single department and over 100 diplomatic missions and trade offices as well as innovation centres. In addition, there are around 400 honorary consulates abroad. Moreover, the Danish Institute for International Studies (DIIS) and the Danish Institute for Human Rights (DIHR), which are self-governed organisations, also belong under the MFA with respect to appropriations. Both institutes present their own independent annual reports.

In accordance with the practice of previous years, the MFA's annual report reports on all MFA tasks and functions that are an integral part of the MFA's activities, including the departmental functions and responsibilities. The report provides all those interested in the MFA's activities with a coherent and cross-cutting financial picture of the MFA's most important results in 2017. Moreover, the report documents the governance that has laid the foundation for their achievement.

The annual report has been compiled on the basis of the guidelines for writing annual reports published by the Agency for the Modernisation of Public Administration (*Moderniseringsstyrelsen*). It is divided into four parts: Management statement, Operations Review, Accounts and Annexes. Further information about the MFA's activities can be found on the MFA's website at www.um.dk.

The performance reporting comprises in total 20 strategic priorities for the MFA in the past year¹. These core tasks constitute a central part of the performance management in the MFA in 2017.

Furthermore, information regarding activities and target achievement within the Danish development assistance can be found in Danida's annual reports (www.aarsberetninger.danida.um.dk) and Open Aid.dk (www.openaid.um.dk). Information regarding activities within export and investment promotion can be found on the Trade Council website (www.um.dk/da/eksportraadet).

Questions concerning the MFA annual report can be addressed to the MFA's Finance Department at OKO@um.dk.

¹ In 2017, a total of 25 strategic priorities were formulated in the MFA. Five of these priorities are, however, left out of the performance reporting section of the annual report seeing as these have an internal character.

1. MANAGEMENT STATEMENT ON THE OVERALL ACCOUNTS

The annual report comprises the main accounts on the Finance and Appropriations Act, for which the Ministry of Foreign Affairs of Denmark is responsible, CVR number 43 27 19 11: Section 06.11.01 – The Danish Foreign Service and Section 06.11.05 – Revenue from Consular Services, including the accounting principle explanations, which are to be presented to the National Audit Office of Denmark (*Rigsrevisionen*) in connection with the appropriation audit inspection for 2017. In addition, the Ministry of Foreign Affairs of Denmark is responsible for the administration of a number of grant accounts, cf. table 2 and 12.

It is herewith stated:

- that the annual report is true and accurate, i.e. the report does not contain significant misinformation or omissions, and the presentation of goals and performance reporting in the annual report is comprehensive.
- that the expenditure detailed in the presented accounts conforms to the announced appropriations, laws and other rules as well as entered agreements and normal practice.
- that procedures have been established which ensure proper financial management of funds and operations in the Ministry of Foreign Affairs of Denmark.

The Ministry of Foreign Affairs of Denmark, 12 March 2018.



Ulrik Vestergaard Knudsen
*Permanent Secretary of State, Ministry of Foreign
Affairs of Denmark*



Erik Brøgger Rasmussen
Head of Department, Finance

2. OPERATIONS REVIEW

2.1 Presentation of the business activities

2.1.1 Primary functions

The MFA's primary responsibility is to implement the Danish Government's foreign and security policy, EU policy, export and investment promotion policy, development policy as well as ensure the interests of public service and consular services tasks. In addition, the MFA is responsible for carrying out the Government's policy on equal opportunity.

This entails that the MFA:

- Ensures a flexible and global network for the entire Government through coordination of Denmark's official relations with foreign countries, including a number of international organisations, such as the EU, the UN and NATO, as well as the Nordic cooperation
- Administers Danish development assistance
- Assists the Danish business community in their export activities, internationalisation and other commercial activities abroad where there is a clear Danish commercial interest for Denmark and attracts foreign investments to Denmark
- Handles and coordinates Denmark's international economic relations with other countries, including within the trade and policy sphere
- Assists in attracting foreign investments and businesses to Denmark through "Invest in Denmark"
- Assists Danes who find themselves in difficult situations abroad and performs tasks relating to the issuance of visas, residence permits and passports
- Contributes to providing sound information to the outside world about Denmark, Danish culture and Denmark's special competences (public diplomacy).

In terms of appropriations, the MFA's primary functions fall into five general main areas: General foreign policy, Administration of development assistance, Export and investment promotion, Consular services and Equality. It is noted that fisheries, which was transferred to the Ministry of Foreign Affairs in 2017, cf. Royal Decree of 7 August 2017, is reported on in the annual report from the Ministry of Environment and Food.

2.1.2 Organisation

The MFA comprises the Ministry in Copenhagen and embassies, consulates general and trade offices, etc. abroad as well as Missions at the most important international organisations. Added to this are a large number of honorary consulates. At the end of 2017, the entire organisation had 2,648 employees, of whom 817 were located at the Ministry in Copenhagen and 1,759 were located at the Missions. Of the 1,759 employees based abroad, 1,140 were locally employed staff, cf. table 0.

Table 0. Staff in the Ministry of Foreign Affairs

Number of staff in the Ministry of Foreign Affairs (persons end of 2017)	Home Service	Foreign Service
Employees in Copenhagen	668	
Department of Fisheries*	27	
Department of Equal Opportunities**	16	
Students, Office Clerks, Inclusive Labour Market	122	
Posted MFA Staff		349
Locally Employed Staff		1,140
Total Number of Employees in the MFA	817	1,759
Special Attachés (Posted but not employed in the MFA)		72
Total Number of Staff in the MFA		2,648

All figures are excluding personnel on leave/loan to other authorities.

* The Department of Fisheries was transferred to the Ministry of Foreign Affairs HQ in Copenhagen on 24 November 2017, cf. Royal Decree of 7 August 2017.

** The Department of Equal Opportunities with a total of 16 employees was transferred to the Ministry of Foreign Affairs on 21 December 2016, cf. Royal Decree of 28 November 2016.

The MFA is an integrated organisation. This means that the staff all work together in one and the same organisation, regardless of where they are located. This also implies that a single-stringed approach is adopted in regard to the safeguarding and promotion of Denmark's international interests, whether it be in the realm of foreign and security policy, EU policy, development policy, trade policy, support given to promoting the internationalisation of Danish companies, assistance to Danes in distress abroad or public diplomacy. The organisational structure makes it possible to deliver solid responses to international and global challenges across operational areas, without organisational or administrative obstacles.

The global network of missions is the hallmark of the MFA and provides the basis for enabling the MFA to safeguard and promote Denmark's international interests. With in-depth knowledge of local conditions and the right networks, the missions contribute to ensuring the quality and validity of the flow of information that serves as the basis for shaping Danish foreign policy and a number of other policy aspects in Denmark. The number, size and location of the Danish missions are reviewed and prioritised on an ongoing basis according to Denmark's foreign policy interests and goals. At the end of 2017, Denmark had 68 embassies, as well as 35 other Missions, including 6 Multilateral Missions, 16 consulates general, 2 consulates, 4 trade offices and 7 innovation centres. Denmark also had over 400 honorary missions associated with a primary embassy.

Due to the reduction in Danish development assistance to a level of 0.7 per cent of the national GNI in 2015, Denmark phased out its development cooperation with four countries. This resulted in the closing of embassies in Bolivia, Mozambique and Nepal in 2017 (the consulate in Zimbabwe was closed in 2016).

As part of the Danish Government's Foreign and Security Policy Strategy for 2017-18, a decision was made to establish an embassy in Algeria. In addition, the trade office in Silicon Valley, California, was upgraded to a consulate general, and the representation is also home to the world's first Tech Ambassador. Furthermore, the embassy in Tirana, Albania, was closed. Finally, a decision was made to close the consulate general in St. Petersburg (Russia) as well as the trade offices in Atlanta (USA) and Auckland (New Zealand) based on an evaluation of Denmark's commercial interests. In 2018, a new trade office will open in Houston (USA).

The Ministry in Copenhagen is organised according to a central structure with seven centres. Each centre has an either functional, geographical or customer-oriented focus. The purpose of this structure is to ensure a clear and up-to-date division of tasks. In addition, the structure aims at enhancing the integrated approach to task management that is the MFA's strength and a prerequisite for being able to tackle present and future challenges effectively.

For more information about the MFA's organisational set-up, please visit the MFA website at www.um.dk, which also contains the above-mentioned information as well as access to earlier annual reports.

2.2 Management report

2.2.1 The operational results in 2017

According to the guidelines concerning annual reports issued by the Agency for Modernisation of Public Administration (*Moderniseringsstyrelsen*), “all goals that have been agreed or determined by another party than the organisation” must be reported on. The external determination of goals and priorities for the MFA is done through law as well as ministerial and governmental decisions, foreign policy reports, parliamentary decisions, and decisions adopted within international fora. The internal priorities are anchored at different organisational and management levels in the MFA – at senior management-, centre- and mission levels – and are designed to ensure the delivery of concrete results, products and services of benefit to the Government, public authorities, citizens and enterprises in Denmark and abroad and to safeguard and promote Danish interests in general. Section 2.4 reports on the level of goal attainment concerning the 20 strategic priorities defined at the level of centres in the Ministry.

2.2.2 The financial result in 2017

The MFA annual report is submitted for the following main account on the Finance and Appropriations Act: Section 06.11.01. The Danish Foreign Service.

In addition, the MFA is responsible for the administration of a number of grant accounts, cf. tables 2 and 12.

The MFA operating profit/loss for 2017 shows a deficit of DKK 4.4 million, cf. table 1. The deficit is primarily attributed to DKK 10.7 million in expenditure related to the transferring of fisheries to the Ministry of Foreign Affairs. Consequently, an accumulated surplus of DKK 307.7 million has been carried forward to 2018, cf. table 8.

The MFA's payroll expenditure under the payroll ceiling totalled DKK 626.3 million in 2017. When the expenditure is compared with the payroll ceiling of DKK 631.7 million stipulated in the Finance and Appropriation Act for 2017 (incl. supplementary appropriations), the decreased expenditure totalled DKK 5.4 million. As a result, an accumulated payroll saving of DKK 52.5 million has been carried forward to 2018, cf. table 11.

Table 1. The MFA's main and key financial figures

Profit/Loss Account – Main Figures	2015	2016	2017
Operating and other operation revenue, total	-1,874.5	-1,870.4	-1,809.5
Ordinary operating costs, total	1,870.6	1,920.8	2,042.0
Result of ordinary operations total	-3.9	50.4	232.5
Result before financial items	-87.7	-112.6	-66.6
Year-end profit/loss	-37.7	-29.6	4.4*
Balance	2015	2016	2017
Fixed assets	1,717.5	1,641.7	1,600.7
Current assets	539.9	274.3	299.4
Equity**	-309.4	-339.0	-340.5
Long-term liabilities	-1,701.9	-1,676.4	-1,623.0
Short-term liabilities	-352.3	-276.7	-371.8
Financial key figures (mandatory)	2015	2016	2017
Rate of utilisation of borrowing limit	68.0 %	65.0 %	63.0 %
Appropriation proportion	88.3 %	85.5 %	86.6 %
Personnel information	2015	2016	2017
Full-time equivalents***	1,178.6	1,088.4	1,083.6
Full-time equivalent cost (DKK thousand)	527.5	533.4	567.8

Note: A positive (+) figure = expenditure/deficit and a negative (-) figure = revenue/surplus.

*The year-end profit/loss includes revenue from Norway concerning the co-location in Dhaka. The revenue should have been accrued over the period 2015-2025. After correction, the year-end profit/loss result is DKK 8.3 million.

**Equity includes adjusted equity of DKK 32.8 million.

***Figures include expenditure and full-time equivalents under section 06.11.01 excluding commercial activities and grant-finances activities.

Table 2 presents an overview of the main accounts administered by the MFA divided into two primary categories: operations and administrative arrangements.

Table 2. The MFA's main accounts

Operations						
Main account	(DKK million)	FL	TB	Total appropriation for the year	Accounts	Accumulated carry- forward, year-end
Section 06.11.01. The Danish For- eign Service	Expenditure	1,937.0	39.4	1,976.4	2,123.3	307.7
	Revenue	-330.8	-79.4	-410.2	-552.7	
Administrative arrangements						
Main account	(DKK million)	FL	TB	Total appropriation for the year	Accounts	Accumulated carry- forward, year-end

Total	Expenditure	10,977.5	2,166.8	13,144.3	12,761.2	180.3
	Revenue	-255.1	0.0	-255.1	-193.3	
06.11.06. Interest revenues from diverse receivables	Revenue	-10.0	0.0	-10.0	-3.0	0.0
06.11.15. Non-statutory grants	Expenditure	50.1	0.0	50.1	45.3	21.9
06.11.16. Promotion of gender equality	Expenditure	0.0	18.3	18.3	16.7	10.6
06.11.19. The Bilateral Neighbourhood Program	Expenditure	0.0	0.0	0.0	-4.1	20.9
06.11.21. Repayments from the Investment Fund for Central Europe (IQ) and the Investment Fund for Development (IFU)	Revenue	-125.0	0.0	-125.0	-200.0	0.0
06.11.79. Reserves and budget adjustment	Expenditure	-0.5	0.5	0.0	0.0	0.0
06.21.01. The Nordic Council of Ministers	Expenditure	106.3	0.0	106.3	105.1	0.0
06.22.01. Peacekeeping operations	Expenditure	334.9	0.0	334.9	276.2	0.0
06.22.03. Other organisations	Expenditure	255.9	0.0	255.9	234.3	0.0
06.22.05. The European Investment Bank	Expenditure	0.5	0.0	0.5	0.0	0.0
	Revenue	-0.6	0.0	-0.6	0.0	
06.31.79. Reserves and budget adjustments	Expenditure	-230.2	230.2	0.0	0.0	0.0
06.32.01. Developing countries in Africa	Expenditure	855.5	531.0	1,386.5	1,264.4	1.6
06.32.02. Developing countries in Asia and Latin America	Expenditure	625.0	590.0	1,215.0	1,201.6	14.6
06.32.04. Personnel assistance and cooperation with public authorities	Expenditure	263.7	-31.7	232.0	232.4	6.3
06.32.05. Danida Business Programmes	Expenditure	0.0	-27.8	-27.8	-28.9	0.3
06.32.07. Loan assistance	Expenditure	16.0	-0.1	15.9	15.9	
	Revenue	-84.6	0.0	-84.6	-84.6	1.3
06.32.08. Other assistance	Expenditure	632.1	-1.6	630.5	609.2	17.6
06.32.09. The Danish-Arab Partnership Programme	Expenditure	200.0	3.5	203.5	203.4	5.8
06.32.10. Transitional assistance to the West Balkans	Expenditure	0.0	0.0	0.0	0.0	0.0
06.32.11. The Neighbourhood Programme	Expenditure	160.0	-10.7	149.3	149.2	33.5
06.33.01. Assistance through civil society organisations	Expenditure	740.2	-72.0	668.2	667.7	0.0
06.34.01. Environment and climate assistance in developing countries	Expenditure	320.0	-33.0	287.0	286.9	1.9
06.35.01. Research and information in Denmark, etc.	Expenditure	63.0	-1.4	61.6	54.8	5.1
06.35.02. International development research	Expenditure	0.0	0.0	0.0	0.0	0.0
06.36.01. The UN Development Programme (UNDP)	Expenditure	458.0	45.2	503.2	503.1	3.2
06.36.02. The UN Children's Fund (UNICEF)	Expenditure	125.0	-6.0	119.0	119.0	0.1
06.36.03. HIV/AIDS, Population and Health	Expenditure	370.0	283.6	653.6	653.6	0.1
06.36.05. Global environmental programmes	Expenditure	0.0	0.0	0.0	-0.1	0.1
06.36.06. Other UN development programmes and various multilateral contribution	Expenditure	86.0	160.2	246.2	244.8	15.0
06.37.01. The World Bank Group	Expenditure	822.0	468.9	1,290.9	1,290.1	
	Revenue	-1.2	0.0	-1.2	-1.1	4.1
06.37.02. Regional development banks	Expenditure	100.0	4.7	104.7	104.7	0.0
06.37.03. Development funds, etc.	Expenditure	215.7	91.8	307.5	307.4	5.7
06.37.04. Assistance through the European Union (EU)	Expenditure	605.3	-14.8	590.5	455.3	
	Revenue	-10.4	0.0	-10.4	126.5	3.3

06.38.01. Mobilisation – financing investments	Expenditure	620.0	-59.5	560.5	560.4	0.1
06.38.02. Framework conditions, knowledge and business opportunities	Expenditure	679.2	1.2	680.4	674.6	5.8
06.38.03. Various multilateral contributions	Expenditure	0.0	-0.2	-0.2	-0.1	0.4
06.39.01. Humanitarian organisations	Expenditure	605.0	0.4	605.4	605.4	0.1
06.39.02. Humanitarian contributions, crises	Expenditure	0.0	-3.9	-3.9	-3.4	0.4
06.39.03. Humanitarian contributions, partners	Expenditure	1,770.0	0.0	1,770.0	1,770.0	0.2
06.41.02. Trade commissioners and trade office	Expenditure	70.6	0.0	70.6	86.3	0.2
	Revenue	-23.3	0.0	-23.3	-31.1	
06.41.03. Special export promotion grants	Expenditure	58.2	0.0	58.2	59.9	0.1

Note: A positive (+) figure = expenditure/deficit, and a negative (-) figure = revenue/surplus

2.3 Primary functions and resources

Table 3 shows the entire MFA resource consumption for each and every MFA primary function. The division of functions has been carried out with a point of departure in table 6 of the Finance and Appropriations Act, "Specification of expenditure on functions". The table covers the MFA's entire operations, including commercial activities.

Table 3. Outline of the MFA's economy under Section 06.11.01 and Section 06.11.05 (DKK million)

	Appropriations booked as revenue	Other revenue	Expenditure	Proportion of year profit
Support functions	-715,9	-446,7	966,6	-196,1
General foreign policy	-322,5	-0,3	435,4	112,7
Administration of development assistance	-180,9	-0,3	244,2	63,1
Export and investment promotion	-173,2	-45,1	233,8	15,6
Consular services	-169,1	-60,4	228,3	-1,2
Equality	-4,6	0,0	6,2	1,6
Fisheries	0,0	0,0	8,7	8,7
Total	-1.566,2	-552,7	2.123,3	4,4

Note: A positive (+) figure = expenditure/deficit, and a negative (-) figure = revenue/surplus.

Note: The expenditure "Support functions" which amounts to DKK 966.6 million concerns payroll expenditure for the overall administration and management of the MFA as well as expenditure for additional operating costs in the MFA, including costs for embassies. The expenditure for "Support functions" can, however, not be distributed evenly between the other expenditure-generating areas because it is estimated that the majority of this expenditure could be primarily assigned to the areas "General foreign policy" and "Administration of development assistance".

2.4 Performance reporting

The MFA's performance management scheme encompasses both the MFA's outward functions, such as the delivery of services to the general public and companies, and the MFA's departmental functions that involve servicing the ministers, the Government and the Folketing (the Danish Parliament). This method of reporting promotes balanced governance across the MFA's main areas of activity.

Within the overall framework of the externally defined main tasks, the MFA's performance management for 2017 takes the political objectives as its starting point. These objectives are defined by the Government and are detailed in a number of specific policy papers and strategies for the MFA. In order to support the MFA's ability to execute on the political objectives, a number of strategic priorities are formulated for each of the seven centres and two departments in the home service². These strategic priorities are subject to the performance reporting in this annual report.

² It is noted that the two departments in the MFA HQ in Copenhagen – the Department for Equal Opportunities and the Department for Fisheries – did not formulate strategic priorities for the year of 2017. As such, these two departments are not included in the performance reporting section of this annual report. From 2018 onwards, these departments will report on their strategic priorities in the same manner as the centres.

The MFA's performance management scheme follows the main principles set out in the Agency for Modernisation of Public Administration guidelines, "*Strategisk styring med resultater i fokus*" (*Strategic governance with focus on results*). The performance reporting covers the selected goals and initiatives for the entire organisation, but this is not a comprehensive description of all MFA tasks and functions.

In 2017, emphasis was placed on formulating a few, select priorities that were deemed strategically important for the overall performance of the MFA. In total, 20 strategic priorities were formulated in 2017. For each priority, one or more success criteria were formulated.

Table 4 provides a summary of the overall level of goal attainment for the 20 strategic priorities in 2017. The level of goal attainment is measured using the end of year reporting for each priority based on contributions from relevant units. Where a priority has been achieved, an "A" is given; a "B" is given for a priority that has been partially achieved, while "C" is given for a priority that has not been achieved. A more detailed description of the performance per strategic priority and underlying success criteria is available in section 4.6.

As shown in table 4, 9 out of 20 strategic priorities were deemed attained (A), whilst 8 priorities were deemed partially attained (B). Finally, 3 priorities were deemed not attained (C) in 2017.

On this basis, the MFA's overall goal attainment for 2017 is deemed satisfactory.

Table 4. Goal attainment 2017

The MFA's strategic priorities in 2017	Goal attainment divided as follows: A= Attained B= Partially attained C= Not attained
	Total goal attainment
1. Strengthening of the visa area	B
2. The MFA's digital platforms	B
3. Strengthening communication on social media	B
4. Improved communication with citizens about preventing and managing crisis situations	C
5. Presidency of the OECD Ministerial Council Meeting	B
6. Attracting more investments to Denmark	C
7. A new strategic framework for the internationalisation of Danish businesses	A
8. The Arctic	A
9. Russia and Ukraine	B
10. Promotion of Denmark's core interests in the EU	B
11. USA	A
12. NATO	A
13. Security, combining efforts and stabilisation	A
14. Strategic partnerships, alliances and economic cooperation	A
15. Implementing the strategy for development cooperation and humanitarian action	A
16. Strengthening the IFU as a key development finance institution in Danish development policy	C
17. Rethinking Global Green Growth Forum	A
18. Chairmanship of the Council of Europe	A
19. Campaign for the election of Denmark to the UN Human Rights Council	B
20. Good administration and case management	B

2.4.1 Performance reporting – Part 2: In-depth analyses and assessments

The following section provides a detailed account on the level of goal attainment for each of the 20 strategic priorities. For each priority, a brief summary of the attainment level is provided (in italics) describing the overall goal attainment (cf. table 4).

Priority 1: Strengthening of the visa area

To ensure effective support and risk management in light of an increasing number of visa cases.

The overall goal attainment for **priority 1** is classified as B (partially attained)

As part of the effort to strengthen risk management in the visa area, the MFA has conducted 8 visa service checks at representations, and a more concise and targeted format was developed for use when conducting visa checks. In addition, the MFA has held three regional conferences for visa personnel in the foreign service, focusing on refusal competency.

With respect to the digitisation of the consular service area, 2017 has seen significant progress, especially in the area of legalisation (development of an online web shop and e-apostille) as well as further development of a new visa self-service platform. Further application of procedures for better fee management as well as implementation of the new web shop are still pending, all the while development and implementation of digital documents, system improvements for diplomatic passports and more effective case procedures in the visa area have been initiated. Due to the postponement of a number of these activities, however, the priority is deemed partially attained.

Priority 2: The MFA's digital platforms

Rethinking and upgrading the MFA's digital platforms.

The overall goal attainment for **priority 2** is classified as B (partially attained).

The new MFA website was launched in November 2017. Websites for the Trade Council and Invest in Denmark were mostly completed for launch in the same year, but there were delays with respect to content. Due to this, the project was postponed for a number of months with a new expected launch date of 1 March 2018. Similarly, a new Denmark.dk website is expected to launch during the first half of 2018. Because of these delays, the priority is deemed partially attained.

Priority 3: Strengthening communication on social media

Strengthening the MFA's use of social media (SoME), including the development of guides and seminars for staff as well as online campaigns.

The overall goal attainment for **priority 3** is classified as B (partially attained).

In 2017, the MFA developed courses and new tools for supporting the work on social media, including a list of sound advice for senior management on the use of Twitter, videos about tagging and using hashtags as well as a guide to using memes and infographics in order to increase feedback on social media. At the annual Ambassador's Meeting, specific attention was paid to working with SoME and relevant tools. Moreover, weekly media coverage reports have been sent to the MFA's three ministers, and daily SoME reports concerning development cooperation, trade, fisheries and equal opportunities policy were distributed to the relevant units.

In addition, the MFA has carried out four SoME campaigns over the course of 2017, including the launch of the Strategy for Development Cooperation and Humanitarian Action, an OECD campaign on globalisation as well as two campaigns targeting specific Trade Council groups. In addition to this, the MFA has produced a SoME film in cooperation with Save the Children, a Danida Christmas calendar as well as promoted the Danish Day of Exports. Also, the internally defined objectives for increasing the span of the MFA's digital channels of information were achieved – and surpassed – in 2017.

Finally, the MFA has – on an ongoing basis - paid attention to a number of strategically chosen target groups, including the youth, and the MFA was particularly successful in connecting with this group when launching the Development Cooperation and Humanitarian Action Strategy. However, more work needs to be put into collaborating in a cross-cutting and

strategic manner with segmentation analysis, which will be a key focal point in 2018. Due to this, the priority is deemed only partially attained.

Priority 4: Improved communication with citizens about preventing and managing crisis situations

Improved communication with citizens concerning the prevention and management of crisis situations, including an improved and more user-friendly format for travel guides, further development of the app "UM Rejseklar" as well as expanding awareness of the app through a targeted communications effort on social media and in cooperation with the travel industry.

The overall goal attainment for **priority 4** is classified as C (not attained).

In 2017, the MFA undertook a sound and ongoing dialogue with the travel industry concerning crisis management – e.g. during the tropical storms in the Caribbean – as well as the updating of travel guides in order to make sure that these guides are relevant and in line with the needs of Danish travellers. In order to further create awareness about the MFA's consular services, including the app "UM Rejseklar", the use of social media as a form of communication has been put into system during 2017.

However, a planned campaign focusing on increasing the number of downloads of "UM Rejseklar" was not carried out. as an update of this app well as the "List of Danes Abroad" was not yet finalised. The campaign will expectedly be carried out in 2018. Due to the postponement of these activities, the priority is deemed unattained.

Priority 5: Presidency of the OECD Ministerial Council Meeting

A successful presidency of the OECD Ministerial Council Meeting on 7-8 June as well as the OECD Forum on 6-7 June with the working title "Making globalization work – better lives for all".

The overall goal attainment for **priority 5** is classified as B (partially attained).

In 2017, the MFA contributed to a successful OECD Ministerial Council Meeting (MCM) with the participation of four ministers as well as the OECD Forum with the participation of HRH Crown Princess Mary and the Minister for Development Cooperation. During the MCM, consultations were held in Copenhagen with international organisations representing employers/employees and the participation of a number of ministers. In relation to these consultations, the MFA also held a large conference on globalisation at Børsen in cooperation with The Danish Chamber of Commerce and with the participation of the EU Commissioner for Trade as well as the Danish Minister for Education. In all, a number of the topics chosen for the MCM were discussed by OECD ministers as well as in the public. Additionally, it was the ambition of the MFA that the statement from the MCM would be mentioned in a declaration by the G20, but this did not transpire. Due to this fact, the priority is considered overall to be partially attained.

Priority 6: Attracting more investments to Denmark

To ensure an increased focus on attracting, among other things, high-tech investments in the form of data centres.

The overall goal attainment for **priority 6** is classified as C (not attained).

At the end of 2017, the MFA had contributed to the attraction and maintaining of 75 foreign investment projects (against 68 investment projects in 2016). Out of the 75 successful investment projects in 2017, 34 were so-called high quality projects that are deemed to have an especially high societal value for Denmark. In 2017, a number of data centre investments were attracted to Denmark, out of which the decisions by Facebook and Apple to establish data centres in Odense and

Aabenraa were the largest ones. In the wake of the large data centre investments, a number of foreign subcontractors within the industry established themselves in Denmark.

The successes of attracting data centres in 2017 (in which both Facebook and Apple announced large investments in Denmark) made it less necessary to compile a comprehensive action plan with the aim of attracting just such investments. Instead, the investments have provided the impetus for developing the data centre as a business area and work on this will be continued in 2018. Due to the fact that the action plan was not compiled, however, the priority is deemed not attained.

Priority 7: A new strategic framework for the internationalisation of Danish businesses

To develop a new strategic framework for the MFA's work on economic diplomacy with a view to promoting Danish exports and increase economic growth and employment.

The overall goal attainment for **priority 7** is classified as A (attained).

The MFA undertook internal as well as external consultations with business organisations and ministries in order to formulate the future strategy for the Government's economic diplomatic efforts aimed at promoting Danish commercial interests globally and supporting the internationalisation of Danish businesses. The purpose of the strategy process was to ensure that the Government's efforts in this area was adapted to the possibilities and challenges that globalisation and the vast technological land strides present, including strengthening of those types efforts that result in the most value for Danish businesses as well as economic growth and development in Denmark. At the end of 2017, a new strategy in this area was launched to be unfolded within the overall framework of the Government's more general Foreign and Security Policy Strategy.

Priority 8: The Arctic

To strengthen Denmark's position as a central, visible and constructive player in the Arctic that contributes to maintaining the region as a low-tension area. Through an intensified collaboration of authorities and close contact to the American and Finnish chairmanship of The Arctic Council, the Kingdom of Denmark will seek to promote the interests of the entire kingdom.

The overall goal attainment for **priority 8** is classified as A (attained).

In 2017, the MFA has – in close collaboration with Greenland and the Faroe Islands – worked actively to emphasise the economic dimension in the work of the Arctic Council as well as improved relations between the Arctic Council and the Arctic Economic Council. At the request of Denmark and other countries, the Arctic Economic Council participated in a number of meetings in the Arctic Council, including meetings focusing on strengthening the collaboration between the two councils. The Arctic Economic Council also co-hosted the international high-level conference on the Arctic and the SDG's on 1 December 2017 with the Kingdom of Denmark in an effort to strengthen the visibility and inclusion of the Council in Arctic events.

Under the auspices of the Arctic Council, follow-up was carried out on the space issue with the support of the Kingdom of Denmark. The Finnish presidency of the Council has established a new task force under the heading of "Connectivity" that will – among other things – analyse opportunities for satellite-based communication in sparsely inhabited areas of the Arctic. Focus for this work is on identifying tangible, possible solutions, including opportunities for establishing public-private partnerships. In this area, Denmark will work to strengthen the Arctic Economic Council's abilities to enhance private business involvement in the region. As part of the follow-up on the conference ("Rummet kalder Arktis"), a collective export promotion event was carried out in Rome on 22-23 May, in which the participating Danish businesses were given a chance to discuss business opportunities with representatives of the Italian space industry in the specific areas of high-tech and satellites.

Through the Finnish chairmanship of the Arctic Council and the Finnish prioritisation of meteorology, the Danish Meteorological Institute (DMI) has played an active role in Arctic collaboration. In 2017, the collaboration with DMI was institutionalised as well as intensified. The MFA has had meteorology and the work of DMI in particular, as an ongoing focal point in the dialogue with external partners.

Since 2015, the Arctic Council has discussed opportunities for strengthening the regional cooperation within the maritime field. Discussions have taken place in the Task Force on Arctic Marine Cooperation (TFAMC). Denmark, Greenland and the Faroe Islands, jointly, take part in the TFAMC discussions of the opportunities for establishing a special forum on

maritime cooperation under the auspices of the Arctic Council. The TFAMC will compile a recommendation on the issue ahead of the Arctic Council meeting of ministers in May 2019.

Priority 9: Russia and Ukraine

To sustain Denmark's significant political and developmental support to Ukraine as well as maintain and develop the EU-profile on the reform agenda. Denmark must contribute to maintaining EU agreement about applying pressure on Russia to implement the Minsk Agreement. At the same time, opportunities for strengthening the dialogue - bilaterally and multilaterally - with Russia in certain areas must be uncovered.

The overall goal attainment for **priority 9** is classified as B (partially attained).

Throughout 2017, Denmark maintained and strengthened its efforts to push reform in Ukraine and managed to put the reform process on the agenda of the meeting of the EU Foreign Affairs Council in February. The very same month saw the commencement of the Danish-led EU anti-corruption programme for Ukraine. In July, the Minister for Foreign Affairs announced that Denmark would host an international high-level reform conference on Ukraine in Copenhagen in June 2018. In addition, November launched of a new five-year development programme for Denmark's involvement in Ukraine and Georgia totalling DKK 860 mio.

In connection with the Danish Ukraine-involvement, a number of public diplomacy initiatives were launched, including in relation to the launch of the five-year development program in November. The work on strategic communication was also strengthened with the startup of the Danish Government's interministerial cooperation on impact campaigns, which was initiated as part of the implementation of the Government's Foreign and Security Policy Strategy.

In addition, the EU agreement on the sanction policy towards Russia was sustained in 2017 and the sanctions were renewed. Moreover, some progress was made with respect to the bilateral dialogue between Russia and Denmark, including conducting a number of meetings in the Danish-Russian Intergovernmental Council for Economic Cooperation as well as on the Arctic. However, the plenary meeting in the council, scheduled to take place in October, was postponed at the request of Russia and carried out 6-7 February 2018. Due to this postponement, the priority, as a whole, is deemed only partially attained in 2017.

Priority 10: Promotion of Denmark's core interests in the EU

To promote Danish core interests in the EU and the north as efficiently as possible in close collaboration with the Prime Minister's Office and other relevant collaborating partners. It continues to be important to maintain EU agreement and to ensure that the EU remains capable as a decision-making body. Important focal points in this respect are the migration challenge, follow-up on the referendum on the Danish legal reservations, discussions on the future of the EU as well as the Brexit negotiations.

The overall goal attainment for **priority 10** is classified as B (partially attained).

In close collaboration with the Prime Minister's Office and other ministries, the MFA has promoted Danish core interests in the EU and the north across different topical areas in order to ensure that the Danish points of view are reflected in joint EU-solutions to the furthest possible extent. This has been the case with respect to the discussions on the future of the EU, the EU's financial framework and internal market as well as the handling of the migration challenge, in which Denmark has contributed in a number of ways. For instance, Denmark has ensured Danish influence on conclusions from, among other things, the EU Heads of State and Government meetings in the European Council on a number of significant policy issues of great importance to European affairs and actively contributed to making sure that the discussion about the future of Europe under the Leaders Agenda is being carried out in accordance with Danish interests. With respect to the political agreement about Denmark's continued attachment to EUROPOL, specifically, a successful agreement was reached with the European Council and the European Parliament before the deadline on 1 May 2017.

During the Brexit negotiations, the inter-ministerial task force on Brexit has continually contributed to ensuring that the EU guidelines concerning these negotiations reflect Danish interests. The task force has met approximately 10 times, and a number of subsections were established (concerning, among other issues, civil rights, customs issues, the internal market and competition terms, financial issues, etc.). In general, business and interest group have expressed satisfaction with the dialogue between themselves and the Government's task force concerning the Danish approach to the Article 50-negotiations.

In 2017, it proved difficult for Denmark to influence especially the discussion on EU migration policy, including the redistributive issue, in the direction of the Danish view on this issue. This was due to the fact that Germany and others have

pressed for a mandatory redistribution scheme, and because Denmark is facing negotiations about remaining a part of the Dublin regulation. Due to this, the priority is deemed only partially attained.

Priority 11: USA

To ensure that Denmark remains a close ally to the U.S. with a focus on the many common interests and values that characterised the transatlantic relationship for decades.

The overall goal attainment for **priority 11** is classified as A (attained).

The MFA has followed policy developments during the Trump-administration closely with a special focus on Danish priorities/interests, including in the foreign and security policy area. By maintaining a close dialogue and frequently conducting meetings at the ministerial as well as administrative level, Danish interests and policy priorities were presented to American counterparts with an end to influence decision-making, etc. This was the case with respect to larger foreign- and security policy issues, on which Denmark and the U.S. are – as a general rule – in agreement (e.g. Russia/Ukraine, Afghanistan, North Korea), but also with respect to issues, on which the Trump-administration has taken a different stance than the previous administrations (e.g. Iran/nuclear deal framework), and also with respect to issues where there are differences in opinion between Denmark and the U.S. (e.g. free trade and climate). Generally, 2017 saw substantial meeting activity between Denmark and the U.S. on all levels. The Prime Minister of Denmark was among the first Government leaders to pay a visit to the White House (in March of 2017) after the inauguration of the President Trump. The Minister for Foreign Affairs met with the Secretary of State on several occasions, including in connection to a Council of Ministers Meeting in the Arctic Council in Fairbanks in May of 2017. In addition, the Secretary of Defense visited Copenhagen in 2017.

Priority 12: NATO

To contribute positively to ensuring the ability of NATO to provide credible deterrence with a view to defending the territory of the alliance, cf. the NATO article 5 and 4. In addition, Denmark must contribute to making sure that NATO continues to be a relevant platform for international operations and partner collaborations outside of the territory of the alliance.

The overall goal attainment for **priority 12** is classified as A (attained).

In 2017, Denmark made substantial contributions to NATO's operations and general deterrence profile. This was achieved through significant contributions to NATO's military operations and by taking part in the most important policy processes, including in relation to the NATO Mini-Summit in May. In light of Russia's increasingly assertive stance, the Danish contributions have primarily focused on NATO initiatives in Eastern Europe and the Baltic. To this end, Denmark has throughout all of 2017 contributed with 1000 military personnel to NATO's main operation in the region (VJTF). In addition, Denmark has contributed significantly to NATO's southern naval force.

Also in 2017, an agreement was reached on a number of future initiatives intended to ensure that Denmark will continue to make significant contributions to NATO in years to come. Among these were a decision to post a subdivision of 200 troops to NATO's operation in Poland and the Baltic. The Danish troops have been in place in Estonia since the end of 2017. In addition, Denmark decided to contribute a command ship to NATO's northern naval force for the whole of 2018. Moreover, a decision was made to increase Danish military presence in Afghanistan from 100 to 155 personnel as part of the NATO Resolute Support Mission. Finally, it was decided to contribute four F16 fighter jets to the Baltic Air Policing mission for the first months of 2018.

Priority 13: Security, combining efforts and stabilisation

To maintain Danish contributions to international military operations, civilian efforts against terrorism as well as stabilisation and rebuilding efforts in conflict-stricken and fragile states through combined efforts, in which the whole spectrum of instruments are put to use.

The overall goal attainment for **priority 13** is classified as A (attained).

In 2017, the MFA collaborated with the Ministry of Defence to ensure that Denmark provided the requested military contributions to the coalition's fight against ISIL in Iraq and Syria. Throughout the year, implementation of the regional peace and stabilisation programme for Syria and Iraq continued and additional funds of over DKK 160 million were added to the programme. In addition, a review of the programme and its activities confirmed its continued relevance. As part of the funds for the efforts in Syria under the regional peace and stabilisation program, DKK 4 million were also donated to the

UNDPA and its efforts to promote a political solution to the conflict in Syria. In addition, Denmark's Special Envoy to the Syrian opposition continued to advise the opposition as part of the preparations for the UN peace talks in Geneva.

In March 2017, Denmark hosted an International coalition working group focusing on cutting of ISIL financing sources. The Danish Defence Intelligence Service as well as the Danish Security and Intelligence Service provided analyses, and Denmark continued its co-presidency of the subgroup on financial transfers. In the spring of 2017, a review of the Danish programme against violent extremism in Lebanon and Jordan was carried out which resulted in the allocation of additional funds for the programme in 2017 as well as planning for an extension of the programme to 2018.

In December, the Government resolved to increase the Danish troop contingency to NATO's Resolute Support Mission in Afghanistan from approx. 100 to 150 soldiers. In 2017, work on a new country program paper for the Danish combined civil and military efforts in Afghanistan was commenced with an emphasis on political initiatives, including the readmission agenda and humanitarian as well as developmental efforts. A new phase of the neighbourhood area programme was approved.

With respect to migration challenges via the Central Mediterranean, Denmark has completed a number of new initiatives in 2017. Among these were a decision to post three additional Danish experts to the EU Border Assistance Mission in Libya (EUBAM). In addition, Denmark has provided financial support to the UNDP stabilisation facility, a national Libya conference, etc. Moreover, the MFA has increased its focus on the region and its challenges by appointing a new Special Representative for the Sahel and Maghreb. Finally, the MFA has – as part of the broad-based and integrated Danish effort in this area – worked to keep the situation in the Sahel and the Horn of Africa high on the International agenda by providing policy-input to the EU on stabilisation, the prevention of radicalisation, extremism and terrorism as well as irregular migration. As a tangible result, a non-paper on the increasing influence of the Gulf countries on the Horn of Africa was compiled. Finally, Denmark has contributed to securing progress on discussions of establishing a human rights framework for the G5 Sahel joint forces.

Priority 14: Strategic partnerships, alliances and economic cooperation

To ensure a focus on cultivating and consolidating political and economic cooperation with countries that Denmark considers to be strategically important partners.

The overall goal attainment for **priority 14** is classified as A (attained).

In 2017, the MFA has worked to cultivate new strategic partnerships and alliances as well as consolidate existing ones. Two new strategic partnerships were initiated with Mexico and Indonesia in 2017 – both of which were formalised during visits from the Danish Prime Minister. During the first high-level consultations with South Africa at the Permanent State Secretary-level, the possibility for entering a strategic partnership was also discussed.

A new working program was agreed upon with China. The program was formalised during the Danish Prime Minister's visit to China in May 2017. In addition, the strategic partnership with Japan was consolidated, which – among other things – included agreements on maritime cooperation, double taxation and health. In 2017, the 150-year anniversary for the establishment of diplomatic relations between Denmark and Japan was marked with several high-level visits, including the Crown Prince couple's official visit (with the participation of four Danish ministers and the largest ever Danish business delegation to Japan as well as the first official bilateral visit to Denmark by the Japanese Prime Minister).

During 2017, follow-up was conducted on the strategic partnership between Denmark and South Korea, including the hosting of the 7th ministerial meeting in the Green Growth Alliance on circular economy in Copenhagen, the Minister of Foreign Affairs' visit to South Korea in October as well as a visit from the Minister of Environment and Food to Korea in March (which included the reopening South Korean markets for Danish egg and poultry products). In addition, the South Korean Vice Prime Minister visited Denmark in January 2018.

The Danish Prime Minister met during his visit to Mexico, with, the president of Mexico. The two leaders signed a strategic partnership agreement. The partnership strengthens the economic and political relations between the two countries and elevates sector-specific cooperation to a new level. In connection with the visit, the Danish Ministry of Environment and Food entered into an agreement with Mexico regarding sustainable, profitable and competitive farming as well as food systems.

During the Prime Minister's visit to Indonesia, Denmark entered into an ambitious and comprehensive action plan to support the strategic partnership between the two countries.

The visit of the Danish Minister for Foreign Affairs to India, including bilateral discussions with the Indian Minister for Foreign Affairs, was a milestone in the relationship between the two countries.

Denmark played an active role in preparing the AU-EU summit – especially with respect to migration and the youth. During the summit itself, Denmark was instrumental in maintaining international obligations with respect to readmission and also took on a proactive role in trying to secure focus on the youth agenda. Denmark took lead on, among other things, the drafting of a non-paper on political and economic inclusion of the youth at the EU Foreign Affairs Council meeting in May 2017, and the Danish Minister for Foreign Affairs hosted a meeting with African youth representatives in connection with the meeting.

The new Danish-Arab Partnership Programme (DAPP) was officially launched on 1 June (with 1 July as the date of implementation). As a novelty, the five-year programme contains a component that enhances economic opportunities for the population in the region by improving employment opportunities for especially young people and women in Egypt, Jordan, Morocco and Tunisia. Also, a successful visit to Morocco was carried out in the 3rd quarter focusing on strengthening the strategic cooperation in a number of areas.

Priority 15: Implementing the strategy for development cooperation and humanitarian action

To implement the Development Cooperation and Humanitarian Action Strategy with a special emphasis on new strategic challenges and orientations.

The overall goal attainment for **priority 15** is classified as A (attained).

In 2017, the MFA begun the implementation of the Development Cooperation and Humanitarian Action Strategy which was launched at the beginning of the year. In general, the implementation is proceeding as planned. This is the case with respect to the combining of humanitarian and development efforts which was done via the country programmes in, for instance, Uganda and Afghanistan as well through new partnership agreements between UN organisations and Danish NGO's. In addition, the MFA has put special emphasis on projects targeting migration and active participation in the EU High Level Working Group as well as in the preparation for the UN Global Compact on Migration. Furthermore, significant efforts were put into working on the repatriation agenda which was discussed via political and diplomatic channels with twelve different origin countries, including during eight in and outgoing visits by the Ambassador-at-Large for Migration whom took up the position during the summer of 2017. Implementation of the first repatriation projects based on a quid pro quo-approach and conditionality framing in relation to additional Danish development aid funds to Afghanistan, Kenya and Ethiopia have also contributed to promoting this agenda.

Priority 16: Strengthening the IFU as a key development finance institution in the Danish development policy

To consolidate the important role of the Investment Fund for Development Countries (IFU) within Danish development policy.

The overall goal attainment for **priority 16** is classified as C (not attained).

In 2017, an agreement for Danida Business Finance was reached in which the responsibility for administrating funds were transferred from to the IFU. The agreement regarding one of the non-statutory schemes is still pending – Negotiations on this issue are expected to take place in 2018.

In addition, a Danish SDG Fund was created in a collaboration between the state, the IFU and private investors. The public portion of the agreement amounts to appropriations of DKK 100 million as well as an agreement concerning re-lending by the state to the SDG Fund. During the first half of 2018, an agreement is expected to be reached between the IFU and private investors, after which the SDG Fund can begin its work.

Moreover, the MFA has explored funding opportunities and a potential cooperation agreement with other organisations, including the EIB. So far, preliminary discussions have not materialised into an actual agreement. Due to this, the priority is deemed not attained.

Priority 17: Rethinking Global Green Growth Forum

To rethink the 3GF as an initiative intended to accelerate the implementation of selected, green SDG's via innovative public-private partnerships.

The overall goal attainment for **priority 17** is classified as A (attained).

The new Partnering for Green Growth and the Global Goals 2030-initiative was launched by the Prime Minister during the UN General Assembly in September of 2017. Seven partner countries participated, including the president of Chile. The secretariat for the 3GF is in the process of closing down and is expected to shut down completely in 2018. A number of activities, including possible P4G-partnerships, will be implemented into the P4G.

The Minister for Development Cooperation has approved the appropriation for the P4G which included three main elements: 1) Establishing an international "hub" in Washington in collaboration with the World Resources Institute; 2) Establishing the national platform in State of Green and; 3) Establish an international fund for the support of P4G-partnerships.

Priority 18: Chairmanship of the Council of Europe

To successfully prepare and commence the Danish chairmanship of the Council of Europe Committee of Ministers, including a significant contribution to the Danish main priority about the reform process concerning the European Court of Human Rights.

The overall goal attainment for **priority 18** is classified as A (attained).

The preparation for the Danish chairmanship of the Council of Europe Committee of Ministers has been an important priority for the MFA in 2017. Denmark took over the rotating chairmanship on 15 November 2017 and will continue as chair until 18 May 2018. As part of the efforts related to the chairmanship, the MFA coordinated the drafting of an ambitious agenda consisting of priorities and activities. This was done via an inter-ministerial collaboration. The main priority for the chairmanship is the continued reform of the European Human Rights Council interpretation of the European Human Rights Convention, to which the MFA has contributed greatly. In addition, the MFA has contributed to the preparation and carrying out of the programme activities, including a number of meetings, conferences and seminars in Denmark and Strasbourg.

Priority 19: Campaign for the election of Denmark to the UN Human Rights Council

To successfully initiate the campaign for the election of Denmark to the UN Human Rights Council (DK4HRC).

The overall goal attainment for **priority 19** is classified as B (partially attained).

In 2017, the DK4HRC was further operationalised through a number of initiatives. These include 1) participation of the Minister for Fisheries, Equal Opportunities and Nordic Cooperation and other ministers in international conferences in order to raise awareness of the candidacy; 2) an intranet-based database providing access for relevant employees in the Ministry's foreign and home service; 3) targeted and coordinated outreach to relevant countries; 4) a DK4HRC twitter profile that sends "ready to retweet" tweets on an ongoing basis; 5) a campaign boost urging all colleagues to include the candidacy as part of their work and; 6) ongoing updates of the campaign material. Certain activities related to promoting the Danish candidacy to prioritised countries was, however, postponed. Due to this, the priority is deemed partially attained.

Priority 20: Good administration and case management

F2 guidelines, archival commitments as well as a focus on public administration and good case management.

The overall goal attainment for **priority 20** is classified as B (partially attained).

The MFA has initiated a number activities in the form of campaigns and projects with an end to increase awareness of the basic public administration rules and principles and, ultimately, to support good administration and case management in

the Ministry. In addition, the MFA had a set ambition to carry out education initiatives in this area which were postponed to 2018. Due to the postponement, the priority is deemed partially attained.

2.5 Expectations for the coming year

2.5.1. The budget framework and its significance for the coming year

The MFA expects to make full use of the operating appropriations for 2018, cf. table 5.

Table 5. Expectations for the coming year

	Accounts 2017	Core budget 2018
Appropriation and additional revenue	-2,118.9	-2,162.0
Expenditure	2,123.3	2,162.0
Result	4.4	0.0

Note: A positive (+) figure = expenditure, and a negative (-) figure = revenue/surplus.

In the coming year, focus will be on integrating fisheries within the MFA, including ensuring a strengthening of the fishery control and supervision efforts with the establishing of the new Fisheries Agency, cf. below.

2.5.2. Main political priorities

The focus of the work of the MFS in 2018 is expected to be on the themes mentioned in the Government's Foreign and Security Policy Strategy for 2017-2018. The international rule-based order is under pressure, the negotiations concerning Brexit is entering its final phase, the debate for the future of the European cooperation intensifies, the situation in the neighbouring regions to the east of Denmark remains uncertain, the terrorist threat springing from fragile states towards the south and southeast continues to be serious, and the borders of Europe are continually put under pressure from irregular migration from the south. Adding to this is a number of other, significant tasks that fall under the MFA's main areas of work. These areas include: general foreign and security policy, development cooperation, export and investment promotion, consular services, equal opportunities policy as well as fisheries.

Foreign and Security Policy Strategy

In June of 2017, the Danish Government presented its Foreign and Security Policy Strategy for 2017-2018 which highlighted five different issues of particular importance: Migration, instability and terrorism, security in the regions closest to Denmark, Brexit and the future of the EU, globalisation, economic and technological diplomacy and the Arctic. For each of these main issues, a number of tangible projects have been initiated across government, including the work on a new national strategy for cyber and information security as well as the techplomacy initiative spearheaded by the Tech Ambassador.

The Danish Government expects to present the next foreign and security policy strategy, which will apply to the period of 2019-2020, in the autumn of 2018.

EU

As was the case in 2017, the most important issue on the EU agenda in 2018 will expectedly be the negotiations concerning the terms of the British withdrawal from the EU in March of 2019. The MFA is chairing the inter-ministerial working group tasked with the responsibility of mapping and coordinating the safeguarding of Danish interests in the negotiations. Discussions on the future of the cooperation within the EU is also expected to enter into the final phase in 2018, for which the central themes will be the specific focus for the EU-cooperation in the coming years as well as institutional issues, etc.. With respect to the negotiations on the future of the EU, Denmark will continue to work to keep results and the interests of citizens in focus. Negotiations on the next, multi-annual financial framework for the EU (expectedly 2021-2028) has also commenced, and discussions on this will intensify once the Commission presents its proposal in May of 2018.

The Council of Europe

On 15 November 2017, Denmark took over as chair of the Council of Europe Committee of Ministers. The chairmanship provides Denmark with a unique platform for creating visibility around Danish key issues and the opportunity to influence

the agenda within the Council of Europe's three main areas: human rights, rule of law in the future and democracy. Denmark has five priorities for the chairmanship: 1) The future European human rights system (the main priority), 2) Equal opportunities, 3) Inclusion of children and young people in democracy, 4) Shifting opinions and prejudices directed at people with disabilities and 5) Combating torture. The chairmanship is concluded with a meeting of foreign ministers on May 17-18 in Elsinore.

Ukraine and Russia

In 2018, Denmark will continue to work for a robust and joint EU-agreement in the sanctions policy towards Russia, in which it is imperative that the duration of the sanctions remain closely tied to compliance with the Minsk Agreement. Denmark will continue to engage Russia in areas that are of interest to Denmark, including in relation to maintaining the Arctic as a low-tension area.

Denmark will continue its support – bilaterally and through the EU – to the Ukraine reform process. It is of strategic importance to the EU and Denmark that Ukraine is successful in carrying out reforms. Denmark's support is directed at promoting human rights as well as strengthening sustainable and inclusive economic growth. Towards the end of 2017, the MFA approved a new five-year Neighbourhood Programme for Ukraine and Georgia of DKK 860 million. In addition, Denmark is leading the EU's anti-corruption programme in Ukraine, and come June 2018, the MFA will host a large international conference on the Ukrainian reform process.

Syria/Iraq/ISIL

In 2018, Denmark will continue to work for a political solution to the conflict in Syria through, among other things, diplomatic efforts, including via the EU and by providing support to the UN Special Representative. On Iraq, special emphasis will be on continuing the support for the Iraqi Government and its inclusive reform agenda, including with respect to national reconciliation. Comprehensive stabilisation efforts carried out in Syria and Iraq as part of the regional stabilisation programme will also constitute a main priority. At the same time, Denmark will be involved in the fight against ISIL and combating violent extremism through civil and military efforts. Finally, humanitarian efforts in Syria and the neighbouring countries will be expanded by involving Danish and international humanitarian partners. Special effort will be put into linking humanitarian efforts with long-term development efforts, including a strengthened collaboration with the World Bank and the EU as well as the initiation of a new phase of the Danish-led European development and protection programme in the Middle East.

Migration and neighbouring region efforts

The pressure on Europe from refugees and migrants will continue to be a key foreign policy issue in 2018. A number of EU and member states' efforts, including partnerships with African countries, began showing results in 2017 and must be consolidated and developed further in 2018. EU-work on this is being supplemented with targeted Danish initiatives to promote the readmission of rejected asylum seekers and other foreigners without legal residence in Denmark, including via the *quid pro quo*-agenda and the Ambassador-at-Large for Migration. Readmission will also be a key issue for Denmark in the negotiations on the Global Compact on Migration which will expectedly be passed by UN member countries in 2018.

In addition, Denmark will continue to advocate for mediating the fundamental causes of migration through the disbursement of the special migration funds and long-term development aid which focuses on providing a future for Africa's growing young populations in their own countries. The humanitarian budget stipulated in the Appropriations Act for 2018 is the largest one yet and will contribute to improving living conditions and prospects for the most vulnerable population groups in neighbouring regions.

Denmark's Development Cooperation and Humanitarian Action Strategy

The Government presented its Development Cooperation and Humanitarian Action Strategy, the World 2030 with the support of a wide section of political parties in the Danish parliament. Implementation of the strategy and its key areas will continue throughout 2018 – during which a P4G summit is planned for this autumn – and will build on the implementation efforts that commenced with the adoption of the Finance Appropriations Act. Initiatives in 2018 will include a strengthened effort for the inclusion of the private sector via the establishing of the Sustainable Development Goals Fund, significant increasing of the efforts in neighbouring regions struck by crises and conflicts, a comprehensive reorganising of the development aid channelled through Danish civil society to strategic partnerships as well as operationalising crosscutting focus areas such as the youth and technology.

Equal opportunities and human rights

The MFA will work to promote equal opportunities and women's rights in the national as well as international arena. Nationally, focus in 2018 will be on equal opportunities and negative social control in ethnic environments, combating sexual

harassment, promoting women in IT and management as well as the propensity of fathers to take paternity leave. In addition, an action plan for increased security, well-being and equal opportunities for LGBTI-persons will be compiled. Internationally, Denmark will continue its active work to promote equal opportunities and women's rights, including in the UN Human Rights Council and the UN Commission on the status of Women as well as in connection to the Danish chairmanship of the Council of Europe and conducting follow-up the UN Sustainable Development Goals.

The campaign for Danish membership of the UN Human Rights Council for the period of 2019-2021 will also be a main priority for the MFA in 2018, leading up to the vote on membership taking place during the UN General Assembly in October 2018. Membership of the Human Rights Council will provide Denmark with a prominent role in International discussions on key issues such as freedom of speech, freedom of the press, the protection of minorities and women's rights.

Export and investment promotion

In 2018, export and investment promotion efforts will focus on the implementation of the Government's new strategy for economic diplomacy. The serves as an umbrella strategy for the sector-specific export strategies within energy, environment and food as well as the upcoming strategy for life science and must be seen in connection to the Government's digital growth strategy. The strategy focuses on trade policy and free trade agreements, public authority cooperation, promotion of Danish trade strongholds based on the Sustainable Development Goals, efforts directed at small- and medium-sized businesses, attracting investments and innovation.

Free trade contributes to economic growth and prosperity in Denmark. Because of this, it is important the EU continues to lead an ambitious free trade policy focusing on entering into new trade agreements with third countries which would be beneficial for Danish businesses, wage earners and consumers alike. In 2018, special emphasis will be put on concluding a number of large free trade agreements with important trade partners. In a situation where free trade is increasingly subjected to scepticism, and the risk of protectionism has increased, Denmark will – as part of its trade policy - work actively to promote open markets and a rule-based international trade system rooted in the WTO.

Fisheries

In 2018, focus will be on implementing the agreement on initiatives to counter the concentration of quotas which the Government entered into with the support of all of the political parties in parliament in November 2017. The agreement strengthens oversight of businesses and ensures that individual quota ceilings are complied with. In addition, the international work will be prioritised, including Brexit and the quota negotiations.

Furthermore, follow-up on the National Audit Office's critique of the administration of the quota concentration will continue, including the work being put into integrating fisheries within the MFA.

2.5.3. Key organisational priorities

The MFA must be seen as an organisation that effectively delivers results of a high quality, which is open and has the ability to cooperate with partners, customers, stakeholders and citizens.

At the same time, the MFA must ensure an even stronger coordination of Denmark's foreign policy instruments in order to be able to safeguard Denmark's interests in the best possible way.

In 2017, the MFA adjusted its concept for corporate strategic governance with a view to ensure that the concept remains a useful, operational and lean framework that acts to support the MFA's ongoing work and strategic development. As part of the concept, a number of strategic priorities are defined on more than one management level. Senior Management has defined three general strategic priorities for the MFA's organisational development over a multi-annual period: (1) Agility; (2) Digitisation and; (3) Mobility.

For the strategic priorities, a total of eight underlying projects have been defined. These projects make the strategic priorities more concrete and are vital to the realisation of the priorities. The projects have a cross-cutting organisational focus and can be carried out within a relatively short time span (1-2 years). In 2017, Senior Management will revise the projects to determine whether there is a need to add, remove or alter any of the existing projects.

Additionally, each centre in the MFA defines 2-5 strategic priorities of their own (based on a strategy meeting with Senior Management) while embassies, consulates general etc. compile an action plan containing three strategic priorities each. Both the strategic priorities of the centres and representations cover one year and build on the Government's overall political objectives and priorities.

3. Financial review

The scope of accounting concerning the revenue and cost accounts comprises Section 06.11.01 The Danish Foreign Service and Section 06.11.05 Revenue from Consular Services.

3.1 Applied accounting procedures

- The MFA adheres to the general government accounting rules for cost-based accounts and cost-based appropriations with the following comments:
- In conformity with the agreement with the Ministry of Finance, properties and buildings acquired before 2005 are valued on the basis of the acquisition price. No revaluations are made regularly in relation to market developments. The value of installations is fixed at 10 percent of the value of the building.
- The threshold for activation of development projects is set at DKK 700.000
- Assets that fall under the grants/subsidies sphere are not included in the cost-based accounts.
- Once a year, the MFA sets an annual exchange rate per currency. Exempt from this practice are fees charged locally as well as billing of businesses in a different currency than DKK. With respect to the grant accounts, market exchange rates are applied in all respects. At any given point in time, therefore, there will be multiple exchange rates per currency in the accounts.

3.2 Profit and loss account, etc.

The MFA's profit and loss accounts for the years 2016 and 2017 along with the budget for 2018 are presented below in table 6.

Table 6. The MFA's profit and loss account 2015 - 2017 (DKK million)

Profit/loss as of 31.12.2017	Accounts 2016	Accounts 2017	Budget 2018
Ordinary operating revenue			
Appropriations booked as revenue			
Appropriations	-1,599.0	-1,566.2	-1,620.2
Amount spent of previous year's reserved appropriations	0.0	0.0	0.0
Amount reserved of current year's appropriations	0.0	0.0	0.0
Appropriations booked as revenue, total	-1,599.0	-1,566.2	-1,620.2
Sale of goods and services	-144.1		-87.6
External sale of goods and services	-119.0	-108.6	-116.5
Internal sale of goods and services		-12.9	
Fees		-121.8	
Grants for own operations	-8.3	0.0	-
Ordinary operating revenue, total	-1,870.4	-1,809.5	-1,824.3
Ordinary operating costs			
Consumption costs			
Rent	240.2	246.3	227.0
Consumption costs, total	240.2	246.3	227.0
Personnel costs*			
Salaries and wages	603.3	631.1	617.1
Pension	97.6	100.9	94.1
Reimbursement of pay	-105.7	-105.4	-125.3
Other personnel costs	3.0	9.5	16.0

Personnel costs, total	598.2	636.1	601.9
Depreciation and amortisation	122.4	98.6	81.5
Internal purchase of goods and services		36.9	
Other ordinary operating costs	960.0	1,024.1	1,100.7
Ordinary operating costs, total	1,920.8	2,042.0	1,929.7
Result of ordinary operations, total	50.4	232.5	105.4
Other operating entries			
Other operating revenue	-176.0	-307.7	-192.9
Other operating costs	13.5	8.6	0.0
Result before financial items, total	-112.1	-66.6	-87.5
Financial items			
Financial revenue	-1.4	-1.7	0.0
Financial costs	83.9	72.7	84.5
Financial items, total	82.5	71.0	84.5
Result before extraordinary items, total	-29.6	4.4	-3.0
Extraordinary items			
Extraordinary costs	0.0	0.0	0.0
Extraordinary revenue	0.0	0.0	0.0
Extraordinary items, total	0.0	0.0	0.0
Year-end profit/loss, total	-29.6	4.4	-3.0

Note: A positive (+) figure = expenditure, and a negative (-) figure = revenue/surplus. The appropriations and accounts figures were calculated prior to an adjusted provision for reserved appropriations.

* The MFA's personnel costs include salary related to commercial activities as well as subsidies for individuals and therefore exceed the salary expenditure under the payroll ceiling, cf. section 4.6, table 11.

Table 7 accounts for the MFA's distribution of year-end profit/loss for 2017.

Table 7. Distribution of year-end profit/loss (DKK million)

	2017
Year-end profit for transfer	4.4
Appropriated earned surplus	0.0
Transferred to dividends to Treasury	0.0
Transferred to carry-forward surplus	4.4

3.2.1 Explanation of reversed provisions and accrual items

The MFA's provisions are adjusted annually and were last adjusted as of 31.12.2017.

Provisions in 2017	DKK million
Holiday pay	109.5
Flex time	2.7
Overtime	0.3
Savings days	4.3
Severance pay for locally employed staff in the service abroad	30.0
Refurbishment of leased properties	62.7
Loss on debtors	0.2
Personnel adjustments	6.5

3.3 The balance sheet

The MFA's balance sheet for 2016 and 2017 is presented in table 8. Notes to the balance sheet can be found in section 4.1.1.

Table 8. The MFA's balance sheet (DKK million)

Balance as of 31.12.2017					
Assets	2016	2017	Liabilities	2016	2017
Fixed assets					
Intangible fixed assets			Equity		
Completed development projects	67.9	47.1	Adjusted equity	-32.8	-32.8
Acquired concessions, patents, licences, etc.	2.5	2.4	Carry-forward surplus	-306.2	-307.7
Development projects in progress	10.6	12.6	Equity, total	339.0	-340.4
Intangible fixed assets, total	81.0	62.1	Provisions	-106.5	-99.6
Tangible fixed assets			Long-term liabilities		
Land, space and buildings	1,430.7	1,411.2	Mortgage debt and other long-term debt	0.0	0.0
Transport equipment	25.3	30.9	FF4 Long-term debt	-1,676.5	-1,623.0
Plant and machinery	7.1	3.9	Long-term liabilities, total	1,676.5	-1,623.0
Fixtures and fittings, tools and IT-equipment	27.7	16.4	Short-term liabilities, total		
Work in progress at own cost	69.9	76.2	Supplier of goods and services	-83.0	-107.9
Tangible fixed assets, total	1,560.7	1,600.7	Other short-term debt	-18.4	-15.4
Financial fixed assets			Holiday pay due	-99.3	-109.5
Government bonds	32.8	32.8	Reserved appropriation		
Other financial fixed assets	0.0	0.0	Prepayments, liabilities	6.7*	-11.2
Financial fixed assets, total	32.8	32.8	Work in progress and liabilities	-82.6	-127.8
Fixed assets, total	1,674.5	1,633.5	Short-term liabilities, total	-276.6	-371.8
Current assets			Debt, total	-1,953.1	-1,994.8
Accounts receivable	164.8	195.2	Liabilities, total	2,398.6	-2,434.8
Prepayments and accrued revenue	109.5	104.2			
Cash and cash equivalents					
FF5 Non-interest-bearing account	77.9	227.1			
FF7 Financing account	184.0	71.8			
Other cash and cash equivalents	187.9	203.1			
Cash and cash equivalents, total	449.8	502.0			
Current assets, total	724.1	801.3			
Assets, total	2,398.6	2,434.8			

3.4 Explanation of equity

The MFA's equity totalled DKK 340.5 million at the end of 2017. Of this amount, the accumulated surplus carried forward totalled DKK 307.7 million, and the adjusted equity totalled DKK 32.8 million, cf. table 9.

The carry-forward surplus totalled DKK 306.2 million at the beginning of 2017, which together with the year-end result of DKK 4.4 million is increased to 307.7 million (after changes to the carry-forward surplus caused by account changes).

Table 9. Explanation of the MFA's equity 2017 (DKK million)

	R-1 2016 DKK million	R 2017 DKK million
Equity, year-beginning	-309.4	-339.0
Adjusted equity, opening balance	-32.8	-32.8
Changes in adjusted equity	0.0	0,0
Adjusted equity, closing balance	-32.8	-32.8
Revaluations, opening balance	0.0	0.0
Changes in revaluations	0.0	0.0
Revaluations, closing balance	0.0	0.0
Carry-forward surplus, opening balance	-276.6	-306.2
Changes in carry-forward surplus related to account changes*	0.0	-5.9
Existing carry-forward surplus appropriated	0.0	0.0
Year-end profit/loss	-29.6	4.4
Year-end profit/loss appropriated	0.0	0.0
Dividends to the State	0.0	0.0
Carry-forward surplus, closing balance	-306.2	-307.7
Equity, year-end	-339.0	-340.4

* Changes to the carry-forward surplus are related to the transfer of the Department for Equal Opportunities to the MFA.

3.5 Separate cash flow and borrowing limit

The MFA's operating appropriations fall under the scope of the separate cash flow scheme. The scheme is tailored to the special organisational conditions at the Missions of the Danish Foreign Service.

Table 10. Utilisation of the borrowing limit (DKK million)

	2017
Intangible and tangible fixed assets, total	1,662.8
Borrowing limit	2,527.4
Rate of utilisation in %	65.6%

3.6 Follow-up on the payroll ceiling

The MFA's payroll expenditure under the payroll ceiling totalled DKK 626.3 million in 2017 which meant an expenditure decrease of DKK 5.4 million in relation to the payroll ceiling of DKK 631.7 million. The total payroll saving subsequently amounted to DKK 52.5 million by the end of 2017, cf. table 11.

Table 11. Follow-up on payroll ceiling (DKK million)

	2017
Main account	§ 06.11.01
Payroll ceiling FL (Finance and Appropriation Act)	620.0
Payroll ceiling incl. TB (Supplementary Appropriation/Appropriation Notes)	631.7
Payroll expenditure under payroll ceiling	626.3
Difference	5.4
Accumulated saving, year-end 2016	47.1
Accumulated saving, year-end 2017	52.5

3.7 The appropriation accounts

The cost-based main accounts of the MFA are presented below in table 12.

Table 12. The MFA's administered cost-based main accounts (DKK million)

Main account	Type of appropriation	Revenue/expenditure	Appropriation	Accounts 2017
06.11.01 The Foreign Service	Other appropriation	Revenue	-410.2	-552.7
	Other appropriation	Expenditure	1,976.4	2,123.3
06.11.06 Interest revenues from diverse receivables	Other appropriation	Revenue	-10.0	-3.0
06.11.15 Non-statutory grants	Revenue appropriation	Expenditure	50.1	45.3
06.11.16 Promotion of gender equality	Revenue appropriation	Expenditure	18.3	16.7
06.11.19 The Bilateral Neighbourhood Program	Revenue appropriation	Expenditure	0.0	-4.1
06.11.21 Repayments from the Investment Fund for Central Europe (IO) and the Investment Fund for Developing Countries (IFU)	Other appropriation	Revenue	-125.0	-200.0
06.21.01 The Nordic Council of Ministers	Statutory	Expenditure	106.3	105.1
06.22.01 Peacekeeping operations, etc. under the UN	Statutory	Expenditure	334.9	276.2
06.22.03 Other organisations	Statutory	Expenditure	255.9	234.3
06.22.05 The European Investment Bank	Other appropriation	Revenue	-0.6	0.0
		Expenditure	0.5	0.0
06.32.01 Developing Countries in Africa	Revenue appropriation.	Expenditure	1,386.5	1,264.4
06.32.02 Developing Countries in Asia and Latin America	Revenue appropriation.	Expenditure	1,215.0	1,201.6
06.32.04 Personnel Assistance	Revenue appropriation.	Expenditure	232.0	232.4
06.32.05 Danida Business Programmes*	Revenue appropriation.	Expenditure	-27.8	-28.9
06.32.07 Loan assistance	Revenue appropriation.	Revenue	-84.6	-84.6
		Expenditure	15.9	15.9
06.32.08 Other assistance	Revenue appropriation.	Expenditure	630.5	609.2
06.32.09 The Danish-Arab Partnership Programme	Revenue appropriation.	Expenditure	203.5	203.4
06.32.11 The Neighbourhood Programme	Revenue appropriation.	Expenditure	149.3	149.2
06.33.01 Assistance through civil society organisations	Revenue appropriation.	Expenditure	668.2	667.7
06.34.01 Environment and climate assistance in developing countries, etc.	Revenue appropriation.	Expenditure	287.0	286.9
06.35.01 Research and information in Denmark, etc.	Revenue appropriation.	Expenditure	61.6	54.8
06.36.01 The UN Development Programme (UNDP)	Revenue appropriation.	Expenditure	503.2	503.1
06.36.02 The UN Children's Fund (UNICEF)	Revenue appropriation.	Expenditure	119.0	119.0
06.36.03 HIV/AIDS, Population and Health programmes	Revenue appropriation.	Expenditure	653.6	653.6
06.36.06 Other UN development programmes and various multilateral contributions (FNUD)	Revenue appropriation.	Expenditure	246.2	244.8
06.37.01 The World Bank Group**	Revenue appropriation.	Revenue	-1.2	-1.1
		Expenditure	1,290.9	1,290.1
06.37.02 Regional Development Banks	Revenue appropriation.	Expenditure	104.7	104.7
06.37.03 Regional Development Funds, debt relief initiatives and other funds	Revenue appropriation.	Expenditure	307.5	307.4
06.37.04 Assistance through the European Union (EU)	Other appropriation	Revenue	-10.4	126.5
		Expenditure	590.5	455.3
06.38.01 Mobilisation – financing investments	Revenue appropriation.	Expenditure	560.5	560.4
06.38.02 Framework conditions, knowledge and business opportunities	Revenue appropriation.	Expenditure	680.4	674.6
06.38.03 Various multilateral contributions	Revenue appropriation.	Expenditure	-0.2	-0.1
06.39.01 General contributions to international humanitarian organisations	Revenue appropriation.	Expenditure	605.4	605.4
06.39.02 Humanitarian contributions to acute and protracted crises	Revenue appropriation.	Expenditure	-3.9	-3.4
06.39.03 Humanitarian contributions to partners in acute and protracted crises	Revenue appropriation.	Expenditure	1,770.0	1,770.0
06.41.02 Trade Commissioners and trade office	Revenue appropriation.	Revenue	-23.3	-31.1

		Expenditure	70.6	86.3
06.41.03 Special export promotion grants	Revenue appropriation.	Expenditure	58.2	59.9

Note: A positive (+) figure = expenditure/deficit, and a negative (-) figure = revenue/surplus.

4. Annexes

4.1 Notes to the profit/loss account and the balance sheet

Extraordinary items

In 2017, the MFA had neither extraordinary revenue nor extraordinary expenditure.

Loss on receivables (Balance sheet)

In 2017, the MFA increased its provisions for loss on debtors from DKK 0.2 million against DKK 0.4 million in 2016. The realised recorded net loss for 2017 amounted to DKK 0.3 million, which is on the level of that in 2016.

Inventories (Balance sheet)

The MFA had no inventories for the purpose of sale.

Provisions (Balance sheet)

Please refer to section 3.2.1.

4.1.1 Notes to the balance sheet

Note 1. Intangible fixed assets (DKK million) – (discrepancies may occur due to rounding)

	Completed development projects	Acquired concessions, etc.	I alt
Cost price as of 1.1.2017	238.2	3.2	241.4
Opening balance adjustments and transfers between scopes of accounting	0.0	0.0	0.0
Acquisition	3.3	0.0	3.3
Disposal	-20.1	0.0	-20.1
Cost price as of 31.12.2017	221.4	3.2	224.6
Accumulated depreciation	-174.3	-0.8	-175.1
Accumulated amortisation	0.0	0.0	0.0
Accumulated depreciation and amortisation as of 31.12.2017	-174.3	-0.8	-175.1
Financial value as of 31.12.2017	47.1	2.4	49.5
Annual depreciation	-4.0	-0.1	-4.1
Annual amortisation	0.0	0.0	0.0
Annual depreciation and amortisation	-4.0	-0.1	-4.1

Development projects in progress

	DKK million
Opening balances as of 1 January 2017	10.61
Acquisition	6.96
Amortisation	0.00
Transferred to completed development projects	-4.96
Cost price as of 31.12.2017	12.61

Note 2. Tangible fixed assets (DKK million)

	Land, space and buildings	Infrastructure	Plant and machinery, etc.	Transport equipment	Fixture and fittings, tools and IT equipment	Total
Cost price as of 01.01 2017	1,767.2		29.9	76.1	166.8	2,040.0
Opening balance adjustments and transfers between scopes of accounting	0.0		0.0	0.0	0.0	0.0
Acquisition	40.2		1.0	18.5	5.2	64.8
Disposal	-21.9		-5.1	-6.1	-34.2	-67.3
Cost price as of 31.12.2017	1,785.5		25.8	88.5	137.7	2,037.5
Accumulated depreciation	-369.3		-21.8	-57.6	-120.1	-568.8
Accumulated amortisation	-4.9		0.0	0.0	-1.2	-6.2
Accumulated depreciation and amortisation	-374.3		-21.8	-57.6	-121.3	-575.0
Financial value as of 31.12.2017	1,411.2		3.9	30.9	16.4	1,462.4
Annual depreciation	-37.7		0.9	-6.9	17.2	-26.5
Annual amortisation	0.0		0.0	0.0	0.6	0.6
Annual depreciation and amortisation	-37.7		0.9	-6.9	17.8	-25.9

Work in progress at own cost

	Mio. kr.
Opening balance as of 1 January 2017	69.9
Acquisition	33.9
Amortisation	0.0

Transferred to completed tangible fixed assets	-27.7
Cost price as of 31.12.2017	76.2

4.2 Commercial activities

A statement of the commercial activities under the MFA Competence Centre (UMKC) is presented below in table 13.

Table 13. Commercial activities 2014-2017 (DKK million)

	2014	2015	2016	2017
Language training, year-end profit/loss ("–" sign = surplus)	-0.2	-0.3	1.2	-0.5
Language training, accumulated year-end profit/loss ("–" sign = surplus)	-4.2	-4.5	-3.3	-3.8

4.3 Fee-financed activities

A statement of fee-financed activities in the MFA under Section 06.11.05 is presented below in table 14. The legislative framework has been respected and observed.

Table 14. Fee revenue 2014-2017 (D)

	2014	2015	2016	2017
Fee - visa*	-67.7	-76.1	-85.1	-81.8
Fee – work and residence permits*				-7.8
Fee – passports and drivers licences	-16.2	-16.9	-17.2	-17.0
Fee – legalisation	-13.9	-14.0	-14.2	-14.9
Fee – assistance cases	-0.2	-0.1	-0.1	-0.3
Other fee revenue**	-2.2	-3.2	-2.3	
I alt	-100.2	-110.3	-118.9	-121.8

* In 2017, a change was to the structure of the statement of the fee-financed activities. Due to this, statistics for fees for visa and fees for work and residence permits must be viewed together.

** In 2017, other fee revenue has been moved to "Fee – passports and drivers licences" as well as "Fee – legalisation".

4.4 Grant-financed activities

A statement of the grant-financed activities in the MFA is presented below in table 15.

Table 15. Grant-finances activities

	Carry-forward surplus previous year	Grant 2017	Expenditure 2017	Year-end profit carried forward
Multi-donor-financed regions of Origin Programme in Jordan, Lebanon and Iraq	70.6	124.7	99.5	95.8
Multi-donor-finances anti-corruption programme in Ukraine	0.0	33.5	20.9	12.6
The Lundbeck Fund's "Bay Area Clinical & Translational Research Scholarship Program 2017-2020"	0.0	9.8	1.6	8.2
Total	70.6	168.0	122.0	116.6

4.5 Presented investments

It is noted that the MFA did not complete any capital projects in 2017.

A statement of the capital projects currently in progress is presented below in table 16.

Table 16. Capital projects in progress (DKK million)

Capital projects in progress	Most recently presented	Commencement of construction	Expected completion	Incurred expenditure, total	Incurred expenditure, current year	Approved total expenditure
Embassy building Dhaka*	2005			0.2	0.0	DKK 7,0, cf. Appropriation Note 178, 2005

Embassy and residences, New Delhi land rights**	2008	2016	2018	136.0		DKK 136,0 cf. Appropriation Note 48, 2008
Embassy and residences, New Delhi***	2016	2016	2018	61.6	31.0	xx, cf. Confidential Appropriation Note A, 2016
New York, conversion	2017	2017	2018	1.5	1.5	31,9, cf. Appropriation Note 20, 2017

*As a result of the decision regarding a joint Nordic location in a leased property (established in 2015), initial steps have been taken towards selling the land obtained through Appropriation Note 178, 2005.

**The cost incurred by the acquisition of land rights amounts to DKK 136 million and was defrayed in 2010.

***Start of engineering design activity (EDA) incl. EU procurement in 2010. Commencement of construction originally announced for 2012 but has been changed to 2016.

4.6 Overview – Priorities and goals

The MFA's strategic priorities in 2017	Goal attainment divided as follows: A= Attained B= Partially attained C= Not attained			
	Total goal attainment	Attained success criteria	Partially attained success criteria	Unattained success criteria
1. Strengthening of the visa area	B	2	1	-
2. The MFA's digital platforms	B	1	2	-
3. Strengthening communication on social media	B	3	1	-
4. Improved communication with citizens about preventing and managing crisis situations	C	1	1	1
5. Presidency of the OECD Council of Ministers	B	4	1	-
6. Attracting more investments to Denmark	C	1	1	1
7. A new strategic framework for the internationalisation of Danish businesses	A	3	-	-
8. The Arctic	A	4	-	-
9. Russia and Ukraine	B	3	1	-
10. Promotion of Denmark's core interests in the EU	B	3	1	-
11. USA	A	3	-	-
12. NATO	A	1	-	-
13. Security, combining efforts and stabilisation	A	4	-	-
14. Strategic partnerships, alliances and economic cooperation	A	3	2	-
15. Implementing the strategy for development cooperation and humanitarian action	A	3	-	-
16. Strengthening the IFU as a key development finance institution in Danish development policy	C	1	1	1
17. Rethinking Global Green Growth Forum	A	3	-	-
18. Chairmanship of the Council of Europe	A	4	-	-
19. Campaign for the election of Denmark to the UN Human Rights Council	B	2	1	-
20. Good administration and case management	B	2	1	-
Total	-	51	14	3

4.7 Denmark's missions

