



A
N
N
U
A
L

R
E
P
O
R
T 2018

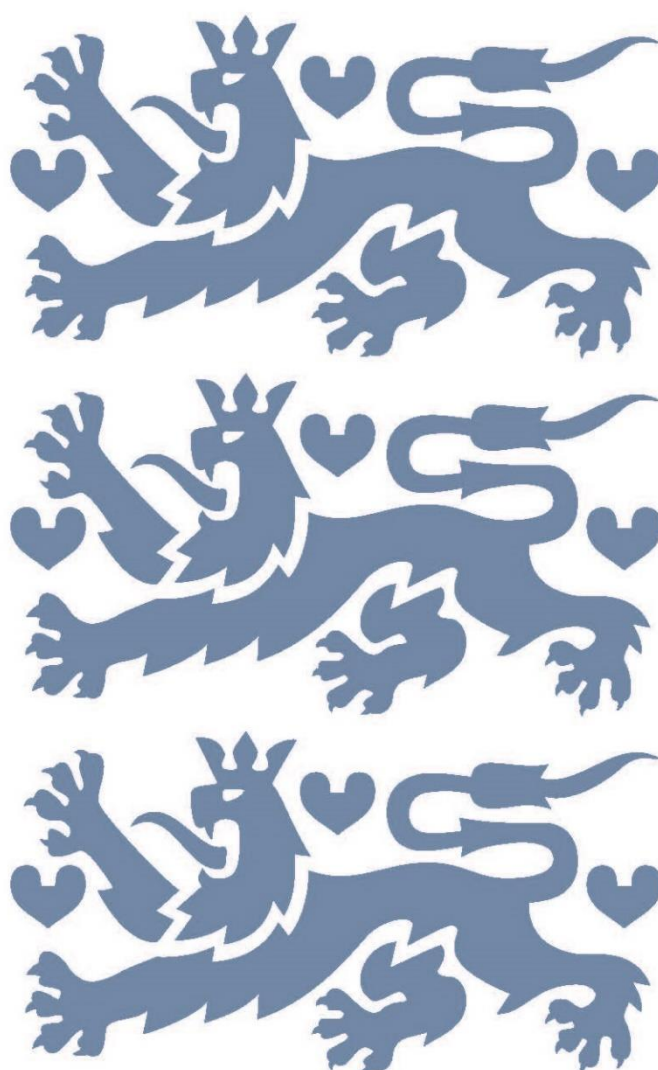


Table of Contents

INTRODUCTION	2
1. MANAGEMENT STATEMENT ON THE OVERALL ACCOUNTS	3
2. OPERATIONS REVIEW	4
2.1 Presentation of the business activities	4
2.1.1 Primary functions	4
2.1.2 Organisation	4
2.2 Management report	5
2.2.1 The operational results in 2018	5
2.2.2 The financial result in 2018	5
2.3 Primary functions and resources	8
2.4 Performance reporting	8
2.4.1 Performance reporting – Part 2: In-depth analyses and assessments	10
2.5 Expectations for the coming year	21
2.5.1. The budget framework and its significance for the coming year	21
2.5.2. Main political priorities	22
2.5.3. Key organisational priorities	24
3. Financial review	26
3.1 Applied accounting procedures	26
3.2 Profit and loss account, etc.	26
3.2.1 Explanation of reversed provisions and accrual items	27
3.3 The balance sheet	28
3.4 Explanation of equity	28
3.5 Separate cash flow and borrowing limit	29
3.6 Follow-up on the payroll ceiling	29
3.7 The appropriation accounts	29
4. Annexes	31
4.1 Notes to the profit/loss account and the balance sheet	31
4.1.1 Notes to the balance sheet	32
4.2 Commercial activities	33
4.3 Fee-financed activities	33
4.4 Grant-financed activities	33
4.5 Presented investments	33
4.6 IT costs	34
4.7 Overview – Priorities and goals	34
4.8 Denmark's missions	36

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 2018. 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 34 strategic priorities for the MFA in the past year¹. These core tasks constitute a central part of the performance management in the MFA in 2018.

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 2018, a total of 37 strategic priorities were formulated in the MFA. Three of these priorities are, however, left out of the performance reporting section of the annual report seeing as these have an internal character.

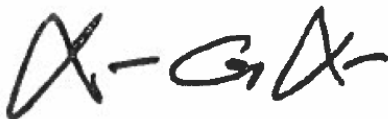
1. MANAGEMENT STATEMENT ON THE OVERALL ACCOUNTS

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 2018. 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, 15 March 2018.



Lars Gert Lose
*Permanent Secretary of State, Ministry of Foreign
Affairs of Denmark*



Niels Boel Abrahamsen
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 policies on equal opportunity and fisheries.

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 six general main areas: General foreign policy, Administration of development assistance, Export and investment promotion, Consular services, Equality and Fisheries. It is noted that fisheries, which was transferred to the Ministry of Foreign Affairs in 2017, cf. Royal Decree of 7 August 2017, is not included in this report in so far as §06.5. Danish Fisheries Agency is concerned. A separate annual report regarding this part of the appropriation is prepared by the Danish Fisheries Agency.

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 2018, the entire organisation had 2,728 employees, of whom 886 were located at the Ministry in Copenhagen and 1,767 were located at the Missions. Of the 1,767 employees based abroad, 1,419 were locally employed staff, cf. table 0. 75 employees are Special Attachés that are Posted but not employed by the MFA.

Tabel 0 – Staff in the Ministry of Foreign Affairs

Number of staff in the Ministry of Foreign Affairs (persons end of 2018)	Home Service	Foreign Service
Employees in Copenhagen	703	
Department of Fisheries*	31	
Department of Equal Opportunities**	18	
Students, Office Clerks, Inclusive Labour Market	134	
Posted MFA Staff		348
Locally Employed Staff		1,419
Total Number of Employees in the MFA	886	1,767
Special Attachés (Posted but not employed in the MFA)		75
Total Number of Staff in the MFA		2,728

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 2018, Denmark had 68 embassies, as well as 35 other Missions, including 6 Multilateral Missions, 16 consulates general, 2 consulates, 3 trade offices and 8 innovation centres. Denmark also had over 400 honorary missions associated with a primary embassy.

The Ministry in Copenhagen is organised according to a central structure with seven centres and two departments. 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 2018

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 34 strategic priorities defined at the level of centres in the Ministry.

2.2.2 The financial result in 2018

The MFA annual report 2018 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 2018 shows a deficit of DKK 173.1 million, cf. table 1. The deficit is caused by a delay in the sale of a building site in Dhaka. Consequently, an accumulated surplus of DKK 129.2 million has been carried forward to 2019, cf. table 8.

The MFA's payroll expenditure under the payroll ceiling totalled DKK 692.9 million in 2018. When the expenditure is compared with the payroll ceiling of DKK 703.6 million stipulated in the Finance and Appropriation Act for 2018 (incl. supplementary appropriations), the decreased expenditure totalled DKK 10.7 million. As a result, an accumulated payroll saving of DKK 54.8 million has been carried forward to 2019, cf. table 11.

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

Profit/Loss Account – Main Figures	2016	2017	2018
Operating and other operation revenue, total	-1,870.4	-1,809.5	-1,826.8
Ordinary operating costs, total	1,920.8	2,042.0	2,104.8
Result of ordinary operations total	50.4	232.5	278.0
Result before financial items	-112.6	-66.6	85.0
Year-end profit/loss	-29.6	4.4*	173.1
Balance	2016	2017	2018
Fixed assets	1,641.7	1,600.7	1,673.7
Current assets	274.3	299.4	298.4
Equity**	-339.0	-340.5	-167.4
Long-term liabilities	-1,676.4	-1,623.0	-1,658.5
Short-term liabilities	-276.7	-371.8	-406.2
Financial key figures (mandatory)	2016	2017	2018
Rate of utilisation of borrowing limit	65.0 %	63.0 %	66.2%
Appropriation proportion	85.5 %	86.6 %	85.1 %
Personnel information	2016	2017	2018
Full-time equivalents***			1,214.3
Full-time equivalent cost (DKK thousand)			580.8

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

* The year-end profit/loss for 2017 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 Foreign Service	Expenditure	2,098.4	-16.6	2,081.8	2,199.4	129.2
	Revenue	-365.0	-163.0	-528.0	-472.5	
Administrative arrangements						
Main account	(DKK million)	FL	TB	Total appropriation for the year	Accounts	Accumulated carry-forward, year-end
Total	Expenditure	13,750.8	474.0	14,224.8	13,987.1	206.1
	Revenue	-211.0	0.0	-211.0	-178.5	
06.11.06. Interest revenues from diverse receivables	Revenue	-4.0	0.0	-4.0	-8.9	0.0
06.11.13 Danish Institute for Human Rights	Expenditure	38.9	0.0	38.9	38.9	9.8
06.11.14 Danish Institute for International Studies	Expenditure	25.0	0.0	25.0	25.0	4.1

06.11.15. Non-statutory grants	Expenditure	37.4	-0.8	36.6	32.8	25.7
06.11.16. Promotion of gender equality	Expenditure	18.5	-1.1	17.4	18.1	9.8
06.11.19. The Bilateral Neighbourhood Program	Expenditure	0.0	0.0	0.0	0.0	20.9
06.11.21. Repayments from the Investment Fund for Central Europe (IO) and the Investment Fund for Development (IFU)	Revenue	-110.0	0.0	-110.0	-85.0	0.0
06.21.01. The Nordic Council of Ministers	Expenditure	118.2	0.0	118.2	118.1	0.0
06.22.01. Peacekeeping operations	Expenditure	244.7	0.0	244.7	249.4	0.0
06.22.03. Other organisations	Expenditure	267.6	0.0	267.6	226.1	0.0
06.22.05. The European Investment Bank	Expenditure	0.5	0.0	0.5	0.0	0.0
06.31.79. Reserves and budget adjustments	Expenditure	289.8	-289.8	0.0	0.0	0.0
06.32.01. Developing countries in Africa	Expenditure	1,713.2	-184.2	1,529.0	1,489.5	1.4
06.32.02. Developing countries in Asia and Latin America	Expenditure	490.0	213.9	703.9	679.2	14.0
06.32.04. Personnel assistance and cooperation with public authorities	Expenditure	276.9	-44.6	232.3	231.6	7.0
06.32.05. Danida Business Programmes	Expenditure	0.0	-16.0	-16.0	-19.9	1.0
06.32.07. Loan assistance	Expenditure	19.4	84.6	104.0	19.4	0.7
	Revenue	-85.2	0.0	-85.2	-83.4	
06.32.08. Other assistance	Expenditure	727.4	11.0	738.4	723.8	12.3
06.32.09. The Danish-Arab Partnership Programme	Expenditure	200.0	-10.7	189.3	189.3	5.8
06.32.10. Transitional assistance to the West Balkans	Expenditure	450.0	59.6	509.6	509.5	0.1
06.32.11. The Neighbourhood Programme	Expenditure	160.0	-8.8	151.2	150.2	34.5
06.33.01. Assistance through civil society organisations	Expenditure	935.0	1.3	936.3	933.8	0.0
06.34.01. Environment and climate assistance in developing countries	Expenditure	544.0	288.8	832.8	832.8	1.9
06.35.01. Research and information in Denmark, etc.	Expenditure	55.0	-6.3	48.7	48.4	5.4
06.35.02. International development research	Expenditure	0.0	0.0	0.0	-0.3	0.3
06.36.01. The UN Development Programme (UNDP)	Expenditure	395.0	-31.7	363.3	363.7	2.8
06.36.02. The UN Children's Fund (UNICEF)	Expenditure	125.0	0.0	125.0	125.0	0.1
06.36.03. HIV/AIDS, Population and Health	Expenditure	813.0	98.1	911.1	911.1	0.1
06.36.05. Global environmental programmes	Expenditure	0.0	0.0	0.0	0.0	0.1
06.36.06. Other UN development programmes and various multilateral contribution	Expenditure	159.0	185.5	344.5	344.8	14.7
06.37.01. The World Bank Group	Expenditure	823.0	158.4	981.4	983.9	4.6
	Revenue	-1.2	0.0	-1.2	-1.1	
06.37.02. Regional development banks	Expenditure	100.0	-5.7	94.3	94.2	0.1
06.37.03. Development funds, etc.	Expenditure	222.0	0.0	222.0	221.9	5.8
06.37.04. Assistance through the European Union (EU)	Expenditure	710.0	-38.5	671.5	655.2	9.6
	Revenue	-10.0	0.0	-10.0	0.0	
06.38.01. Mobilisation – financing investments	Expenditure	345.0	0.0	345.0	344.9	0.2
06.38.02. Framework conditions, knowledge and business opportunities	Expenditure	888.5	-44.7	843.8	840.7	8.9
06.38.03. Various multilateral contributions	Expenditure	0.0	0.0	0.0	-0.1	0.4
06.39.01. Humanitarian organisations	Expenditure	625.0	2.2	627.2	627.2	0.0
06.39.02. Humanitarian contributions, crises	Expenditure	0.0	-11.4	-11.4	-16.5	3.2
06.39.03. Humanitarian contributions, partners	Expenditure	1,875.0	64.9	1,939.9	1,939.5	0.5

06.41.02. Trade commissioners and trade office	Expenditure	0.0	0.0	0.0	0.0	0.2
06.41.03. Special export promotion grants	Expenditure	58.8	0.0	58.8	56.0	2.9

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 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 (DKK million)

	Appropriations booked as revenue	Other revenue	Expenditure	Proportion of year profit
0. General management and administration	-659.0	-344.0	932.8	-70.2
1. General foreign policy	-305.8	-0.3	432.9	108.1
2. Administration of development assistance	-147.3	-0.2	208.5	65.7
3. Export and investment promotion	-247.6	-64.0	350.4	46.7
4. Consular services	-169.2	-64.0	239.5	11.6
5. Equality	-9.1	0.0	12.9	4.1
6. Fisheries	-15.8	0.0	22.3	7.0
Total	-1,553.8	-472.5	2,199.4	173.1

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

Note: The expenditure on "General management and administration" 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 on "General management and administration" 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".

Note: A registration error has been made concerning revenue account 223674. The error has resulted in DKK 79.1 million being wrongly registered on "General management and administration" and not on other primary functions. The error is corrected in table 3, which thus deviates from the accounts where the expenditure registered on "General management and administration" is DKK 1,009.2 million.

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 2018 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 service. These strategic priorities are subject to the performance reporting in this annual report.

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 2018, emphasis was placed on formulating a few, selected priorities that were deemed strategically important for the overall performance of the MFA. In total, 34 strategic priorities were formulated in 2018. For each priority, one or more success criteria were formulated.

Table 4 provides a summary of the overall level of goal attainment for the 34 strategic priorities in 2018. 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 4.7.

As shown in table 4, 14 out of 34 strategic priorities were deemed attained (A), whilst 19 priorities were deemed partially attained (B). Finally, one priority was deemed not attained (C) in 2018.

On this basis, the MFA's overall goal attainment for 2018 is deemed satisfactory.

Table 4. Goal attainment 2018

The MFA's strategic priorities in 2018	Goal attainment divided as follows: A= Attained B= Partially attained C= Not attained
	Total goal attainment
1. NATO and European security	B
2. Security, combining efforts and stabilisation	A
3. Strategic partnerships, alliances and economic cooperation	B
4. Migration and readmission	A
5. Engagement of the private sector in the development cooperation	B
6. Implementation of The World 2030's focus on young people, women and gender equality	B
7. Strengthened efforts in the area of tax and anti-corruption in the development cooperation	A
8. The focus of the Foreign and Security Policy Strategy and The World 2030 on new technological opportunities and innovation through the development cooperation	B
9. Statement/Perspective and Action Plan 2018	B
10. Promotion of well-being, safety and equal opportunities for LGBTI persons.	B
11. Focus on social control and a lack of gender equality in ethnic minority communities	A
12. Input about new initiatives in the area of violence	B
13. Implementation of the agreement of 16 November 2017 on action against quota concentration in Danish fisheries	A
14. Restoration of the administration of fisheries	A
15. Brexit-negotiations on fisheries	A
16. Promotion of Denmark's core interests in the EU	A
17. Maintain a strong engagement in Ukraine and handle a challenging relationship to Russia	B
18. The Arctic	A
19. USA	B
20. Election into UN Human Rights Council and strengthening of Danish visibility in the field of human rights	B
21. Successful completion of the Danish chairmanship of the Committee of Ministers of the Council of Europe	A
22. Completion of project on the General Data Protection Regulation	B
23. Visible and positive launch of the Government's new initiative in the area of freedom of religion and belief	B
24. Effective handling of the increasing volume of cases in the visa and passport area	B
25. Quality and commitment on social media as well as partnerships and networks in the communication of the MFA	A
26. Improved communication with citizens about the prevention and management of crisis situations	C
27. Upgrading and streamlining of IT platforms	B
28. Prepare the embassies for a better handling of emergencies with aspects of consular services	A
29. Reform of the posting allowance (<i>udetillæg</i>) - approval and implementation	B
30. Operational savings	B
31. More free trade for the benefit of Danish businesses	A
32. Digitisation in the Trade Council	B

33. A strengthening of the GPA-efforts	B
34. Focus on knowledge and technology-intensive projects within investment promotion and innovation	A

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 34 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: NATO and European security

Maintaining Denmark's position as a core ally, including contributing 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 will 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 1** is classified as B (partially attained).

The NATO summit in July 2018 had a dramatic course of events and was marked by strong announcements made by the American president, especially regarding burden sharing. Nevertheless, an agreement on a strong declaration text was reached, a text that emphasized alliance unity and included all the important Danish priorities, including the relationship to Russia and the dialogue track, Baltic security, NATO-EU, the north Atlantic, stabilisation and counter-terrorism.

28 January 2019, the Government and the other signatory parties to the Defense Agreement (S, DF and RV) entered into a supplementary agreement to the Defence Agreement 2018-2023, which is expected to increase the defense budget to 1.5 per cent of the GDP in 2023 and thus constitutes an important contribution to countering the aggravating threat scenario.

Denmark has made significant contributions to NATO's defence- and deterrence profile, e.g. through the contribution of 200 men to NATO's presence in Poland and the Baltic region, with the flagship to NATO's northern group of frigates in 2018, as well as air-policing in both the Baltic region and Iceland. Furthermore, the significant Danish contribution to the Resolute Support Mission in Afghanistan continued. The Minister for Foreign Affairs and the Minister for Development Cooperation both visited Kabul in 2018 to discuss the Danish contribution to peace, development and stability and to strengthen cooperation on readmission of rejected asylum seekers.

Denmark continued to contribute to UN operations in Mali, South Sudan and the Middle East and delivered requested military contributions to the fight of the coalition against ISIL in Iraq and Syria. Furthermore, Denmark has strengthened the protection of Danish interests within the EU Common Security and Defence Policy (CSDP).

Priority 2: Security, cohesion and stabilisation

To maintain Danish contributions to international military operations, civilian efforts against terrorism, promotion of cyber security as well as stabilisation and rebuilding efforts in conflict-stricken and fragile states through combined efforts. The purpose is i.a. to contribute to stability and atonement, and through this to counteract irregular migration and the terror threat to Denmark.

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

Since 2013, Denmark has had a Special Envoy to the Syrian Opposition, who has actively contributed to the negotiations for a political solution to the conflict in Syria. In addition, during the UN General Assembly 2018, Denmark hosted a high-level meeting about the Syria crisis, and through the stabilisation programme, Denmark has supported the UN Special Envoy for Syria, the White Helmets as well as the UN security sector reform programme in Iraq in collaboration with the Danish National Police. Finally, the MFA has, in collaboration with the Ministry of Defence, contributed to Denmark's delivery of requested military contributions to the fight of the coalition against ISIL in Iraq and Syria as well as the NATO training mission in Iraq.

Agreement was reached on strengthening the diplomatic relations to Libya through an accreditation of the Special Representative for Sahel and the Maghreb as ambassador to Libya. A new Danish contribution of DKK 6.4 million from the Peace and Stabilisation Fund for the local elections in Libya 2018-2019 was approved as well.

Greater priority has been given to the cyber diplomacy of the MFA. Denmark has actively participated in the implementation of the EU cyber-security package and the integration of cyber as an independent domain in NATO. In addition, the

cooperation with like-minded countries on countering of cyber threats and response to specific cyber-attacks has been strengthened.

Furthermore, Denmark has launched a peace and stabilisation programme for the Sahel region and the Horn of Africa and contributed to the work on maritime security in Africa.

Priority 3: Strategic partnerships, alliances and economic cooperation

New special allocation funds have been set aside for the work on strategic partnerships and initiatives strengthening all five existing partnerships as well as initiatives that support the establishment of a limited number of new partnerships.

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

In 2018, the MFA has worked on creating progress and further develop the five Danish strategic partnerships as well as the establishment of a limited number of new partnerships with a focus on India and South Africa.

A situation report on the joint working program with China was prepared. This showed a considerable level of activity, including visits to China for both the Minister for Foreign Affairs, the Minister for Development Cooperation and the permanent secretary. The expected Chinese state visit, however, was not completed in 2018. Momentum in the strategic partnership with Japan was maintained in 2018 with three Danish ministerial visits to Japan and two Japanese ministerial visits in Denmark. In addition, a joint mid-term evaluation of the action plan with South Korea was carried out, and the implementation of the action plan with Indonesia has gotten off to a positive start. The Mexican participation in the IACC was used for political meetings with Mexican representatives. In relation to the work on new partnerships, considerable progress was made in the bilateral relations with both India and South Africa in 2018.

As a follow-up to the AU-EU Summit in Abidjan in November 2017, a Memorandum of Understanding between the AU and the EU was signed in May 2018, which intends to further strengthen cooperation in the areas of peace, security and good governance. Finally, the Danish-Arab Partnership Programme has been a key instrument for maintaining and building partnerships between Danish civil society organisations and civil society organisations in Egypt, Jordan, Morocco and Tunisia.

Priority 4: Migration and readmission

A significant and visible Danish contribution is made to the managing of global migration challenges and to promoting repatriation of foreign citizens without legal residence in Denmark.

The overall goal attainment for **priority 4** is classified as A (attained).

Denmark has participated actively in the negotiations on Global Compact on Migration (GCM) as well as Global Compact on Refugees (GCR) with satisfactory results in both cases. GCM recognizes the obligation of states to readmit their own citizens, which was a Danish priority.

The DKK 50 million that was allocated for migration efforts on the Finance Appropriations Act 2018 has been put into projects of strategic relevance for Denmark. A special effort has been made to influence the approach of the EU to migration management through the introduction of a Danish non-paper on migration to the EU budget negotiations for 2021-2027, which has been followed by persistent focus in the negotiations to ensure that migration measures are secured the necessary funds in the EU.

The DKK 75 million that was allocated on the Finance Appropriations Act 2018 to support the work on repatriation was implemented with project agreements in eight countries and has, together with an intensified dialogue, contributed to making it possible to repatriate to even more countries. Specifically, in its categorization of the cooperation, the National Police has estimated that in 2018 cooperation was improved with Ethiopia, Kenya, Nigeria, Bangladesh and Sri Lanka. The possibilities of offering reintegration support to rejected asylum seekers who choose to travel home voluntarily were expanded to include more countries, which led to a six-fold increase in the number of refugees who chose to leave the country with reintegration support (from 31 people in 2017 to 200 in 2018).

Priority 5: Engagement of the private sector in the development cooperation

The Sustainable Development Goals are indicating a paradigm shift in the development cooperation. The UN estimates funding needs of \$ 3.3-4.5 trillion per year to achieve the Sustainable Development Goals. It is impossible to cover these needs through state funded aid. Therefore, it is crucial to engage and collaborate with the private sector, which possesses important knowledge, technology and capital.

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

19-20 October 2018, Denmark hosted the P4G summit in Copenhagen. The summit had more than 800 international participants, including heads of state and government from Ethiopia, South Korea, Vietnam and the Netherlands, foreign ministers from Bangladesh, South Korea and Japan, several departmental ministers and private sector CEOs and investors. In addition, there was strong representation from civil society and the research community. The summit is considered to have created an actual value for Danish actors. In 2018, the P4G Partnership Fund supported 17 public-private partnerships that can accelerate sustainable solutions in agriculture and food, water, energy, cities and circular economy. Of the 17 partnerships, six had Danish participation.

The MFA has contributed to the preparation of a new Economic Diplomacy Strategy, especially in relation to the UN Sustainable Development Goals. The MFA has also had an extended dialogue with Danish companies on the Sustainable Development Goals and business opportunities with a view to the participation of Danish actors in market-driven partnerships such as P4G and Danida Market Development Partnerships.

The Danish report "Better Business Better World" is ready to be launched in January 2019. The work on the report has included a comprehensive mapping of national priorities regarding the Sustainable Development Goals within Danish positions of strength in a number of developing and transition countries as well as a survey of a number of Danish companies about their understanding of and strategic use of the Sustainable Development Goals in their business.

In June, the Government - together with the Investment Fund for Developing Countries - launched the SDG Investment Fund, which will mobilize private investment in projects that contribute to the achievement of the UN Sustainable Development Goals. So far, DKK 4.1 billion have been mobilized, of which private investors contribute 60 per cent.

Priority 6: Implementation of The World 2030's focus on young people, women and gender equality

Denmark's strategy for development cooperation and humanitarian action "The World 2030" focusses, among other things, on young people, women and gender equality. This focus must be implemented in strategically selected, innovative initiatives within the normative work as well as concrete development and implementation of multilateral and bilateral initiatives at country level.

The overall goal attainment for **priority 6** is classified as B (partially attained).

The world 2030's focus on young people, women and gender equality has been successfully implemented in a number of initiatives and grants with a focus on implementation at country level, including an international conference in Copenhagen with participation of the UN Youth Envoy. In addition, the EU-AU summit focused on young people and the launch of the UN Youth Strategy with support from Denmark. In the areas of equal opportunities, women's and girls' rights, there has been a particular focus on sexual and reproductive health and rights (SRSR), including through a co-hosting of the "SheDecides" conference and active participation in multilateral negotiations. However, there is still room for improvement when it comes to bringing attention to this topic and the balance regarding SRSR.

In 2018, efforts were made through annual negotiations and ongoing dialogue to promote humanitarian partners' prioritization of SRSR in humanitarian crises, among other things by organizing a seminar for Danish strategic partners on SRSR in humanitarian crises to enhance their level of knowledge and exchange experiences. The pilot project with cooperation between UNFPA and Ethiopia was implemented and the experience led to the creation of a pool of DKK 60 million to the World Food Programme (WFP) to strengthen WFP's partnerships with organisations working for the protection and rights of girls and women.

In collaboration with IAWG (global network group for organizations that are active in SRSR), a 3-day research seminar was held in Copenhagen with participants from relevant UN organisations and INGOs to identify in which areas there is a need for research in order to strengthen the humanitarian SRSR efforts.

Priority 7: Strengthened efforts in the area of tax and anti-corruption in the development cooperation

In 2018, Danish efforts in the area of tax and anti-corruption in development cooperation will be strengthened. Developing fair and efficient tax systems (including combating tax evasion and corruption) are important elements in the ability of developing countries to plan, finance and carry out their own development and thus their ability to achieve the Sustainable Development Goals.

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

IACC proceeded according to plan and the number of participants exceeded expectations. The high-level segment on the first day of the conference was successful and has subsequently generated positive feedback from the high-level participants. The MFA facilitated an inter-ministerial process, which resulted in a joint Danish statement on national anti-corruption initiatives. A number of other countries and organisations that participated in the high-level segment presented similar statements, which together with the high-level segment's joint statement reinforce the political support behind the global fight against corruption. With this effort, Denmark has put itself at the forefront in the international field of anti-corruption.

In June, the Minister for Development Cooperation approved a contribution of DKK 20 million to the IMF Revenue Mobilization Thematic Fund (RMTF) and in November a contribution to the World Bank Global Tax Program (GTP) of DKK 15 million. The IMF has a focus on technical assistance and has established two tax authority education centres in East and West Africa, respectively, and the World Bank programme allocates most resources to activities at country level.

In connection with the World Bank Spring Meeting in April, the Minister for Taxation signed a "Memorandum of Understanding" with the IMF on a strategic collaboration. The agreement was an offshoot of the Minister's journey to Ghana and the Danish contribution to the IMF Revenue Mobilization Thematic Fund. The agreement covers short-term secondment of Danish tax expertise to selected areas of tax administration.

Priority 8: The focus of The Foreign and Security Policy Strategy and The World 2030 on new technological opportunities and innovation through the development cooperation

Digitization and technological innovation for the benefit of developing countries is implemented as a crosscutting priority in Denmark's development cooperation.

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

A number of initiatives have been initiated in the TechVelopment area in 2018. There has been a focus on improving the opportunities for especially women and girls to enter into a labour market influenced by technology. Specifically, collaborative agreements have been made with UN Women and the African Union on strengthening the technological skill-set of girls and supporting the opportunities for vulnerable girls to get an education in technology in Kenya. In addition, major partnerships have been entered into with e.g. the World Bank Digital Development Partnership focusing on pilot projects in relation to the use of drones in the infrastructure of Tanzania.

A strategic framework for the use of technology in the Danish development cooperation has been formulated and communicated. In addition, Denmark has been represented in a number of international forums, including at ministerial level, where the primary focus has been on the use of technology in achieving the Sustainable Development Goals. Technology was the primary focus on the IACC in October 2018, where the Minister for Development Cooperation launched the "Code to integrity" report on the use of technology in the fight against corruption. In addition, the MFA's TECH unit was invited to be the keynote speaker at the UNDP innovation conference in Istanbul.

Interdisciplinary cooperation within TechVelopment has been initiated in the MFA. The focus has taken a shift from the initiation of individual projects onto integration into existing and new major initiatives. Specifically, the country program in Tanzania has incorporated a concrete initiative focusing on technology, which is reflected in FFL 2019. It remains to be seen that technology is consistently incorporated in the programming of all major efforts related to the implementation of the development policy.

Priority 9: Statement/Perspective and Action Plan 2018

Statement/Perspective and Action Plan (PH-plan) is submitted to the Danish Parliament every year before 1 March. The PH-plan describes the Government's areas of priority, concrete initiatives and strategic guidelines for the equal opportunities policy in the coming year. The Ministry of Foreign Affairs is in 2018 responsible for approx. 30 specific initiatives.

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

The Perspective and Action Plan brings together the Government's efforts in the area of equal opportunities and contributes to making the overall equal opportunities effort and facts about challenges within equal opportunities in Denmark visible. All efforts and initiatives across ministries are either implemented or in progress, except for one. A number of activities run for several years, including the efforts to promote fathers' use of leave, women in management and the fight against human trafficking, violence in close relationships and social control in ethnic minority environments.

Priority 10: Promotion of well-being, safety and equal opportunities for LGBTI persons

As something new, the Minister for Equal Opportunities has been given a coordinating function in relation to the LGBTI area. DKK 25 million has been allocated to a new action plan in this area 2018-21.

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

For the first time in Denmark, a comprehensive action plan for the promotion of safety, well-being and equal opportunities for LGBTI people has been formulated. DKK 25 million from "Satspuljen" (public funds earmarked for disadvantaged groups) has been allocated to the action plan, which consists of 42 initiatives that cut across 13 ministries. The Minister for Equal Opportunities has furthermore become the coordinating minister. Overall, the initiative gives Denmark a strong platform in an important value-based policy area.

In 2018, all initiatives have been implemented according to the plan. However, the work on the inter-ministerial legislative review has been delayed, as the task proved more complex than first assumed.

Priority 11: Focus on social control and a lack of gender equality in ethnic minority communities

Initiation of initiatives that can contribute to the area of equal opportunities getting a strong focus on negative social control and the lack of equality in certain ethnic minority environments.

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

Lack of equality and negative social control continues to be a problem in some ethnic minority environments. In 2018, the Minister for Equal Opportunities has initiated information and debate activities on rights and equality aimed at women and men from ethnic minorities. DKK 7.1 million has been set aside for a "rights campaign" that runs until 2020 and provides information about rights in relation to financial circumstances, marriage and divorce as well as social control, equal opportunities and the upbringing of children. Municipalities, language schools, social housing services, etc. that are interested can book a course. Since the launch in September and until December 2018, approx. 40 events have been organised around the country.

Priority 12: Input about new initiatives in the area of violence

The current action plan on violence in families and relationships expired in 2017, although a number of initiatives continued in 2018. Input about relevant new initiatives in the area must be delivered to "Satspuljen" 2019.

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

With "Satspuljen" 2019 (public funds earmarked for disadvantaged groups), a total of DKK 65 million was allocated to 8 initiatives that must be included in a new action plan for combating mental and physical violence in close relationships. Furthermore, an annual operational grant of DKK 8 million has been set aside to the Danish Stalking Centre, which means that the advice and treatment of stalking-exposed and stalkers, which was launched with the Minister for Justice

and the Minister for Equal Opportunities' "Stop stalking" initiative from 2016, can continue. All initiatives from the previous action plan were implemented according to the plan for 2018. However, two initiatives managed by NGOs have had unused funds that they have been allowed to use in the first quarter of 2019.

Priority 13: Implementation of the agreement of 16 November 2017 on action against quota concentration in Danish fisheries

Timely implementation of the political agreement on action against quota concentration.

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

The implementation plan for the political agreement on action against quota concentration was carried through in 2018. In addition, a legal basis was created for dominant influence in the mussel and oyster fisheries. With the Finance Appropriations Act 2019, an additional grant has been allocated to fisheries, which covers the parts of the agreement that require financing, in particular the quota concentration system. In 2018, a plan for how to find solutions that can release funds for fisheries has been made. The investigations were initiated in 2018 and are expected to be completed in the first half of 2019.

Priority 14: Restoration of the administration of fisheries

In the coming year, it will be a key priority to facilitate and ensure a continued restoration of fisheries. There is a need for a stronger departmental supervision of the Danish Fisheries Agency than before the reorganization.

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

An independent Fisheries Agency has been established and a new management has been set up. The management has an overall plan for how to address the identified problems in the management of the agency, including the administrative culture. The Danish Fisheries Agency has prepared a plan for reforms of the fisheries control, which is expected to be implemented in 2019.

In the Finance Appropriations Act 2018, a structural strengthening of the financial framework of the Fisheries Agency has been provided, and a further strengthening of the finances in fisheries has been set up. This is a prerequisite for a real restoration of fisheries.

A supervisory concept, which forms the basis for a strengthened supervision of the Fisheries Agency, has been prepared. This entails monthly meetings between the Ministry of Foreign Affairs and the management of the Danish Fisheries Agency. In addition, there has been an administrative and political handling of the report of the Legal Advisor to the Danish Government (*Kammeradvokaten*) as well as the National Audit Office of Denmark's (*Rigsrevisionen*) investigation of the grant management in fisheries, where a comprehensive follow-up plan, which ensures the handling of the individual criticisms, now is available.

Priority 15: Brexit-negotiations on fisheries

Brexit is of great importance for Danish fisheries. 40 per cent of the volume and 30 per cent of the value of Danish fisheries stems from British waters. In 2018, it will be a principal task to participate in the protection of Danish interests in the Brexit-negotiations.

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

In 2018, we have succeeded in ensuring a political focus on fisheries as an important priority in relation to Brexit. The fishing industry has continuously been involved through the Brexit Task Force for fish. The British Government has indicated that it will respect quotas and access to British waters in 2019.

Priority 16: Promotion of Denmark's core interests in the EU

Danish core interests in the EU and the Nordic countries must be handled as efficiently as possible in close cooperation with the Prime Minister's Department and other relevant partners. The main priorities will be to keep the EU coherent and efficient and that the EU focuses on delivering results in the areas that matter the most to its citizens.

The overall goal attainment for **priority 16** is classified as A (attained).

In 2018, the MFA has, in collaboration with the central administration and a broad circle of relevant stakeholders, made a significant contribution to the protection of Danish interests in the EU and the Nordic countries in a way that Danish priorities and opinions were as reflected as much as possible in the common solutions.

This applies to the enhanced debate on the future of the EU, the negotiations on the next multiannual financial framework of the EU, the further development of the European Single Market, the freedom of movement and the handling of the external migration challenges. The MFA has contributed to ensuring Danish influence in a number of different areas, including EU rules on welfare benefits as a part of the Government's fairness agenda as well as respect for the fundamental values of the EU, including the rule of law. Concerning the Danish Parliament, the MFA has contributed to maintaining a good framework for the dialogue between the Government and the European Affairs Committee on EU cases.

Concerning the Brexit negotiations, Danish interests have been protected, as the EU27 guidelines of March 2018 on the framework for the future EU-UK relationship as well as the Withdrawal Agreement to a great extent reflect Danish priorities. The Brexit Secretariat of the MFA has been in charge of the inter-ministerial coordination and determination of Danish interests and Brexit preparations within the framework of the Brexit Task Force. The Foreign Policy Committee and the European Affairs Committee have continuously been informed about the status of the negotiations and "no deal" preparations of the Government, and extensive outreach activities have been carried out in relation to companies and interest organizations.

Priority 17: Maintain a strong engagement in Ukraine and handle a challenging relationship to Russia

Denmark must maintain significant support for Ukraine in politics as well as assistance and contribute to promoting reform progress, among other things through the Ukraine Reform Conference in Copenhagen in June. The challenging relationship with Russia must be handled and the dialogue with Russia must be maintained and strengthened if possible, including under the auspices of the Government Council and the cooperation on the Arctic. We must maintain a focus on the Danish resilience to the challenge from Russia, including in relation to influence campaigns.

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

Denmark has continued its significant support for Ukraine. The Ukraine Reform Conference in Copenhagen with high-level participation from a large number of countries became a very clear international demonstration of support. The conference also helped promote a decision in the Ukrainian Parliament on a special anti-corruption court. A number of Danish initiatives were taken to strengthen the dialogue with Russia, including a meeting in the Government Council in Moscow in February with the participation of the Minister for Foreign Affairs. However, it has been difficult to make progress in the dialogue track. The MFA has been the driving force in the inter-ministerial work on possible Russian influence campaigns at a forthcoming election to the Danish parliament.

Priority 18: The Arctic

Denmark must strengthen its position as a central, visible and constructive Arctic player that contributes to maintaining the Arctic as a low-tension area. Through intensified interagency cooperation and close contact with the American and Finnish presidencies of the Arctic Council, the Danish Realm will seek to ensure a focus on and protection of the interests of the entire Kingdom.

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

In close cooperation with Greenland, the Faroe Islands and the Finnish Presidency of the Arctic Council, Denmark has worked to promote the economic development of the Arctic. This work has - with the involvement of actors in all Arctic states and the Arctic Economic Council - focused on the preparation of a report on corporate finance in the Arctic. The report contains a mapping of existing national and international financial facilities, as well as a number of specific recommendations for promoting investment, innovation and entrepreneurship in the Arctic. The report will be a focal point in the further work on the economic agenda in the Arctic cooperation.

The 10th anniversary of the Ilulissat Declaration was marked in May with a high-level meeting in Ilulissat, where all eight Arctic states as well as representatives of indigenous peoples confirmed the importance of the principles of the Declaration as well as the practical cooperation that contributes to ensuring low-tension in the Arctic. There was also a focus on sustainable economic development and the Arctic research agreement. In line with the spirit of the Ilulissat Declaration, Canada and the Kingdom of Denmark could also announce the establishment of a joint working group on border issues (including Hans Ø).

Based on the intensified interagency cooperation in the new forum Arctic Dialogue, the Kingdom has actively participated in the negotiation process regarding the long-term strategic plan of the Arctic Council.

Priority 19: USA

Denmark must remain a close partner and ally to the United States, focusing on the many common interests and values that have characterized the transatlantic cooperation for decades. The MFA will work to maintain and strengthen the close cooperation with the US, both bilaterally, through the EU and in multilateral contexts. This applies to foreign and security policy as well as trade policy.

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

The MFA has worked actively to maintain and strengthen the close cooperation with the United States. Through meetings and visits at both the ministerial level and at the level of government officials, Danish priorities and interests have continuously been presented to American interlocutors, in order to be able to influence the American decision-making process. This applies to significant issues within foreign and security policy where an agreement exists between Denmark and the US, as well as issues that are characterized by a difference of opinion. In addition, there is a focus on maintaining US global leadership and promoting the view that the international rules-based order is also in the interests of the US. In 2018, there was a high number of meetings and visits at all levels between Denmark and the US. The Minister for Foreign Affairs has visited the US a total of three times, e.g. to talk to the former Secretary of State Tillerson and the current Secretary of State Pompeo. Finally, the Minister for Foreign Affairs attended the opening of the new Danish Consulate General in Houston and had a conversation with the National Security Advisor Bolton. There have also been high-level visits in Copenhagen by several delegations of Congress and a number of visits at the level of government officials, including Under Secretary of Defense for Policy Rood.

Priority 20: Election into the UN Human Rights Council and strengthening of Danish visibility in the field of human rights

Initiation of a targeted effort to secure support from a sufficient number of UN member states in the election to the HRC in October 2018 and to ensure a visible and clearly positive Danish MRI profile internationally.

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

Through an active campaign, Denmark succeeded in becoming elected to the HRC for the period 2019-21. When Greece withdrew and prospects for peace elections appeared, the campaign focus shifted to a focus on outreach through the UN mission in New York and on the preparation of the membership. Therefore, conference participation was not carried out in quite the same extent as initially planned.

Priority 21: Successful completion of the Danish chairmanship of the Committee of Ministers of the Council of Europe

Targeted efforts to ensure a successful completion of the Danish chairmanship of the Committee of Ministers of the Council of Europe, including contributions to the declaration text on continued reform of the European Court of Human Rights' (EMD) interpretation of the European Convention on Human Rights (ECHR).

The overall goal attainment for **priority 21** is classified as A (attained).

The Danish chairmanship was successful in every way. Highlights include the high-profile Danish participation in the PACE session in Strasbourg in January 2018 with Crown Princess Mary, the Prime Minister and the Minister for Foreign Affairs as central figures and the well-run ministerial meeting in Helsingør in May 2018, where the "Helsingør Reform Process" was launched. Furthermore, the MFA provided substantial contributions to the work on the Copenhagen Declaration of April 2018 on the continued reform of the EMD.

Priority 22: Completion of project on the General Data Protection Regulation

In order to ensure that the MFA complies with the new EU General Data Protection Regulation, in October 2017 a project was established to ensure the practical work of making the MFA personal data compatible.

The overall goal attainment for **priority 22** is classified as B (partially attained).

Much effort has been made and substantial progress has been achieved to ensure the compatibility and attention of the Ministry of Foreign Affairs concerning GDPR. Thus, a mapping of all units in the home service has been conducted, and visits have been made to five pilot representations in the foreign service. The greater part of the overall framework and tools for implementation has been prepared. However, there are still some outstanding issues regarding the preparation of e-learning material and certain internal guidelines.

Priority 23: Visible and positive launch of the Government's new initiative in the area of freedom of religion and belief

The new initiative is effectively communicated, and Denmark wins recognition in Denmark as well as internationally for the new focus on FoRB (Freedom of Religion and Belief), including Christian minorities. Strong international and Danish partnerships to promote the Danish priorities are being built.

The overall goal attainment for **priority 23** is classified as B (partially attained).

The focus of the international community on freedom of religion and belief (FoRB) and religious persecution has been intensified during 2018. In January, Denmark hosted an international high-level discussion on FoRB and has established a close partnership with the United States, who hosted the first meeting of Foreign Ministers on freedom of religion ever. The UK and Germany have now also appointed a special FoRB representative and the agenda is actively promoted by the EU Commission and the EEAS. In the International Contact Group on Freedom of Religion or Belief (ICG FoRB), the establishment of local "Friends of FoRB" groups, which are now available in eight countries, has begun at Danish request. In 2018, Denmark represented NB8 at the UN General Assembly 3rd session on FoRB.

Moreover, there has been great interest in the areas *Women* and *FoRB*, which have been raised by several countries under the auspices of the UN and at several ICG meetings. At Danish request, there was also a special "outbreak session" on women and FoRB at the meeting of Foreign Ministers on religious freedom in Washington. The theme was also the subject of a separate session at the second meeting of the Contact Forum for Freedom of Religion and Belief at Christiansborg on 13 June 2018.

In addition to a number of other initiatives, Denmark has participated in fact-finding missions in Lebanon and Indonesia to assess the basis for concrete activities. The dialogue on a visit to Egypt is slow and a planned visit to Iran had to be cancelled.

Priority 24: Effective handling of the increasing volume of cases in the visa and passport area

An analysis on the future organization of the visa, residence and passport area, will be completed and result in a basis for decisions for General Management with a recommendation of 1-2 adaptation or reorganization solutions. Evaluation of the pilot project "flying visa employee" is included in the discussions. In addition, the ongoing digitization of the consular area is continued.

The overall goal attainment for **priority 24** is classified as B (partially attained).

A comprehensive analysis of the future organisation of the visa and passport area was completed by the MFA. Based on an extremely positive evaluation of the experimental "flying visa employee" arrangement - which has made it faster and more flexible to assist representations short of staff - the arrangement has been extended from one to two flying visa substitutes.

As far as digitization of the consular area is concerned, significant progress has been made in 2018. New processes, guidelines and improved system support have been introduced to strengthen fee balancing and more efficient fee management, though manual procedures of fee management still exist. In the Legalisation of the MFA the use of the web shop and e-apostille has become widespread. The further development of a new visa-self-service platform and more efficient digital visa management has advanced, although a global launch has been postponed to the first quarter of 2019. System optimizations of the MFA diplomatic passport system has been initiated, but will not be implemented until the first quarter of 2019.

Priority 25: Quality and commitment on social media as well as partnerships and networks in the communication of the MFA

The MFA's work on social media remains a high priority. The focus is turned towards more quality rather than quantity. An essential element is the work with segmentation of target groups, in order to ensure focused and targeted communication. It is also an important task to support the work of the foreign service on social media. Furthermore, there is a crosscutting focus on partnerships and networks in the communication of the MFA.

The overall goal attainment for **priority 25** is classified as A (attained).

In 2018, an increase of 36 per cent in average engagement in the foreign and home service across the SoMe channels of the MFA was achieved. The improvement is primarily a result of the activity on Twitter. Views per video (in the home service) have increased by 20 per cent.

Structured work has been done on target group segmentation, including a comprehensive segmentation analysis in the development communication area, and the Trade Council has worked with stricter target group segmentation in specific campaigns concerning the health sector and the food industry. The work of the foreign service on social media has continuously been supported, including through the creation of a competence catalogue for the foreign and home services.

In 2018, communication collaborations with external stakeholders in the development area were carried out, including a joint campaign video with *Danske Handicaporganisationer* (#LeaveNoOneBehind) and several result communication videos together with external NGOs and companies. These videos form part of a fixed "campaign package" with a background article, fact boxes and embeddedness in the Sustainable Development Goals. In the Public Diplomacy area, there has been strategic cooperation with partners such as the Ministry of Energy, Utilities and Climate on Nordic Clean Energy Week (May 2018), the Ministry of Environment and Food on World Food Summit (August 2018), and the Municipality of Copenhagen on Intelligent Transport Systems (ITS) World Congress (September 2018).

Priority 26: Improved communication with citizens about the prevention and management of crisis situations

The exact determination of this goal has been based on a Megaphone analysis of the use of the MFA's products. This has shown a need for an increased focus on getting more young users.

The overall goal attainment for **priority 26** is classified as C (not attained).

In 2018, the MFA increased the number of travel guides from 39 to 75, and there is now a travel guide for every country in which Denmark has an embassy, and for some countries, to which there are many Danish travellers and a special security situation. All travel guides have been revised and made easier to read. The app "*Rejseklar*" has been relaunched in an improved version, and today Danish citizens can find all information in the app as well as easily sign up on "*Danskerlisten*". In addition, a new feature has been added to the app with operational updates through push notifications in case of crises with consular aspects. Both the new travel guides and the updated *Rejseklar* app have been regularly promoted through the social media channels of the MFA. Especially in connection with the World Cup in Russia in June, the knowledge of the travel guides and *Rejseklar* was widespread via Danish media and social media in close cooperation with DBU. The number of downloads of the *Rejseklar* app has thus doubled in 2018 from approx. 40,000 to 80,000 downloads.

A planned joint workshop with tour operators focusing on coordination and information exchange in crises has not been carried out. Cooperation with the travel and insurance industry on a campaign focusing on dissemination of the knowledge of *Rejseklar* has also not taken place in 2018. Both activities are expected to be completed in 2019.

Priority 27: Upgrading and streamlining of IT platforms

*Launch of a new intranet platform in order to strengthen internal communication and knowledge sharing in MFA. In addition, for the support of public diplomacy work, a new *denmark.dk* website will be developed.*

The overall goal attainment for **priority 27** is classified as B (partially attained).

The new intranet is being implemented, but it has been delayed for budgetary reasons. The project is expected to be launched at the beginning of the second quarter of 2019. The new *denmark.dk* website was launched in October 2018 with a new visual identity and upgraded content.

Priority 28: Prepare the embassies for a better handling of emergencies with aspects of consular tasks

Determination of a level of ambition for emergency exercises at Danish embassies

The overall goal attainment for **priority 28** is classified as A (attained).

A new concept for practicing the collaboration between the foreign service and the MFA's Consular Service in crisis situations has been developed with variable crisis scenarios. The concept was tested with emergency exercises at several embassies, e.g. the Embassy in Moscow prior to the World Cup. The MFA management has approved the framework for the new exercise concept, and all embassies have been given the opportunity to wish for an exercise. A thorough risk assessment will form the basis for the selection of the embassies in which emergency exercises will be held in the coming year.

Priority 29: Reform of the posting allowance (*udetillæg*) – approval and implementation

*Review of key parameters for employee mobility with a view to optimization. Initially, the focus is on achieving an agreement with the Ministry of Finance on an improved posting allowance (*udetillæg*) in recognition of the fact that the new posting allowance scheme, which will be fully implemented by the end of 2017, has greatly reduced the financial incentives for mobility.*

The overall goal attainment for **priority 29** is classified as B (partially attained).

The objective of adopting a modernized posting allowance (*udetillæg*) was attained with the agreement with the Ministry of Finance in August 2018. The modernization will add a total of approx. DKK 20 million from the existing framework of the MFA. Increased emphasis is placed on consideration for accompanying partners and children as well as separate families. The vast majority of the approx. 330 posted employees will experience an improved posting allowance, while an estimated 30-40 posted employees will experience a decline. The MFA will compensate the decline in excess of 10 per cent for the period of the current posting. In addition, a commuter system is under development. The modernized posting allowance has only entered into force for all posted staff with effect from 1 February 2019.

Increased mobility has already been seen in the large *udeopslag* (posting of positions abroad) in 2019, where the average number of applications per position increased from 4.7 in 2018 to 7.3 in 2019 and from 4 to 9 alone among the AC group.

Priority 30: Operational savings

Towards 2021, a financing gap is expected in the MFA's operating budget. On this basis, it has been decided to initiate a number of analyses to identify savings from 2019 onwards.

The overall goal attainment for **priority 30** is classified as B (partially attained).

A gross catalogue of possible initiatives and analyses has been prepared in order to meet the objective, and a number of analyses have been initiated, several of which have been completed and the proceeds realised. Some analyses that were expected to be completed in 2018 are still ongoing, and new analyses have been initiated, as the project on operational savings runs until 2021.

Priority 31: More free trade for the benefit of Danish businesses

The MFA has purposively worked for progress in the EU free trade agenda, including in the negotiations on new bilateral free trade agreements with key trading partners, as well as the preservation and strengthening of the multilateral trading system. In addition, the MFA has increased its focus on the implementation and use of the free trade agreements that have already been concluded, in order to make as many companies as possible aware of and benefit from the new market opportunities.

The overall goal attainment for **priority 31** is classified as A (attained).

To support the multilateral trading system, the MFA has been actively involved in the negotiations of the UN Commission on International Trade Law on a reform of investor-state dispute resolution in investment protection for the purposes of establishing a multilateral investment court.

The MFA has created support among Danish and international stakeholders, including the Commission, the WTO, the OECD and European business organisations, for an initiative to promote support for the development of an international set of rules for e-commerce.

The MFA has also worked for a common coherent EU line for seeking dialogue and possible solutions in trade relations with the US within the framework of the WTO rules.

The MFA has, in collaboration with business organisations, held eight events for companies on the utilization of the EU free trade agreements. The Danish export companies' average degree of utilization of the EU free trade agreements on exports has increased from 77 per cent to 83 per cent from 2017 to 2018.

Priority 32: Digitization in the Trade Council

The MFA has prioritized the digitization of the Trade Council's communication in order to communicate more directly to the needs of the businesses and to increase the TC's public service supply and thus meet the businesses' demand for knowledge and free services. Furthermore, digitization has responded to recommendations from "Forenklingsudvalget for erhvervsfremmesystemet" on further digitization.

The overall goal attainment for **priority 32** is classified as B (partially attained).

In spring, the MFA launched two new websites in the trade area for the Trade Council for Danish companies and Invest in Denmark for foreign companies, respectively, to improve targeted communication. The websites are based on the interests and needs of the Trade Council's customers, and they present information and services that are relevant and current to them, using a taxonomy-based structure. In addition, customers are directly introduced to the Trade Council advisor who is a specialist in the sector or country of interest. The websites make it possible to follow the visitors' behaviour digitally and they are thus the basis for ensuring a higher value of service in the Trade Council's services to businesses.

In 2018, three digital marketing campaigns were carried out in the health sector, the food sector and a new branding campaign aimed at small and medium-sized companies in order to increase the knowledge of the Trade Council and our services. Most of the regions, but not all, have fully met the targets for digital marketing in 2018.

Priority 33: A strengthening of the GPA-efforts

The work of the MFA on advising companies in the field of Global Government & Public Affairs (GPA), which covers political-commercial advice, has been strengthened.

The overall goal attainment for **priority 33** is classified as B (partially attained).

In order to be able to assist the Danish businesses the best way possible in navigating on foreign markets in relation to e.g. framework conditions and market access, the MFA has prepared an action plan to strengthen the political-commercial advising of Danish companies. The action plan will help to increase sectoral expertise and increase the integration of efforts across the different ministries, and thus strengthen the MFA's ability to solve complex issues for Danish businesses abroad.

In 2018, the share of the MFA's payment-based advice in the area of political-commercial consultancy made up 45 per cent, which meets the target of 42 per cent. However, there are regional differences, which means that some regions do not meet the regional targets.

Priority 34: Focus on knowledge and technology-intensive projects within investment promotion and innovation

The MFA has sharpened its focus on attracting foreign knowledge and technology-intensive investments and increased efforts to effectively disseminate globally leading knowledge and technological trends to Danish businesses and innovation environments.

The overall goal attainment for **priority 34** is classified as A (attained).

In 2018, Invest in Denmark has intensified its focus on knowledge and technology-intensive investments.

Of the 61 successful investment projects in 2018, 52 per cent are high quality projects defined by i.a. a higher research content.

In June, the Innovation Centres held a large conference at the IT University, focusing on the labour force and skills of the future.

The Innovation Centres have continuously posted blogs about the latest technology trends from their innovation hotspots in *Mandag Morgen/Altingen's* MM Next. In addition, a new collaboration was agreed upon with the podcast series Techtopia on the dissemination of technology trends through the Innovation Centers.

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 2019, cf. table 5.

Table 5. Expectations for the coming year

	Accounts 2018	Core budget 2019
Appropriation and additional revenue	-2,026.3	-2,172.1
Expenditure	2,199.4	2,170.8
Result	173.1	-1.3

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

The operating appropriations of the MFA are declining in the years to come. At the same time, there is increasing spending pressure. On that account, the MFA continues to focus on identifying and implementing efficiency improvements in order to ensure a balanced budget and a general balance between tasks and resources. In 2019, the efficiency improvements and the pressure to find savings have been realized by cutting the operating framework of all representations by 5 per cent. Similarly, the budgetary framework for the work on internal development has been cut. These measures will, to some extent, reduce activity, and in the future, it will be increasingly difficult to find savings solely through efficiency improvements.

2.5.2. Main political priorities

The focus of the work of the MFA in 2019 is expected to be on the themes mentioned in the Government's Foreign and Security Policy Strategy for 2019-2020. The international rule-based order is under pressure, the negotiations concerning Brexit is entering its final phase and the negotiations about the multiannual financial framework of the EU are intensified, the situation in the neighbouring regions to the east of Denmark remains uncertain and the destabilizing behaviour of regional actors continues. 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 November of 2018, the Danish Government presented its Foreign and Security Policy Strategy for 2019-2020 which highlighted six different issues of particular importance: Rules-based international cooperation, Security, Europe – a strong, streamlined and effective EU, Refugees, migration and development, Economic diplomacy, strategic partnerships and the new digital world order, and the Arctic. For each of these central issues, a number of tangible projects have been initiated across government including an external report on developments in EU security and defence policy, and what these developments mean for Denmark.

EU

One of the most important issues on the EU agenda in 2019 will be the negotiations concerning the terms of the British withdrawal from the EU, after which negotiations about the future relationship can begin. 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. In parallel, in 2019 a new European Parliament must be elected, a new Commission, including the President of the Commission, must be appointed, and a new President of the European Council and a new High Representative for Foreign Affairs and Security Policy must be elected. In connection with the appointment of the new Commission, the strategic direction for the future of the EU must be discussed and laid down by EU heads of state or government. Negotiations on the next multiannual financial framework of the EU (expectedly 2021-2028) have also commenced and will intensify during the year.

Rules-based international cooperation

On 1 January 2019, Denmark joined the UN Human Rights Council for the period 2019-2021. The membership will be used to promote Danish values and to increase the efficiency of the Council in response to the most serious human rights violations, regardless of where they happen. Denmark will work to reform the Council in order to strengthen its legitimacy and credibility. The Council has an important potential that Denmark will utilize in a strong alliance with like-minded countries. Denmark will continue to contribute to the UN Secretary-General António Guterres' reform agenda, which will strengthen and streamline the UN. Through a stronger effort for Danish candidatures, the Government will achieve greater Danish influence in international organisations.

The Government will continue to focus on sustainable development; a special envoy for climate and energy has been appointed and in connection with the UN Secretary-General's Climate Summit in September 2019, the prime minister will put together an "investment coalition for clean energy" which will work on accelerating the global energy transition. The free trade agenda and the multilateral trade system are also in 2019 expected to be under pressure. The Government will work for the EU to take the lead in protecting and further developing the WTO, including addressing unfair trade practices and developing new global rules for digital commerce.

Russia and Ukraine

Denmark will continue to work for a robust and joint EU-approach towards Russia's unacceptable actions on the international stage, including in Ukraine where Russia continues the aggression. At the same time, Denmark will engage in a dialogue with Russia in areas that are of interest to Denmark, including in the Arctic area.

Denmark will continue the political and economic support to Ukraine i.a. through the Danish Neighbourhood Programme, which supports the ongoing reform process in Ukraine. Denmark will push for the reform course to continue in 2019, where both a presidential and a parliamentary election will take place in Ukraine.

The support also encompasses the Danish Peace and Stabilisation Programme, which is being launched in cooperation with the Ministry of Defence.

Influence campaigns

The implementation of the Government's inter-ministerial Action Plan to prevent foreign influence campaigns will continue in 2019, including a special focus on preventing governmental influence campaigns at the elections to both the Danish Parliament and the European Parliament. Russia, in particular, has attempted to influence elections and referendums in both Europe and the United States. The MFA is part of an inter-ministerial task force and contributes to media screening, preventive efforts, the international cooperation and the cooperation with social media.

Cyber- and information security

Based on the Danish Defence Agreement 2018-2023, the Government in 2018 presented the Danish Cyber and Information Security Strategy, which also strengthens Denmark's international efforts. The implementation of this will continue in 2019 with a focus on expanding the cyber diplomacy and strengthening Denmark's involvement in the international cooperation to counter cyber threats. This will be done both bilaterally with like-minded countries, in multilateral forums such as the EU and NATO, as well as through the dialogue of the TechPlomacy Initiative with major multinational technology companies and the rest of the tech environment. The strengthened international cyber effort will take place in close cooperation with relevant sectoral competent authorities.

Syria/Iraq/ISIL

In 2019, 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. Concerning Iraq, special emphasis will be on continuing the support for the Iraqi Government and its inclusive reform agenda, including with respect to security sector reform and national reconciliation. Denmark has launched a regional stabilisation programme for Syria and Iraq for the period 2019-2020 of approx. DKK 400 million, which aims to contribute to a reduction of regional uncertainty, terrorism, migration and the prolonged refugee crisis. Denmark will continue to 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.

Denmark's Development Cooperation and Humanitarian Action Strategy

Implementation of the Development Cooperation and Humanitarian Action Strategy "the World 2030" will continue throughout 2019. The focus is on strengthening Denmark's efforts in neighbouring areas of crisis and conflict as well as fragile countries. There will continue to be a focus on the management and prevention of irregular migration and sustainable growth and employment in Africa, including with the use of new technologies in order to ensure that young people see opportunities for a future in their home countries.

The effort in relation to complex environmental and climate challenges is assigned greater priority in order to help the developing countries fulfil the Paris Agreement. In addition, there will continue to be a focus on women and gender equality, as well as education and strengthening the multilateral institutions.

Migration and neighbouring region efforts

On the migration and refugee agenda in 2019, the focus will be on strengthening the good experience of promoting readmission of rejected asylum seekers through a combination of intensified dialogue via the Ambassador-at-Large for Migration and earmarked development assistance applied according to the quid pro quo-principle. The number of refugees and irregular migrants in the world continues to increase and the need to address the root causes remains. The EU plays a key role, including the EU Trust Fund for Africa and EU's new development instrument NDICI. In addition, Denmark will continue to advocate bilaterally for mediating the fundamental causes of migration through the disbursement of the special migration funds and long-term development aid, which focus on job creation, investment, growth and youth in Africa in particular. The humanitarian budget stipulated in the Finance and Appropriations Act for 2019 is the largest one yet, and it will contribute to improving living conditions and prospects for the most vulnerable population groups in neighbouring regions. The same applies to development efforts in selected countries affected by refugee and displacement crises. With the two UN declarations on migration and refugees adopted in December 2018, a global framework for international cooperation in the field has been established. Denmark is actively engaged to ensure and influence the follow-up on the declarations, in order to improve the conditions for returning rejected asylum seekers.

Export and investment promotion

In 2019, efforts to strengthen Denmark's economic diplomacy and to create value for Danish companies will continue. There will be an increased focus on political-commercial counselling, counselling on how to incorporate the Sustainable Development Goals, and a stronger focus on the needs of small and medium-sized enterprises in collaboration with the new business houses. The interagency cooperation in both developing countries, emerging economies and high-income countries will be expanded. Denmark's ability to attract investment will be enhanced by a new national investment promotion strategy. In 2019, the Government will work to ensure that the EU line concerning liberal trade is continued with a focus on entering into new trade and investment agreements and involving new areas such as digital commerce. In addition, efforts are being made to make Danish companies increasingly use the market opportunities in the EU free trade agreements.

Equal opportunities

The Government will work to promote equal opportunities and women's rights in the national as well as the international arena. Nationally, focus in 2019 will be on psychological and physical violence in relationships, equal opportunities and negative social control in ethnic environments, combating digital and sexual violations especially amongst young people, combatting human trafficking, and promoting women in management as well as equal pay. In addition, the action plan for increased security, well-being and equal opportunities for LGBTI-persons will continue to be implemented and the review of legislation across areas will be completed. Internationally, Denmark will continue the active work to promote equal opportunities and women's rights, including in the UN Commission on the status of Women as well as in connection to the preparation of the Danish presidency of the Nordic Council of Ministers in 2020 and conducting follow-up the UN Sustainable Development Goals.

Fisheries

In 2019, the focus will be on ensuring that Danish fishery gets well through the forthcoming Brexit, as well as the transition of the fisheries to and the control of the landing obligation, which will be fully implemented in 2019. It will also be a priority to carry out the political agreement on measures against quota concentration, which the government concluded with all parties of the Danish Parliament in November 2017. Furthermore, the process of restoration of the administration of fisheries will continue, including follow up on the criticism of the National Audit Office of Denmark (*Rigsrevisionen*) and the Legal Advisor to the Danish Government (*Kammeradvokaten*).

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 2018, the MFA has carried on its concept for corporate strategic governance, which provides the setting for the MFA's useful, operational and lean governance 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. In 2017, Senior Management defined three general strategic priorities for the MFA's organisational development over a multi-annual period: (1) Agility; (2) Digitisation and; (3) Mobility. These three priorities were continued in 2018.

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 2018, some of the projects were phased out and the formulation of the new projects was initiated.

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 2017 and 2018 along with the budget for 2019 are presented below in table 6.

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

Profit/loss as of 31.12.2018	Accounts 2017	Accounts 2018	Budget 2019
Ordinary operating revenue			
Appropriations booked as revenue			
Appropriations	-1,566.2	-1,553.8	-1,700.9
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	-1,566.2	-1,553.8	-1,700.9
Sale of goods and services			
External sale of goods and services	-108.6	-136.9	-115.6
Internal sale of goods and services	-12.9	-8.2	-9.8
Fees	-121.8	-127.9	-124.5
Grants for own operations	0.0	0.0	0.0
Ordinary operating revenue, total	-1,809.5	-1,826.8	-1,950.8
Ordinary operating costs			
Consumption costs			
Rent	246.3	275.0	250.0
Consumption costs, total	246.3	275.0	250.0
Personnel costs*			
Salaries and wages	631.1	709.6	747.6
Pension	100.9	115.9	135.5
Reimbursement of pay	-105.4	-120.9	-122.0
Other personnel costs	9.5	10.0	12.0

Personnel costs, total	636.1	714.6	773.1
Depreciation and amortisation	98.6	81.5	78.8
Internal purchase of goods and services	36.9	20.1	0.0
Other ordinary operating costs	1,024.1	1,013.6	902.6
Ordinary operating costs, total	2,042.0	2,104.8	1,975.9
Result of ordinary operations, total	232.5	278.0	55.1
Other operating entries			
Other operating revenue	-307.7	-198.2	-137.6
Other operating costs	8.6	5.1	0.0
Result before financial items, total	-66.6	85.0	-82.5
Financial items			
Financial revenue	-1.7	-1.4	0.0
Financial costs	72.7	89.5	82.5
Financial items, total	71.0	88.1	82.5
Result before extraordinary items, total	4.4	173.1	0.0
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	4.4	173.1	0.0

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 2018.

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

	2018
Year-end profit for transfer	-173.1
Appropriated earned surplus	0.0
Transferred to dividends to Treasury	0.0
Transferred to carry-forward surplus	-173.1

3.2.1 Explanation of reversed provisions and accrual items

The MFA's provisions are adjusted annually and were last adjusted as of 31.12.2018.

Provisions in 2017	DKK million
Holiday pay	-116.3
Flex time	-2.7
Overtime	-0.6
Savings days	-4.1
Severance pay for locally employed staff in the service abroad	-31.1
Refurbishment of leased properties	-35.7
Loss on debtors	-0.2
Personnel adjustments	-1.6

3.3 The balance sheet

The MFA's balance sheet for 2017 and 2018 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 31.12.2018					
Assets	2017	2018	Liabilities	2017	2018
Fixed assets					
Intangible fixed assets			Equity		
Completed development projects	47.1	36.4	Adjusted equity	-32.8	-32.8
Acquired concessions, patents, licences, etc.	2.4	2.3	Lapse & account changes		-5.4
Development projects in progress	12.6	14.9	Carry-forward surplus	-307.7	-129.2
Intangible fixed assets, total	62.1	53.6	Equity, total	-340.4	-167.4
Tangible fixed assets			Provisions	-99.6	-68.5
Land, space and buildings	1,411.2	1,403.7	Long-term liabilities		
Transport equipment	30.9	37.6	Mortgage debt and other long-term debt	0.0	0.0
Plant and machinery	3.9	3.3	FF4 Long-term debt	-1,623.0	-1,658.5
Fixtures and fittings, tools and IT-equipment	16.4	13.9	Long-term liabilities, total	-1,623.0	-1,658.5
Work in progress at own cost	76.2	161.6	Short-term liabilities, total		
Tangible fixed assets, total	1,600.7	1,620.0	Supplier of goods and services	-107.9	-140.0
Financial fixed assets			Other short-term debt	-15.4	-22.2
Government bonds	32.8	32.8	Holiday pay due	-109.5	-116.3
Other financial fixed assets	0.0	0.0	Reserved appropriation		
Financial fixed assets, total	32.8	32.8	Prepayments, liabilities	-11.2	-12.3
Fixed assets, total	1,633.5	1,706.4	Work in progress and liabilities	-127.8	-115.3
Current assets			Short-term liabilities, total	-371.8	-406.2
Accounts receivable	195.2	198.1	Debt, total	-1,994.8	-2,064.7
Prepayments and accrued revenue	104.2	100.3	Liabilities, total	-2,434.8	-2,300.6
Cash and cash equivalents					
FF5 Non-interest-bearing account	227.1	276.6			
FF7 Financing account	71.8	-191.5			
Other cash and cash equivalents	203.1	210.6			
Cash and cash equivalents, total	502.0	295.7			
Current assets, total	801.3	594.2			
Assets, total	2,434.8	2,300.6			

3.4 Explanation of equity

The MFA's equity totalled DKK -162.0 million at the end of 2018. Of this amount, the accumulated surplus carried forward totalled DKK -129.2 million, and the adjusted equity totalled DKK 32.8 million, cf. table 9.

The carry-forward surplus totalled DKK 307.7 million at the beginning of 2018, which together with the year-end result of DKK 173.1 million is increased to -129.2 million (after changes to the carry-forward surplus caused by account changes).

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

	2017 DKK million	2018 DKK million
Equity, year-beginning	-339	-340.4
Adjusted equity, opening balance	-32.8	-32.8
Changes in adjusted equity	0	0
Adjusted equity, closing balance	-32.8	-32.8
Revaluations, opening balance	0	0
Changes in revaluations	0	0
Revaluations, closing balance	0	0
Carry-forward surplus, opening balance	-306.2	-307.7
Changes in carry-forward surplus related to account changes*	-5.9	5.4
Year-end profit/loss	4.4	173.1
Year-end profit/loss appropriated	0	0
Dividends to the State	0	0
Carry-forward surplus, closing balance	-307.7	-129.2
Equity, year-end	-340.4	-162.0

* Changes to the carry-forward surplus are related to the transfer of the Department for Equal Opportunities to the MFA in 2017 and Fisheries in 2018.

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)

	2018
Intangible and tangible fixed assets, total	1,673.7
Borrowing limit	2,527.6
Rate of utilisation in %	66.2%

3.6 Follow-up on the payroll ceiling

The MFA's payroll expenditure under the payroll ceiling totalled DKK 692.9 million in 2018 which meant an expenditure decrease of DKK 10.7 million in relation to the payroll ceiling of DKK 703.6 million. The total payroll saving subsequently amounted to DKK 54.8 million by the end of 2018, cf. table 11.

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

	2018
Main account	§ 06.11.01
Payroll ceiling FL (Finance and Appropriation Act)	698.2
Payroll ceiling incl. TB (Supplementary Appropriation/Appropriation Notes)	703.6
Payroll expenditure under payroll ceiling	692.9
Difference	10.7
Accumulated saving, year-end 2016	44.1
Accumulated saving, year-end 2017	54.8

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 2018
06.11.01 The Foreign Service	Operating appropriation	Expenditure	2,081.8	2,199.4
	Operating appropriation	Revenue	-528.0	-472.5
06.11.06 Interest revenues from diverse receivables	Other appropriation	Revenue	-4.0	-8.9
06.11.13 Danish Institute for Human Rights	Operating appropriation	Expenditure	38.9	38.9
06.11.14 Danish Institute for International Studies	Operating appropriation	Expenditure	25.0	25.0
06.11.15 Non-statutory grants	Operating appropriation	Expenditure	36.6	32.8
06.11.16 Promotion of gender equality	Revenue appropriation	Expenditure	17.4	18.1
06.11.21 Repayments from the Investment Fund for Central Europe (IØ) and the Investment Fund for Developing Countries (IFU)	Other appropriation	Revenue	-110.0	-85.0
06.21.01 The Nordic Council of Ministers	Statutory	Expenditure	118.2	118.1
06.22.01 Peacekeeping operations, etc. under the UN	Statutory	Expenditure	244.7	249.4
06.22.03 Other organisations	Statutory	Expenditure	267.6	226.1
06.22.05 The European Investment Bank	Other appropriation	Expenditure	0.5	0.0
		Revenue	-0.6	0.0
06.32.01 Developing Countries in Africa	Revenue appropriation	Expenditure	1,529.0	1,489.5
06.32.02 Developing Countries in Asia and Latin America	Revenue appropriation	Expenditure	703.9	679.2
06.32.04 Personnel Assistance	Revenue appropriation	Expenditure	232.3	231.6
06.32.05 Danida Business Programmes*	Revenue appropriation	Expenditure	-16.0	-19.9
06.32.07 Loan assistance	Revenue appropriation	Expenditure	104.0	19.4
	Revenue appropriation	Revenue	-85.2	-83.4
06.32.08 Other assistance	Revenue appropriation	Expenditure	738.4	723.8
06.32.09 The Danish-Arab Partnership Programme	Revenue appropriation	Expenditure	189.3	189.3
06.32.10 Migration	Revenue appropriation	Expenditure	509.6	509.5
06.32.11 The Neighbourhood Programme	Revenue appropriation	Expenditure	151.2	150.2
06.33.01 Assistance through civil society organisations	Revenue appropriation	Expenditure	936.3	933.8
06.34.01 Environment and climate assistance in developing countries, etc.	Revenue appropriation	Expenditure	832.8	832.8
06.35.01 Research and information in Denmark, etc.	Revenue appropriation	Expenditure	48.7	48.4
06.35.02 International development research	Revenue appropriation	Expenditure	0.0	-0.3
06.36.01 The UN Development Programme (UNDP)	Revenue appropriation	Expenditure	363.3	363.7
06.36.02 The UN Children's Fund (UNICEF)	Revenue appropriation	Expenditure	125.0	125.0
06.36.03 HIV/AIDS, Population and Health programmes	Revenue appropriation	Expenditure	911.1	911.1
06.36.06 Other UN development programmes and various multilateral contributions (FNUD)	Revenue appropriation	Expenditure	344.5	344.8
06.37.01 The World Bank Group	Revenue appropriation	Expenditure	981.4	983.9
	Revenue appropriation	Revenue	-1.2	-1.1
06.37.02 Regional Development Banks	Revenue appropriation	Expenditure	94.3	94.2
06.37.03 Regional Development Funds, debt relief initiatives and other funds	Revenue appropriation	Expenditure	222.0	221.9
06.37.04 Assistance through the European Union (EU)	Other appropriation	Expenditure	671.5	655.2
	Other appropriation	Revenue	-10.0	0.0
06.38.01 Mobilisation – financing investments	Revenue appropriation	Expenditure	345.0	344.9
06.38.02 Framework conditions, knowledge and business opportunities	Revenue appropriation	Expenditure	843.8	840.7
06.38.03 Various multilateral contributions	Revenue appropriation	Expenditure	0.0	-0.1
06.39.01 General contributions to international humanitarian organisations	Revenue appropriation	Expenditure	627.2	627.2
06.39.02 Humanitarian contributions to acute and protracted crises	Revenue appropriation	Expenditure	-11.4	-16.5
06.39.03 Humanitarian contributions to partners in acute and protracted crises	Revenue appropriation	Expenditure	1,939.9	1,939.5
06.41.03 Special export promotion grants	Operating appropriation	Expenditure	58.8	56.0

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 2018, the MFA had neither extraordinary revenue nor extraordinary expenditure.

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 (Table 13). Intangible fixed assets (DKK million)

	Completed development projects	Acquired concessions, etc.	Total
Cost price as of 1.1.2018	221.4	3.2	224.6
Opening balance adjustments and transfers between scopes of accounting	0	0	0
Acquisition	7.5	0	7.5
Disposal	-1.4	0	-1.4
Cost price as of 31.12.2018	227.5	3.2	230.7
Accumulated depreciation	-190.6	-0.9	-191.5
Accumulated amortisation	-0.5	0	-0.5
Accumulated depreciation and amortisation as of 31.12.2018	-191.1	-0.9	-192.0
Financial value as of 31.12.2018	36.4	2.3	38.7
Annual depreciation	-16.3	-0.1	-16.4
Annual amortisation	-0.5	0.0	-0.5
Annual depreciation and amortisation	-16.8	-0.1	-16.9

Development projects in progress

	DKK million
Opening balance as of 1 January 2018	12.6
Acquisition	10.8
Amortisation	0
Transferred to completed development projects	-8.5
Cost price as of 31.12.2018	14.9

Note 2 (Table 14). 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 01.01.2018	1,785.5		25.8	88.5	137.7	2,037.5
Opening balance adjustments and transfers between scopes of accounting	0		0.0	0.0	0.0	0.0
Acquisition	36.8		1.4	21.5	3.3	63.0
Disposal	-4.8		-5.2	-16.7	-2.0	-28.6
Cost price as of 31.12.2018	1,817.5	0.00	22.0	93.3	139.0	2,071.8
Accumulated depreciation	-408.9		-18.7	-55.7	-123.9	-607.1
Accumulated amortisation	-4.9		0.0	0.0	-1.2	-6.2
Accumulated depreciation and amortisation	-413.8	0.0	-18.7	-55.7	-125.2	-613.3
Financial value as of 31.12.2018	1,403.7	0.00	3.3	37.7	13.9	1,458.5
Annual depreciation	-39.5		3.2	1.9	-3.9	-38.3
Annual amortisation	0		0	0	0	0.0
Annual depreciation and amortisation	-39.5	0	3.2	1.9	-3.9	-38.3

Work in progress at own cost

	DKK million
Opening balance as of 1 January 2018	76.2
Acquisition	116.4
Amortisation	0

Transferred to completed tangible fixed assets	-31.0
Cost price as of 31.12.2018	161.6

4.2 Commercial activities

A statement of the commercial activities under the MFA Competence Centre (UMKC) is presented below in table 15.

Table 15. Commercial activities 2015-2018 (DKK million)*

	2015	2016	2017	2018
Language training, year-end profit/loss (“-“ sign = surplus)	-0.3	1.2	-0.5	5.1
Language training, accumulated year-end profit/loss (“-“ sign = surplus)	-4.5	-3.3	-3.8	1.3

* The Language Center does not continue in 2019.

4.3 Fee-financed activities

A statement of fee-financed activities in the MFA under Section 06.11.05 is presented below in table 16. The legislative framework has been respected and observed.

Table 16. Fee revenue 2015-2018 (DKK million)

	2015	2016	2017	2018
Fee - visa*	-76.1	-85.1	-81.8	80.0
Fee – work and residence permits*			-7.8	13.2
Fee – passports and drivers licences	-16.9	-17.2	-17	19.3
Fee – legalisation	-14	-14.2	-14.9	15.1
Fee – assistance cases	-0.1	-0.1	-0.3	0.4
Other fee revenue**	-3.2	-2.3		
Total	-110.3	-118.9	-121.8	-127.9

* 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 18.

Table 18. Grant-financed activities

	Carry-forward surplus previous year	Grant 2018	Expenditure 2018	Year-end profit carried forward
Multi-donor-financed regions of Origin Programme in Jordan, Lebanon and Iraq stage 1 & 2	95.8	32.9	57.4	71.3
Multi-donor-financed anti-corruption programme in Ukraine	12.6	40.3	26.6	26.3
The Lundbeck Fund’s “Bay Area Clinical & Translational Research Scholarship Program 2017-2020”	8.2	0	3.6	4.6
Total	116.6	73.2	87.6	102.2

4.5 Presented investments

It is noted that the MFA did not complete any capital projects in 2018.

A statement of the capital projects currently in progress is presented below in table 20.

Table 20. Capital projects in progress (DKK million)

Capital projects in progress	Most recently presented	Com-mencement of construction	Expected completion	Incurred expenditure, total	Incurred expenditure, current year	Approved total expenditure
Land rights and embassy and residences, New Delhi	2018	2016	2019	256.0	58.4	See note
New York, conversion	2017	2017	2019	20.1	18.2	31,9, cf. Appropriation Note 20, 2017

Note: Covers the following Appropriation Notes: Appropriation Note 48, 2008; Confidential Appropriation Note A, 2016, and Confidential Appropriation Note Y, 2018.

4.6 IT costs

A statement of the IT costs of the MFA is presented below in table 21.

Table 21. IT costs

Composition	DKK million
Internal staff costs for IT (IT operations / maintenance / development)	27.09
IT system performance	23.3
IT maintenance	56.3
Expenditure on IT products and consumption	18
IT development costs	5.78
Total	130.47

4.7 Overview – Priorities and goals

The MFA's strategic priorities in 2018	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. NATO and European security	B	3	1	-
2. Security, combining efforts and stabilisation	A	5	-	-
3. Strategic partnerships, alliances and economic cooperation	B	1	2	-
4. Migration and readmission	A	3	-	-
5. Engagement of the private sector in the development cooperation	B	4	1	-
6. Implementation of The World 2030's focus on young people, women and gender equality	B	2	1	-
7. Strengthened efforts in the area of tax and anti-corruption in the development cooperation	A	5	-	-
8. The focus of the Foreign and Security Policy Strategy and The World 2030 on new technological opportunities and innovation through the development cooperation	B	2	1	-
9. Statement/Perspective and Action Plan 2018	B	3	1	-
10. Promotion of well-being, safety and equal opportunities for LGBTI persons.	B	2	1	-
11. Focus on social control and a lack of gender equality in ethnic minority communities	A	3	-	-
12. Input about new initiatives in the area of violence	B	2	1	-
13. Implementation of the agreement of 16 November 2017 on action against quota concentration in Danish fisheries	A	3	-	-
14. Restoration of the administration of fisheries	A	3	-	-
15. Brexit-negotiations on fisheries	A	3	-	-
16. Promotion of Denmark's core interests in the EU	A	3	-	-

17. Maintain a strong engagement in Ukraine and handle a challenging relationship to Russia	B	2	1	-
18. The Arctic	A	3	-	-
19. USA	B	2	1	-
20. Election into UN Human Rights Council and strengthening of Danish visibility in the field of human rights	B	2	1	-
21. Successful completion of the Danish chairmanship of the Committee of Ministers of the Council of Europe	A	3	-	-
22. Completion of project on the General Data Protection Regulation	B	2	1	-
23. Visible and positive launch of the Government's new initiative in the area of freedom of religion and belief	B	2	2	-
24. Effective handling of the increasing volume of cases in the visa and passport area	B	2	3	-
25. Quality and commitment on social media as well as partnerships and networks in the communication of the MFA	A	5	-	-
26. Improved communication with citizens about the prevention and management of crisis situations	C	3	1	1
27. Upgrading and streamlining of IT platforms	B	1	1	-
28. Prepare the embassies for a better handling of emergencies with aspects of consular services	A	2	-	-
29. Reform of the posting allowance (<i>udetillæg</i>) - approval and implementation	B	2	2	-
30. Operational savings	B	4	1	-
31. More free trade for the benefit of Danish businesses	A	4	-	-
32. Digitisation in the Trade Council	B	2	1	-
33. A strengthening of the GPA-efforts	B	-	3	-
34. Focus on knowledge and technology-intensive projects within investment promotion and innovation	A	4	-	-
Total		97	27	1

4.8 Denmark's missions

