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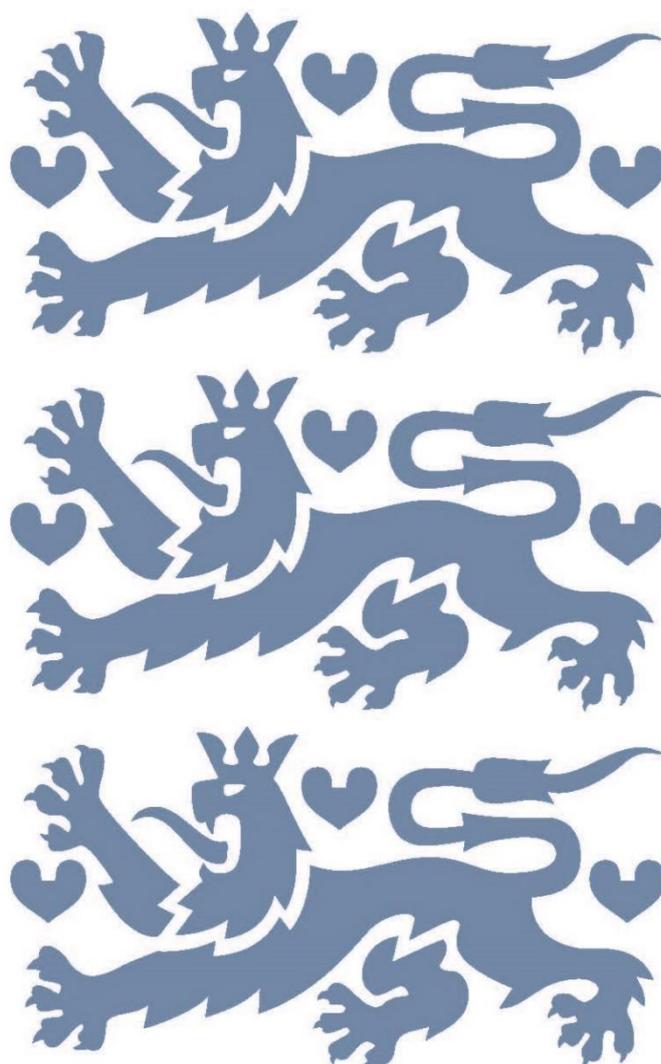


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INTRODUCTION

The Ministry of Foreign Affairs is an integrated organisation comprising one single department and over 100 Diplomatic Missions and Trade Offices as well as Innovation Centres. In addition, there are around 400 Honorary Consulates abroad. Moreover, the Danish Institute for International Studies (DIIS) and the Danish Institute for Human Rights (DHR), 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 with an interest in the MFA's activities a coherent and cross-cutting financial picture of the MFA's most important results in 2016. 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 21 highly prioritised core tasks for the MFA in the past year. These core tasks form a central part of the performance management in the MFA in 2016.

In addition, 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. 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 2016. 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, 8 March 2017.



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



Jesper Kammersgaard
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 Governments' foreign and security policy, EU policy, export and investment promotion policy, development policy as well as taking care of public service and consular services tasks.

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 four general main areas: General foreign policy, Administration of development assistance, Export and investment promotion and Consular services.

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 2016, the entire organisation had a total of 2.542 employees, of whom 759 were located at the Ministry in Copenhagen and 1.783 were located at the Missions. Of the 1.783 employees based abroad, 1.371 were locally employed staff.

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. It 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 2016, Denmark had 71 Embassies, as well as 34 other Missions, including 6 Multilateral Missions, 15 Consulates-General, 1 Consulate, 5 Trade Offices and 7 Innovation Centres. Denmark also had over 400 Honorary Missions associated with a primary Embassy.

In 2015, it was decided that the Embassy in Zimbabwe would be closed in 2016 and that the Embassies in Bolivia, Mozambique and Nepal would be closed in 2017. The closures are a consequence of the fact that Denmark's development cooperation with the four countries is being phased out as part of the reduction in Danish development assistance to 0.7 per cent of GNI. In addition, the Consulate in Munich and the Trade Office in Hamburg have both been upgraded to Consulates-General as part of the Government's trade strategy for Germany. Finally, a new Innovation Centre has been opened in Tel Aviv in 2016 in cooperation with the Ministry of Higher Education and Science.

The Ministry in Copenhagen is organised according to a central structure with seven centres. Each centre has either a 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 centre structure aims at enhancing the integrated approach to task performance, which is the MFA's strength and a prerequisite for being able to tackle present and future challenges effectively.

In early 2016, the MFA carried out an organisational restructuring, the aim of which was to ensure a continually effective task management within the financial framework as well as, to an even greater extent, ensure that decisions made are applicable to the entire organisation. The organisational restructuring entailed that 7 offices at the Ministry in Copenhagen were either closed down or merged, while 2 new offices were opened. This was done within the existing centre structure. Among the new offices is the Office for Corporate and Public Law, which processes information access requests for the entire Ministry. Similarly, a number of tasks that were previously handled by multiple units in the Ministry were centralised. This is the case, not least, for the offices working with development policy, but also in the field of EU, where a number of organisational simplifications have been implemented. Finally, certain policy areas have been prioritised away, including non-proliferation of arms, the Balkans, the neighbourhood programs and the Arab Initiative (DAI), which is now focused on fewer countries.

More information about the MFA's organisational set-up can be found on the MFA website at www.um.dk, including the above-mentioned information as well as access to earlier annual reports.

2.2 Management report

2.2.1 The operational results in 2016

According to the guidelines for writing 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 for the MFA is set by law as well as through ministerial and Governmental decisions, foreign policy reports, parliamentary decisions, and decisions adopted within international fora. In 2016, these goals were internally operationalised in line with the MFA's strategic priorities and underlying goals, which emerged from the general political priorities paper drawn up on the basis of the Government Platform. The goals 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 21 highly prioritised core tasks that are defined at centre level in the Ministry.

2.2.2 The financial results in 2016

The MFA Annual Report 2016 is submitted for the following two main accounts on the Finance and Appropriation Act:

- Section 06.11.01. The Danish Foreign Service
- Section 06.11.05. Revenue from Consular Services

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

The MFA's operating profit/loss for 2016 shows a profit of DKK 29,6 million, cf. table 1. The profit is primarily attributed to DKK 20,7 million in revenue from the sale of the residence in Dublin, which, according to an agreement reached with the Ministry of Finance, was not to be reallocated. Consequently, an accumulated surplus of DKK 306,2 million has been carried forward to 2017, cf. table 8.

The MFA's payroll expenditure under the payroll ceiling totalled DKK 580,5 million in 2016. When the expenditure is compared with the payroll ceiling of DKK 589,4 million stipulated in the Finance and Appropriation Act for 2016 (incl. supplementary appropriations), the decreased expenditure totalled DKK 8,9 million. As a result, an accumulated payroll saving of DKK 47,1 million has been carried forward to 2017, cf. table 11.

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

Profit/Loss Account – Main Figures	2014	2015	2016
Ordinary and other operation revenue, total	-1.887,8	-1.874,5	-1.870,4
Ordinary operating costs, total	1.830,1	1.870,6	1.920,8
Result of ordinary operations, total	-57,7	-3,9	50,4

Result before financial items	-134,5	-87,7	-112,6
Year-end profit/loss	-24,1	37,7	29,6

Balance	2014	2015	2016
Fixed assets	1.720,7	1.717,5	1.641,7
Current assets	327,0	539,9	274,3
Equity*	-347,1	-309,4	-339,0
Long-term liabilities	-1.755,5	-1.701,9	-1.676,4
Short-term liabilities	-371,2	-352,3	-276,7

Financial key figures (obligatory)	2014	2015	2016
Rate of utilisation of borrowing limit	68,1 %	68,0 %	65,0 %
Appropriation proportion	89,3 %	88,3 %	85,5 %

Personal information	2014	2015	2016
Full-time equivalents**	1.122,3	1.098,0	1.000
Full-time equivalent cost (DKK thousand)	522,9	566,2	580,5

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

* Equity includes adjusted equity of DKK 32,8 million.

** The method for estimating full-time equivalents for 2016 has been revised in order to account for employees of the MFA Competence Centre, Special Attachés and Economic Growth Consultants, all of which are externally funded. The revised method of estimation makes it difficult to compare the number of full-time equivalents and full-time equivalent cost to previous years.

Table 2 below shows an overview of the main accounts administered by the MFA grouped into three primary categories: operations, administrative arrangements, and plant and machinery.

Table 2. The MFA's main accounts

Operations						
Main account	(DKK million)	FL	TB	Total appropriation for the year	Accounts	Accumulated
Total*	Expenditure	1.940,3	-32,6	1.907,7	2.018,1	306,2
	Revenue	-305,9	-2,8	-308,7	-448,7	
Section 06.11.01. The Danish Foreign Service	Expenditure	1.940,3	-32,6	1.907,7	2.018,1	306,2
	Revenue	-220,9	-2,8	-223,7	-329,8	
Section 06.11.05. Revenue from Consular Services	Expenditure	0,0	0,0	0,0	0,0	0,0
	Revenue	-85,0	0,0	-85,0	-119,0	
Administrative arrangements						
Main account	(DKK million.)	FL	TB	Total appropriation for the year	Accounts	Accumulated carry-forward, year-end
Total	Expenditure	9.184,4	1.037,0	10.221,4	10.018,5	145,6
	Revenue	-294,8	0,0	-294,8	-294,4	
06.11.06. Interest revenues from diverse receivables	Revenue	-10,0	0,0	-10,0	-4,3	0,0
06.11.15. Non-statutory grants	Expenditure	43,2	0,0	43,2	42,4	17,0
06.11.19. The Bilateral Neighbourhood Programme	Expenditure	0,0	0,0	0,0	-5,4	39,6
06.11.21. Repayments from the Investment Fund for Central Europe (IØ) and the Investment Fund for Developing Countries (IFU)	Revenue	-75,0	0,0	-75,0	-75,0	0,0
06.21.01. The Nordic Council of Ministers	Expenditure	93,9	0,0	93,9	90,2	0,0
06.22.01. Peacekeeping operations	Expenditure	382,3	0,0	382,3	296,0	0,0

06.22.03. Other organisations	Expenditure	275,0	0,0	275,0	218,8	0,0
06.22.05. The European Investment Bank	Expenditure	0,5	0,0	0,5	0,0	0,0
	Revenue	-0,6	0,0	-0,6	0,0	0,0
06.31.79. Reserves and budget adjustments	Expenditure	-661,2	661,2	0,0	0,0	0,0
06.32.01. Developing countries in Africa	Expenditure	551,0	-174,1	376,9	353,6	0,1
06.32.02. Developing countries in Asia and Latin America	Expenditure	1038,6	-37,3	1001,3	966,3	13,2
06.32.04. Personnel assistance and co-operation with public authorities	Expenditure	336,4	-44,4	292,0	305,0	6,7
06.32.05. Danida Business Programmes	Expenditure	303,0	-402,0	-99,0	-97,6	0,3
06.32.07. Loan assistance	Expenditure	0,6	12,4	13,0	12,5	1,2
	Revenue	-52,4	0,0	-52,4	-52,1	
06.32.08. Other assistance	Expenditure	466,7	-44,7	422,0	425,5	2,2
06.32.09. The Danish-Arab Partnership Programme	Expenditure	140,0	35,7	175,7	170,2	5,7
06.32.11. The Neighbourhood Programme	Expenditure	110,0	0,0	110,0	99,7	10,5
06.33.01. Assistance through civil society organisations	Expenditure	758,0	0,0	758,0	753,9	0,0
06.34.01. Environment and climate assistance in developing countries	Expenditure	301,0	-20,1	280,9	282,1	1,8
06.35.01. Research and information in Denmark, etc.	Expenditure	159,0	-37,7	121,3	127,6	4,5
06.35.02. Internatioal development research	Expenditure	6,0	0,0	6,0	6,0	0,0
06.36.01. The UN Development Programme (UNDP)	Expenditure	386,0	27,0	413,0	410,0	3,2
06.36.02. The UN Children's Fund (UNICEF)	Expenditure	121,0	4,0	125,0	125,0	0,1
06.36.03. HIV/AIDS, Population and Health	Expenditure	302,0	118,0	420,0	420,0	0,0
06.36.06. Other UN development programmes and various multilateral contribution	Expenditure	135,6	304,2	439,8	429,9	13,6
06.37.01. The World Bank Group	Expenditure	765,0	87,6	852,6	848,5	3,3
	Revenue	-1,2	0,0	-1,2	-1,1	
06.37.02. Regional development banks	Expenditure	200,0	2,5	202,5	202,5	0,1
06.37.03. Development funds etc.	Expenditure	512,0	0,0	512,0	512,0	5,6
06.37.04. Assistance through the European Union (EU)	Expenditure	505,0	21,0	526,0	521,8	5,0
	Revenue	-132,3	0,0	-132,3	-128,8	
06.38.03. Various multilateral contributions	Expenditure	0,0	0,0	0,0	-0,6	0,6
06.39.01. Humanitarian organisations	Expenditure	590,0	0,0	590,0	590,0	0,1
06.39.02. Humanitarian contributions, crises	Expenditure	0,0	0,0	0,0	-0,1	0,9
06.39.03. Humanitarian contributions, partners	Expenditure	1235,0	525,0	1760,0	1759,9	0,2
06.41.02. Trade Commissioners and Trade Office	Expenditure	66,6	-1,3	65,3	84,0	8,1
	Revenue	-23,3	0,0	-23,3	-32,1	
06.41.03. Special export promotion grants	Expenditure	62,2	0,0	62,2	67,6	1,8

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

*Appropriation and accounts figures are calculated before the adjustment for provisions for reserved appropriations.

2.3 Primary functions and resources

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

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

	Appropriations booked as revenue	Other revenue	Expenditure	Proportion of year profit
Support functions	628,6	0,0	753,3	124,7
General foreign policy	296,9	-244,6	355,9	-185,7
Administration of development assistance	225,2	0,0	269,9	44,7
Export and investment promotion, etc.	310,5	-85,1	372,1	-23,5
Consular services	222,8	-2,3	267,1	41,9
Fee-financed activities, consular services	-85,0	-116,6	0,0	-31,6
I alt	1599,0	-448,7	2018,1	-29,6

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

Please note that the expenditure for "Support functions", which amounts to DKK 753,3 million, involves payroll expenditure for the overall administration and management of the MFA as well as expenditure for additional operation costs in the MFA, including the operation costs for Embassies. The expenditure for "Support functions" can, however, not be distributed evenly between the four expenditure-generating areas because it is estimated that the majority of this expenditure could be primarily assigned to the areas "General foreign policy" and "Administration of development assistance".

2.4 Performance reporting

The MFA's performance management 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 (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 2016 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 Ministry's ability to execute on the political objectives, a number of highly prioritised core tasks are defined for each of the 7 centres of the Ministry. These highly prioritised core tasks are subject for the performance reporting in this Annual Report.

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

In connection with setting goals for 2016, focus was placed on defining a few, select projects that were deemed to be of strategic importance to the MFA's overall performance. In 2016, 21 highly prioritised core tasks were defined. For each core task, one or more success criteria were attached.

Table 4 provides a summary in schematic form of the overall level of goal attainment for the 21 highly prioritised core tasks for 2016. The level of goal attainment is measured on the basis of full-year reporting for 2016 on each specific goal (core task), with contributions from the relevant units responsible for their attainment. Where the goal has been achieved, an "A" is given; a "B" is given for a goal that has been partially achieved, while "C" is given for a goal that has not been achieved.

As table 4 shows, 13 out of 21 highly prioritised core tasks were deemed to be fully attained, whilst 8 core tasks were deemed to be partially attained. None of the highly prioritised core tasks were unattained in 2016.

On this basis, the MFA's overall goal attainment for 2016 is deemed to be satisfactory.

Table 4. Goal attainment 2016

The MFA's highly prioritised core tasks in 2016	Goal attainment broken down as follows: A= Attained B= Partially attained C= Not attained Total goals attainment
1. Launch of a new development policy strategy	B
2. Strengthening the Danida business platform	A
3. Combining migration and humanitarian efforts	B
4. Provide simplified grant processes and strengthened performance measurement	B
5. Contribute to promoting equality and women's rights	A
6. Formulating a new strategic framework for the internationalisation of Danish businesses	A
7. Ensure satisfactory export and investment promotion advice	A
8. Contribute to ensuring progress on the free trade agreement with Japan	B
9. Ensure effective support for immigration authorities in the area of refugees and asylum seekers	A
10. Strengthening the MFA's communication strategy about Denmark abroad	B
11. Rethinking and refocusing the communication on Denmark's development cooperation	A
12. Strengthening TC marketing activities	B
13. NATO – Security policy	A
14. Promote economic development, growth and employment	B
15. Contribute actively to promoting efforts against radicalisation and for stabilisation	A
16. Strengthen Denmark's position in the Arctic	A
17. Russia/Ukraine	A
18. Promoting Danish core interests in the EU	A
19. Promote the possibility of Denmark's election to the UN Human Rights Council 2019-21	B
20. Further strengthening of the MFA's handling of public-law cases	A
21. Handling of the RIA relationship regarding EUROPOL etc.	A

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

The following section elaborates and comments on the level of goal attainment for each of the 21 highly prioritised core tasks. For each core task, a summary is provided (in italics) initially of the level of overall goal attainment, cf. table 4.

Core task 1: Launch of a new development policy strategy

Through the launch of a new development policy strategy, clear visions and priorities for the future Danish development policy are established. The strategy is accompanied by Finance Appropriation Acts that are correspondingly attuned to the focus on the new Sustainable Development Goals going forward to 2030, better combining of development and humanitarian efforts, new partnerships and realising synergies between trade, security and development.

The overall goal attainment for **core task 1** is classified as B (partially attained).

In June 2016, the new development and humanitarian strategy was launched by the then Foreign Minister at the People's Political Festival on Bornholm. The draft was based on a close dialogue with key development policy stakeholders, the Folketing, Danish businesses, civil society organisations and the public. Parallel with the negotiations on the new development and humanitarian policy strategy, the MFA has worked to ensure that relevant key strategic points were also reflected in the Finance Appropriation Act for 2017. This was especially the case for priorities regarding sustainable growth and development, which is now gathered in one place under section 06.3 of the act, where additional funds to strengthen, among other things, the IFU and the cooperation between Danish and foreign authorities. In addition, there has been a focus on initiating new types of partnerships in 2016, including a strengthened IFU and cooperation between authorities,

with an aim of creating synergies between development and economic diplomacy, new partnership agreements with UN organisations as well as preparation for placing part of the funds allocated to civil society organisations under competitive bidding.

In January 2017, the strategy was adopted by the parliament. The vote was postponed from 2016 to 2017 due to the formation of a new Government in November 2016. The postponement means that the goal – in relation to reporting on the MFA's performance for 2016 – is considered partially attained.

Core task 2: Strengthening the Danida business platform

Establishing a solid foundation for Danida's business platform to form a key part of the new development policy strategy with a coherent narrative.

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

In 2016, the MFA has worked to strengthen the role of the IFU as the key development finance institution in Denmark, which is also reflected in the Finance Appropriation Act of 2017. A new strategy has been drafted for the IFU. In addition, DKK 200 million have been allocated to strengthen the capital reserves of the IFU and, finally, work on guaranties has been initiated as part of the preparations for the Sustainable Development Goals (SDG) fund administered by the IFU. Furthermore, all activities regarding the development cooperation with the IFU has been centralised in one place.

In 2016, the SDG partnership facility (Danida Market Development Partnership) was launched by the then Foreign Minister at the People's Political Festival on Bornholm. The facility is innovative with respect to engaging businesses and contribute to mobilising and motivating private sector investments. The MFA called for applications to the facility and received 53 applications, out of which 5 partner consortiums were allocated funds.

In the Finance Appropriations Act for 2017, DKK 60 million have been allocated to continue the facility.

Core task 3: Combining migration and humanitarian efforts

Situating Denmark as a strong international player in developmental and humanitarian matters, especially with respect to refugees and migration as well as peace and rebuilding processes.

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

During 2016, Denmark has, in a number of ways, played an active role in the development of the Solutions Alliance network, which works to find long-term solutions for refugees in regions neighbouring conflict zones. For instance, this was reflected by the fact that Denmark carried out a global roundtable discussion in Brussels in February 2016, in which 150 representatives including the Deputy High Commissioner of UNHCR, the Assistant Administrator of UNDP and the MFA's State Secretary for Development Policy. At the meeting, a new organisational structure was confirmed, one in which the UNHCR and Denmark were voted Chairman and Vice-Chairman, respectively, until the first quarter of 2017 – a period, which has recently been extended in order to conclude the strategic development process, before the UNDP and Turkey take over these roles. Since February 2016, there has been a close cooperation between Denmark and the UNHCR on, among other things, the preparations for the board meetings in New York in July and in Geneva in December, the recruitment of a new (Danish) Head of the secretariat based in Geneva, a review of operational experiences so far (with a view to establish new national groups), etc.

In Myanmar, Denmark has taken the lead in developing the *Rakhine Partnership Initiative*, which – through the development of joint policy dialogue and a more harmonious approach to local, poverty-oriented development programmes in the Rakhine state – aims at promoting larger inclusion of the Muslim minority, including *Robingyas*.

In Tanzania, Denmark has been part of the key initiators of a national group in relation to refugees from Burundi – this work is still ongoing.

Previously, Denmark has been involved in establishing national groups related to countries of particular relevance to Denmark, including Somalia and Uganda, but this work has, in reality, been abandoned during the course of 2016. Due to disappointing results in this area, the goal for Denmark's efforts within the Alliance Solution – and therefore the overall goal attainment – is deemed partially attained.

Moreover, Denmark has distinguished itself as a frontrunner with respect to combining humanitarian and developing efforts during the World Humanitarian Summit in May. The Foreign Minister took part in three high-level roundtable sessions and presented arguments, acted as spokesperson for including the private sector in developing policy as well as created awareness of innovative Danish products and solutions presented at an exhibition stand. In addition, the Minister signed a new strategic multiannual partnership agreement with the WFP, which focuses on strengthening efficiency, transparency and innovative financing in development cooperation. As part of the follow-up to these meetings, Denmark has, among other things, contributed to the World Bank finance facility for medium-income countries with large refugee populations as well as a new fund for providing schooling during humanitarian crises called “Education Cannot Wait”. Furthermore, Denmark is ranked among the top donors to the humanitarian country funds.

With respect to the European Regional Development and Protection Program (RDPP), Denmark has in 2016 taken a leading role as well as strengthened its commitment to the EU trust funds focusing on migration and development. This is reflected by the fact that Denmark has committed to a proposed reorientation of the strategic focus of the RDPP. The reorientation of the program has helped ensure that the program continues to be a relevant and visible instrument with respect to the regions surrounding Syria – this point was also confirmed by a midway evaluation of the program carried out in May/June of 2016. In December, Denmark pledged to allocate an additional DKK 75 million to EU’s regional trust fund for alleviating the Syria crisis (MADAD), hereby making Denmark the fund’s largest bilateral donor by the end of 2016. During 2016, MADAD has managed to strengthen its position as a joint, European finance instrument for the regions surrounding Syria. It is expected that the goal of Euro 1 billion in funds will be reached before summer of 2017.

Core task 4: Provide simplified grant processes and strengthened performance measurement

Making grant processes and performance measurement more efficient.

The overall goal attainment for **core task 4** is classified as B (partially attained).

In 2016, digitalisation of grant processes has been a priority, even though there have been challenges. In particular, internal reorganisations have resulted in changes to the grant processes including the abandonment of the internal grant committee and the merger of the Development Council and the external grant committee. The ongoing work of digitalising grant process has had to be adapted to changes in administrative procedures. In addition, the work has awaited the drafting of new program and project lines in January 2017. The project will be concluded in 2017. However, digitalising performance measurement for the development cooperation – the so-called *Results Frame Interface* (RFI) – has been finalised and was launched in 2016. Since the implementation of country programmes, a much stronger emphasis has been put on performance measurement and appraisal of the programs. In the existing digital solution, it is not possible to separate goals attainment on different levels. By providing a better management overview of relevant portfolios, including how individual projects are performing with respect to agreed upon targets, the RFI supports the newly adopted approach to documentation and reporting. Tanzania and Uganda have been involved in designing and testing early versions of the RFI and it has now been made available to all units. RFI has integration with OpenAid.dk, which ensures that data is published on a daily basis. Moreover, streamlining grant processes has been done by promoting a stronger connection between development policy/strategic efforts and the resulting quality assurance of grants given that the external grant committee and the development council were merged to form a new development council (UPR). This was done by the adoption of a change to the Act on international development cooperation, which was passed by parliament in December of 2016.

Core task 5: Contribute to promoting equality and women’s rights

Promoting equality and women’s rights.

The overall goal attainment for **core task 5** is classified as A (attained).

On 16-19 May 2016, an extremely successful Women Deliver conference was held at Bella Centret with 5.759 participants from 169 countries, including 40 Ministers, a number of UN leaders, 500 journalists, thousands of private sector and civil society representatives as well as 1.100 youth delegates. Danish key issues were on the agenda and there was a vast public interest and participation in the Women Deliver side events, which helped to secure public support.

Throughout the year, Denmark has made an active effort in order to promote different aspects of women’s rights and equality in a number of international fora. Women’s sexual and reproductive rights, in particular, have internationally been put under pressure from conservative forces, and Denmark has taken an active role in trying to combat this development.

This was done through the EU as well as globally. In addition, Denmark has played an active role with respect to promoting the broader human rights agenda for girls and women, including the right to education as well as economic and social rights.

With an aim to rethink and renew available instruments, the MFA has carefully considered the need for allocating thematic grants for, among others, UN Women and UNFPA. Moreover, the MFA has made suggestions for seconded appointments related to UNSCR 1325 on women, peace and security. Finally, Denmark launched its contribution to Amplify-Change in connection with the Women Deliver conference in May 2016. The contribution was aimed at strengthening advocacy on women and girls' rights at national levels and create synergies between the normative/international and national levels.

Core task 6: Formulating a new strategic framework for the internationalisation of Danish businesses

Initiating the work of developing new, overall objectives for internationalisation.

The overall goal attainment for **core task 6** is classified as A (attained).

The Danish strategies for operating in growth economies expired at the end of 2016, and the MFA has, therefore, initiated the formulation of a new strategic framework for internationalising Danish businesses.

As part of the new framework, efforts are being made to ensure that it is well attuned to the upcoming foreign- and security policy strategy (with respect to economic diplomacy) as well as key strategic points in the new development and humanitarian policy strategy. Finally, the new framework will also follow up on recommendations from the business promotion analysis of 2016.

Core task 7: Ensure satisfactory export and investment promotion advice

The attainment of Trade Council (TC) operational objectives.

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

Within export and investment promotion, the MFA had a total of 5 economic goals in select areas of the Trade Council's (TC) work. Firstly, TC had the objective that at least 72 percent of its customers should experience a high or definitive value from receiving advice from TC on payable services. The result was 82 percent, which means that progress has been made since 2015 (81 per cent) and this also indicates that businesses are greatly satisfied with the services delivered by TC. The satisfaction level was estimated via an external survey with a response rate of about 40 percent. Secondly, TC had an objective that at least 35 percent of all payable services (measured in number of hours) are Global Public Affairs (GPA) services. The result for 2016 was 38 percent (as compared to 25 percent in 2015), hereby indicating that the Government's strategy for export promotion and investment in Germany is having the desired impact. As part of the strategy, the aim is to reach 40 percent in 2020. Thirdly, TC had the objective of – on an ongoing basis, albeit at least on a quarterly basis – to have pipe-line of projects amounting to at least 25 percent of the total annual objective for earnings. This objective should be viewed as an operational one aimed at ensuring that there is an even distribution of earnings throughout the fiscal year, hereby enhancing predictability with respect to administration including, in particular, controlling. The result for 2016 was 28 percent, which is considered highly satisfactory. Fourthly, Invest in Denmark (which is an integrated part of the Trade Council) had an objective of attracting 50 investments, out of which 15 must be high-quality projects as well as attaining a score of 67 percent. In 2016, the result was 68 projects, out of which 28 were high-quality projects. The result, which is considered highly satisfactory, is verified by an external partner. Finally, TC had an earnings objective stipulated in the Finance Appropriation Act of DKK 107,9 million (after adjustment is made for the extraordinary depreciation of liabilities). Having adjusted for an increase in the expenditure level on the export grant, the objective was changed to DKK 116 million. In 2016, the objective was reached with a result of DKK 116,2 million.

Core task 8: Contribute to ensuring progress on the free trade agreement with Japan

The MFA must actively contribute to ensuring that progress is made in the free trade agreements (FTA) between the EU and Japan with the aim of reaching a political agreement in 2016 that is reflecting of the economic interests of Denmark.

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

In 2016, the EU free trade agreement with Japan has been a key area of focus for the MFA – one, in which significant progress has been made. Among the concrete results achieved in 2016 are the fact that Danish interests in relation to the EU-Japan FTA have been mapped/updated and a hearing- and consultation process has been conducted for the preparations for the final negotiations. As part hereof, the Danish position paper has been revised in the second and third quarter of 2016. In early November, the position paper was sent to the EU Commission and a follow-up meeting was conducted with the Commission. Specifically, Denmark has brought up the FTA on a number of bilateral meetings as well as in meetings within EU circles, including in a meeting of the Council (commerce) and commerce committees, in meetings between the Foreign Minister/key diplomatic officials and EU partners as well as Japanese counterparts, including at a ministerial level.

However, an agreement between Japan and the EU was not reached in 2016. Because of this, the goal is classified as only partially attained. The hope is that a political agreement will be reached within the first half year of 2017.

Core task 9: Ensure effective support for immigration authorities in the area of refugees and asylum seekers

Making sure that the interests of the MFA, including with respect to resources, are adhered to while continually supporting the Government's policy in this area in the best possible manner.

The overall goal attainment for **core task 9** is classified as A (attained).

In 2016, the MFA received about 165 hearings regarding asylum seekers, family reunion cases and naturalisation cases pursuant to the foreigners act section 46b, out of which 130 cases, alone, were asylum cases. This is an estimated increase of 13 percent as compared to 2015. In addition, the quality in the responses drafted were sustained at a high level in 2016.

Together with the Ministry of Immigration and Integration as well as the Danish National Police, the MFA is part of a task force that focuses on combining deportations and foreign policy tools, including the diplomatic support of the deportation work. Based on the agreement reached, issues related to deportations have systematically been raised in the diplomatic dialogue with relevant third countries, just as the MFA – including representations abroad – have actively assisted the Danish National Police in its dialogue with relevant third country authorities and their representations in Denmark in a constructive manner.

Core task 10: Strengthening the MFA's communication strategy about Denmark abroad

The purpose of the communication strategy is to lay the foundation for the MFA's active approach to working with the Danish brand as well as an overall strengthening and focusing of communication efforts.

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

In 2016, the MFA drafted a new communication strategy regarding Denmark abroad in order to define the direction for the Ministry's work on Denmark's brand as well as strengthen and focus communication efforts. The strategy describes a number of central themes concerning Danish key strengths and was approved by the then Foreign Minister in March 2016.

In 2016, targeted projects based on the themes contained in the communication strategy were carried out on more than 40 Danish Missions abroad, including the largest Missions. In cooperation with the Missions, journalist visits were carried out to Denmark from the U.S., India, Russia, Germany, Poland and Saudi Arabia based on the thematic of the strategy. Finally, a one day-seminar focusing on the communication strategy was held in August 2016, in which representatives from more than 50 Missions participated. As part of the follow up on this seminar, work on a communication "tool box" was

initiated. This work, however, was not concluded in 2016, and because of this, the goal has only been partially met. The work is expected to be concluded in 2017.

Core task 11: Rethinking and refocusing the communication on Denmark's development cooperation

Successful communication.

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

The MFA has focused on rethinking the communication regarding Denmark's development cooperation. During the first six months of 2016, a public debate tour of Denmark was carried out with the aim of debating the Government's future development strategy and collect relevant input for compiling the strategy. The debate meetings took place at educational institutions, libraries etc. and saw a high attendance. In addition, a *live Twitter wall* was set up during these events in order for those present as well as those not present to contribute to the debate taking place. The tour was concluded at the People's Political Festival on Bornholm, at which the then Foreign Minister presented the draft for the new development strategy.

Social media activity in relation to the draft development strategy was satisfactory and added input to the strategy draft, e.g. in connection to the public debates. As part of the debate tour, the hashtag #VoresDKaid was established and continues to be used by MFA officials themselves as well as external working partners in relation to the development policy debate.

A plan for communicating the new development policy strategy was drafted (and implemented in early 2017), which involved publishing on all relevant MFA platforms (Danida Facebook, Development Facebook and Instagram, MFA Twitter, TC Facebook and Twitter etc.), and great emphasis is being placed on providing visual and thematic variation as well as taking advantage of the synergies between the various platforms. Moreover, targeted advertising has been conducted via social media in order to, among other things, reach new audiences.

Core tasks 12: Strengthening TC marketing activities

Implementing a number of marketing initiatives, including increased use of social media, targeted digital advertising, digitisation of the magazine Eksportfokus, revising web pages etc.

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

In 2016, the strengthening of TC marketing has been a key priority. The use of social media has been increased in the Trade Council and, in October, a Twitter channel was established for the Trade Council. Lead generation via social media, in particular, has proven very successful.

In early 2016, 10 concrete marketing activities were agreed on with the aim of supporting targeted, digital advertising. These activities and a number of other, concrete TC activities have been carried out during 2016, involving advertising in MFA media as well as external digital media (e.g. energysupply.dk) in a targeted effort, in which key messages were presented to specific, relevant audiences across all digital channels. This effort has been evaluated and perfected on an ongoing basis, in addition to the fact that customer dialogue has been monitored with identification and contact to relevant customers and potential leads.

In addition, the print version of the magazine *Eksportfokus* has been terminated and a plan for digitalisation has been made. The contents of the export focus will, instead, become an important part of the new website, which is based on an editorial content marketing approach.

Finally, the existing TC website has been revised and concrete needs identified. Plans have been made to establish new websites for tradecouncil.dk and investindk.com – both of these will expectedly be implemented in 2017. This part of the communication efforts was not carried out in 2016 and, because of this, the overall communication objective was only partially met.

Core task 13: NATO – Security policy

Contribute to maintaining NATO's ability to jointly carry out exercise activities aimed at defending the territory of the Alliance pursuant to NATO's articles 5 and 4, as well as provide a relevant platform for international operations and partnerships outside of the territory of the Alliance.

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

In 2016, Denmark has made substantial contributions to maintaining and, in certain areas, strengthen NATO's mutually insuring initiatives and general deterrence profile. Denmark has continually shown its willingness to make invest substantially in NATO's military operations as well as important political processes. In light of Russia's increasingly assertive stance, Danish efforts have been concentrated on NATO's initiatives in Eastern Europe and the Baltics. First and foremost, Denmark has played an important part in the decision to strengthen the presence of NATO in the three Baltic countries and Poland. This decision was made during the Warsaw summit in July 2016. In addition, Denmark has supplied more than 5.000 soldiers to NATO's other initiatives in Eastern Europe and the Baltic countries as well as substantial marine capabilities to NATO's standing naval forces in the Mediterranean and in the Baltic Sea. Denmark has maintained its significant commitment to Ukraine by continuing to contribute to the NATO training and education programs as well as anti-corruption efforts. Finally, Denmark has added to the ongoing modernisation of NATO capabilities by deciding to purchase 27 fighter aircrafts.

Core task 14: Promote economic development, growth and employment

To support and promote economic development, economic growth and employment in prioritised countries and regions as well as in Denmark through the use of strategic partnerships, network and diplomacy.

The overall goal attainment for **core task 14** is classified as B (partially attained).

As part of the MFA's work on securing suitable framework conditions that promote economic development, economic growth and employment, more than 25 high-level visits, including trade delegations, were carried out to and from prioritised countries and regions with the aim of negotiating and form collaborations and partnerships in 2016.

In Asia, Latin America, Oceania and Africa, a large number of incoming and outgoing visits have been carried out at the levels of Ministers and senior officials. These visits include, among others, a visit by the Prime Minister to South Korea, including a trade delegation, visits by the Foreign Minister to a number of countries including Vietnam and Thailand (which included visits to Danish manufacturing companies), Brasil and Argentina (which included trade delegations as well) and also visits to Afghanistan, Nigeria, Iran, Qatar, Tunisia and Algeria. Visits to Denmark by foreign delegations include the state visit from Mexico (which focused on trade, investment and trade policy, political consultations with the Foreign Minister of Mexico), a visit from China's Foreign Affairs Council as well as visits of Ministers from Bangladesh, Singapore, Indonesia, Vietnam etc.

With respect to West Africa, which is one of several prioritised geographic areas, a draft program for promoting regional economic integration has been received – Accelerating Trade in West Africa (ATWA). The program itself will be launched during the 1st quarter of 2017 in connection to an event in West Africa. The launch has been postponed from the original plan seeing as it i) at the moment is being investigated how the program can be incorporated into the existent bilateral programs in Burkina Faso and Ghana, where new possibilities have arisen and ii) coordination and integration to existing EU and USAID efforts are being contemplated. By postponing the launch of the program it has been made possible that the program will become part of a larger effort. As a consequence of the postponement, however, this part of the objective was only partially met in 2016.

With regard to the Arab world, the Foreign Minister presented his vision for the new Danish Arab Partnership Program (DAPP) at a public seminar with participants from Danish civil society in September 2016. Following this, the Development Council was briefed on the program and a program document was published on the MFA's website. The program consists of two columns aimed at supporting good governance and enhanced economic options with a special emphasis on youth and women.

In East Asia, the MFA has worked to ensure the adoption of a joint action plan for Denmark's strategic partnership with South Korea, which was signed by the Danish Prime Minister and the South Korean President in October 2016. Finally, the MFA has worked to secure the high-level adoption of a joint action plan for 2016-2020 regarding Denmark's strategic partnership with China. The action plan is largely in place at the technical level but, due to the postponement of a planned visit by the Prime Minister to China, the signing of the agreement has not taken place in 2016. Due to this, the objective has only been partially met.

Core task 15: Contribute actively to promoting efforts against radicalisation and for stabilisation

Denmark actively contributes nationally and internationally to stabilisation and rebuilding efforts in conflict-stricken and fragile states through integrated efforts, in which the whole spectrum of instruments is put to use. The purpose is, among other things, to combat illegal migration and radicalisation

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

In 2016, the MFA has worked with relevant authorities and spent a substantial amount of resources to be successful in the fight against ISIL as well as in relation to the crises in Iraq and Syria in general. During the year, a number of military contributions have been added to the coalition, including a contingency of combat aircrafts and special forces pursuant to the decision B 108 by the Danish Folketing. In October 2016, the three-year regional anti-ISIL stabilisation program for Syria and Iraq amounting to DKK 332,5 million for the period of 2016-18 was launched. As part of the coalition's stabilisation efforts, Denmark hosted a stabilisation group meeting in Copenhagen in November 2016. In addition, Denmark has worked increasingly on the containment of foreign fighters and especially the financing of terror as joint chair of one of the coalition's working groups focused on stopping financial transfers to and from ISIL.

The situation in Libya is monitored primarily from Copenhagen with contributions from the Embassy in Cairo as well as contacts at the EU and UN delegations in Tunis. Denmark is a supporter of the EU's civilian mission in Libya, the EU-BAM Libya (EU Border Assistance Mission). In addition, Denmark led the maritime part of the international mission to retrieve and destroy remnants of the Libyan chemical arms stocks. Denmark's limited aid commitment in Libya consists primarily of providing support via the UNDP to the Libyan constitutional assembly's efforts to compile a new constitution. With regard to Afghanistan, Denmark hosted a conference aimed at gathering experience with the participation of the Danish Foreign Minister, the Minister of Defence as well as the Afghan Deputy Foreign Minister Karzai. At the end of 2016, work on compiling a new country policy paper for Afghanistan was initiated, for which the Embassy in Kabul delivered a Process Action Plan in early 2017. This work is based on the financial framework for Danish development assistance to Afghanistan for 2017-2020, which was determined in October 2016. With regard to the African continent, Denmark has also contributed to international, civilian efforts to combat terror in 2016. In East Africa, a number of initiatives, including anti-radicalisation projects in Somalia (Serendi) and Kenya (PET PREVENT), have been carried forward and key lessons from these projects have been disseminated during stabilisation seminars in both Copenhagen and Nairobi. With respect to West Africa and Sahel, Denmark has actively contributed to the prevention of radicalisation. For instance, this was done via the regional FSF Sahel program for combating violent extremism, while development cooperation has focused on the importance of intra-religious dialogue.

With regard to preventing radicalisation, extremism and terrorism in the Sahel and on the Horn of Africa, specifically, Denmark played an active part in EU discussions (PSC COAFR) and on more than one occasion provided input to the EU Trust Fund in 2016. In addition, Denmark has played a key part in ensuring progress in the EU discussion regarding the Mali peace process and regional cooperation in this area. In June, Denmark put the issue of the peace process on the agenda of the Foreign Affairs Council (FAC) via a so-called nonpaper, which received widespread support and has meant that the issue has since then been continually discussed. Moreover, Denmark has provided more general input to EU discussions on youth, including in relation to the Sahel. With a significant contribution from Denmark, Germany presented a nonpaper on this very issue and the issue has, in early 2017, gained considerable attention as a cross-cutting agenda with respect to stabilisation, radicalisation and migration. With regards to the Horn of Africa, Denmark has initiated a new project concerning the influence of the Gulf States on the Horn of Africa with the aim of contributing to policy development in Danish foreign policy as well as the EU in 2017. The project has attracted the attention of a number of Denmark's core allies in the region.

Core task 16: Strengthen Denmark's position in the Arctic

To strengthen Denmark's position in the Arctic as well as to promote the objective of maintaining the Arctic as an area characterised by low political and military tension through enhanced international collaboration with a special emphasis on maritime cooperation, telecommunication infrastructure and research collaborations.

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

In 2016, participation in the Arctic Council has been an important part of the MFA's efforts on Arctic issues, in particular through taking part in the Arctic Council's task force on maritime collaboration. This work has been carried out in close coordination between the MFA, Greenland and the Faroe Islands. Participation in the council's work has ensured that the

council has been able to present itself as the primary global and regional platform concerning the future use and protection of the Arctic high seas, which has been a crucial point of reference in the negotiations taking place in other organisations.

As a special focal point, the MFA has contributed to securing as effective a link as possible between the political initiatives and Danish commercial interests with regards to the development of the telecommunication infrastructure in the Arctic. In particular, this objective was pursued by the hosting of a conference entitled "Space to the Arctic: New business opportunities for space-based infrastructure" ("Rummet kalder Arktis: Nye forretningsmuligheder for rumbaseret infrastruktur"). The program for the conference was built around the analysis of the Ministry of Defence's future task management in the Arctic, the first national space strategy as well as the Arctic Council's mapping of the future satellite and telecommunication need in the Arctic. The conference drew 120 participants, out of which 40 percent represented sector relevant Danish companies.

Denmark, the Faroe Islands and Greenland have together worked to ensure that the elements of a legally binding agreement is reached between the Arctic states to promote free research and free movement of persons and equipment across national borders. Finally, the MFA has collaborated with the relevant authorities to ensure that observer states are given the opportunity to actively contribute research resources to Arctic research.

Core task 17: Russia/Ukraine

Denmark must maintain a significant political and financial support to Ukraine as well as contribute to ensuring EU backing for maintaining pressure on Russia for implementation of the Minsk agreement. Possibilities for enhanced dialogue – both bilaterally and multilaterally – with Russia will be sought, e.g. in connection to the Arctic and the Baltic Sea issues.

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

In 2016, Denmark has maintained its active political and financial support for Ukraine. In part, this has been done via the EU, in which Denmark has taken initiative and achieved an agenda-setting role with a focus on the reform process in Ukraine, and in part via an intensive bilateral cooperation. Based on Danish initiative, Ukraine was discussed at the FAC meeting in January 2016, and, at the same occasion, the Danish Foreign Minister hosted a discussion between EU Foreign Ministers and their Ukrainian colleague. In collaboration with the EU Commission, Denmark focused on how the EU and its member states can improve coordination and collaborate efforts, and in July 2016, Denmark was elected to lead the Commission's three-year anti-corruption program amounting to approx. DKK 120 million (out of which 10 million were donated by Denmark) in Ukraine. During the Foreign Minister's visit to Ukraine in September, a joint meeting was held between the EU Commissioner for Enlargement, Hahn, and Ukrainian anti-corruption authorities, at which point the anti-corruption program was launched. In late February, a nonpaper initiated by Denmark was prepared and a new discussion in FAC was scheduled for February 2017. Throughout the year, Denmark maintained a high level of political dialogue and bilateral aid to Ukraine focusing on decentralisation, energy efficiency, anti-corruption and media/civil society, while a new five-year development aid frame for Ukraine is being compiled.

The EU sanctions against Russia have been maintained. Of late, the financial sanctions were extended to July 2017. A close coordination with the Folketing via consultations etc. has helped to ensure a continued broadbased and strong domestic support for the sanctions. In relation to Russia, all four working groups under the Danish-Russian government council were activated in 2016, albeit political circumstances have not allowed for a meeting to take place. The bilateral dialogue with Russia at the official level was strengthened and a margin meeting was held at the Foreign Minister level. Denmark has maintained its two-pronged policy towards Russia, which consists of a firm hand in relation to sanctions and keeping on pressure for reaching a solution to the conflict in Ukraine as well as a commitment to cooperate in areas where it is possible to do so and in line with Danish interests.

Core task 18: Promoting Danish core interests in the EU

Danish core interests in the EU must be pursued as effectively as possible in close collaboration with the Prime Minister's Office and other relevant partners with a focus on important issues such as migration, EUROPOL, Brexit, economic growth and employment etc.

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

The MFA has contributed to putting a Danish mark on, among other things, concluding remarks from the meetings in the European Council concerning important areas such as migration. In the area of migration, Denmark has managed to shift the focus of the discussion from one concerning redistribution of refugees to concrete solutions, including closing down of the West Balkan route, reaching an agreement between the EU and Turkey as well as the partnership agreements with a

number of origin and transit countries in Africa (compacts). As a result, the total number of refugees and migrants to EU has gone down in 2016 as compared to 2015.

On 15 December 2016, the Prime Minister reached an agreement with the Chairman of the EU Commission and the Chairman of the DER on how to ensure Denmark's cooperation with Europol after 1 May 2016. Before the agreement was reached, the Danish Government received unanimous support from all parties in the Folketing (on 12 December 2016) to initiate negotiations, which were formalised on 15 December 2016. The MFA has been actively involved in handling the case.

In relation to Brexit, the MFA formed a dedicated task force – with the participation of all ministries and under the supervision of the MFA – the day after the British referendum. A mapping of Danish interests in relation to the upcoming negotiations with the British have been conducted and was presented to the Government in September 2016. In 2016, six meetings were held in the task force and there was kept close contact to the EU Commission, the European Council's as well as other member states' Brexit units. In addition, a common framework for the dialogue with the UK, other EU-partners and the press has been established, an inter-ministerial process plan for the Danish preparations ahead of the UK's notification and the adoption of EU's negotiation mandate has been agreed upon (in an effort to ensure the pursuit of Danish interests). Additionally, working groups on the EU budget, acquired rights, EU's internal market etc. have been formed.

Core task 19: Promote the possibility of Denmark's election to the UN Human Rights Council 2019-21

At the end of 2016, the MFA has strengthened the platform for promoting the election of Denmark to the UN Human Rights Council for 2019-2021.

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

In 2016, the campaign for Danish membership of the UN Human Rights Council for the period 2019-2021 was initiated under the heading of *Dignity, Dialogue and Development*. A campaign role for the then Foreign Minister was defined and adaptations have since been made to this due to the change in Government, which took place in November 2016. In addition, work was started on compiling regional campaign strategies for Africa, Asia, South America, Europe, MENA, CARICOM and the Pacific Islands. The strategies, however, proved to be inadequate as strategic frameworks for the bilateral dialogues that were to take place. Because of this, it was decided to compile specific campaign strategies for each of the 192 UN member states and this work will continue in 2017. Seeing as the work on the strategy papers was not concluded in 2016, the overall goal is classified as partially attained.

Core task 20: Further strengthening of the MFA's handling of public-law cases

Strengthening the MFA's handling of public-law cases, including administrative law cases, as well as ensuring a strengthened task management and a uniform approach to information access requests.

The overall goal attainment for **core task 20** is classified as A (attained).

By creating a new corporate law unit in 2016, the MFA has established a well-functioning and centralised unit for staff members working with law and archival tasks. This has resulted in better cooperation and synergies in dealing with information access requests, commissions, including the Tibet Commission as well as the historic investigation concerning Kosovo, Iraq and Afghanistan.

Adding to the organisational changes made in June 2016, new internal guidelines concerning the handling of information access requests were compiled and disseminated to all employees in the MFA. The new and improved guidelines have led to cases being handled in a more uniform and quicker manner than previously and, in addition, a higher level of quality in handling all types of cases has been achieved.

Finally, the MFA has worked with the Ministry of Justice to establish an administrative law network. The MFA participates in the network in order to draw on and share lessons with others regarding the centralisation of information access requests and the Information Act.

Core task 21: Handling of the RIA relationship regarding EUROPOL etc.

Preparing a draft for parallel agreements and/or bills regarding EUROPOL etc.

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

In 2016, reviewing possibilities for continued Danish affiliation with the European police collaboration, EUROPOL, has been a key priority. The MFA has provided legal advice that helped to make sure that necessary steps were taken in order to keep Denmark as part of the collaboration. A draft agreement has been drawn up at a technical level, which is being reviewed by the Ministry of Justice with the involvement of the MFA.

In an effort to secure a continued Danish cooperation with EUROPOL, there was an ongoing dialogue between the Government and parliament parties, relevant EU institutions and the EUROPOL. The MFA has assisted these efforts by establishing the legal framework for the continuation of Denmark's cooperation with EUROPOL, which has been a contributing factor to the initiation of formal negotiations between the EU and Denmark.

2.5 Expectations for the coming year

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

The MFA expects to realise a surplus of DKK 3,0 million in 2017 on the MFA's operating appropriation, cf. table 5. The surplus is committed to a carried-over expenditure within the Ministry.

Table 5. Expectations for the coming year

	Accounts 2016	Core budget 2017
Appropriation and additional revenue	-2047,7	-2017,2
Expenditure	2018,2	2014,2
Result	-29,6	-3,0

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

In light of the changes made to the MFA's appropriations, a reorganisation of the MFA was carried out in 2016. The termination of certain positions in the MFA will be fully implemented in 2018.

In the coming year, focus will be placed on utilising the DKK 35 million in 2017 and the DKK 70 million annually from 2018 and forward, which were allocated as part of the Appropriation Finance Act for 2017. The new funds will be spent on a number of activities aimed at supporting the implementation of the upcoming foreign and security policy strategy, which will expectedly be presented in 2017. Already, a first step has been taken with the announcement of a Tech Ambassador, which took place at a conference entitled "The Future Foreign Service" in January 2017 as part of the work on the foreign and security policy strategy.

It is noted that Section 06.11.05 Revenue from Consular Services has been merged with Section 06.11.01 The Danish Foreign Service in order for the MFA's entire operation appropriation is centralised in one main account. The result of this change to the accounting structure is a simplification of the resource and financial follow-up on the MFA's operation appropriation. The appropriation level is unaffected by the change.

2.5.2. Main political priorities

In the Ministry of Foreign Affairs, work in 2017 is expected to be dominated by the fact that a number of traditional guiding post in Danish foreign policy are changing. The new US administration has signalled policy changes in several areas, the UK has decided to leave the EU, the situation in Eastern Europe close to Denmark is characterised by uncertainty and the terrorist threat from fragile states towards the south and southeast continues to be serious. In 2017, the MFA's main priorities will largely centre on these very issues. In addition, a number of other important tasks will form part of the care-taking of Danish interests. These include general foreign and security policy matters, export and investment promotion as well as consular services.

Foreign and security policy strategy

In 2017, the Government will expectedly present Denmark's first coherent strategy for foreign and security policy. Work on compiling the strategy has been done primarily by the MFA. The new strategy will build on the Government's review on Denmark's foreign and security policy from May 2016 and will serve as a framework for the prioritisation and combining of the Government's international efforts in years to come.

EU

The primary task on the EU agenda in 2017 will expectedly be the negotiations following the British decision to leave the EU. The MFA is chairing an interministerial working group, which is tasked with mapping Danish interests in relation to the negotiations between the EU and Britain. In relation to the British exit from the EU, the European Medicines Agency (EMA) will relocate from its current position in London. In cooperation with the Danish Ministry of Health, the Ministry of Foreign Affairs is leading an interministerial working group seeking to have the EMA relocate to Denmark. This work will be carried out in cooperation with the City of Copenhagen, Copenhagen Capacity as well as Danish pharmaceutical companies and research institutions.

EU cooperation will expectedly continue to be challenged by the influx of refugees and migrants to Europe in 2017 and there will continue to be a need for acquiring European solutions to the migrant crisis. In 2016, focus has been on, among other things, increasingly combining deportations and foreign policy instruments, including the interconnection between political dialogue, development policy and trade policy, with a view to ensuring that effective agreements are made on issues of readmission of rejected asylum seekers and other foreigners without legal residence in Denmark. This will continue to be a top priority in 2017. In order to strengthen dialogue with third countries, the Ministry of Foreign Affairs has appointed an ambassador specifically assigned to migration.

The Council of Europe

In November 2017, Denmark will take over the presidency of the Council of Europe's Ministerial Committee, which consists of 47 member states. The Council of Europe plays an active role in the handling regional European challenges, including migration issues. The presidency provides Denmark with a special platform to enhance visibility for issues of particular interest to Denmark and to generally draw attention to three core issues on the agenda of the Council of Europe: human rights, the rule of law and democracy. Denmark will, for instance, use the presidency to critically review the way, in which the European Court of Human Rights has extended the scope of parts of the European Convention on Human Rights.

Ukraine and Russia

In 2017, Denmark will continue the work towards a robust and common EU stand with respect to the sanctions policy against Russia, where it is important that the duration of the sanctions imposed remain closely tied to compliance with the Minsk Agreement. Denmark will continue its commitment – bilaterally and through the EU – to support important reform efforts in Ukraine by focusing on a number of areas such as energy, decentralisation and anti-corruption. For instance, Denmark will lead the EU's anti-corruption program in Ukraine in 2017. Through criticism as well as multilateral dialogue, Denmark will contribute to influence Russia to act responsibly when handling issues such as the conflict in Syria, the Iranian nuclear program and terrorism. From Denmark's perspective, special emphasis is being put on continuing the constructive dialogue with respect to the Arctic and the joint efforts to maintain the Arctic as a low-tension area.

Syria/Iraq/ISIL

In 2017, contributing to finding a political solution to the Syria conflict and creating peace in Iraq and Syria will continue to be a political priority. Denmark will continue to be involved in the fight against ISIL and countering violent extremism through civilian and military efforts. In relation to this, focus will be on maintaining support for the Iraqi government in its fight against ISIL and the inclusive reform agenda. Stabilisation of the areas freed from ISIL will be given special priority, primarily through work on the three-year stabilisation program for Iraq and Syria amounting to DKK 330 million. In addition, work on a number of civilian anti-terror efforts in the region, aimed at undermining ISIL, will continue. The humanitarian efforts in Syria and neighbouring countries will continue to be expanded in collaboration with Danish and international humanitarian partners, including the Danish-led European development and protection program for the Middle East.

Denmark's new development and humanitarian strategy

In January 2017, the Government presented a new development and humanitarian strategy based on widely held support from the parties of the Danish Folketing. Implementation of the strategy will be a main priority in 2017 and years to come. The new strategy builds on the UN's Sustainable Development Goals with a specific prioritisation and focus on Danish effort in areas where Denmark holds special interests and the best prerequisites for creating good, sustainable results.

Equality and human rights

The Ministry of Foreign Affairs will nationally as well as internationally work to promote equality and women's rights. Nationally, 2017 will see the establishing of a nationwide unit concerning violence in close relations as well as the launch of a campaign against violence. The efforts against human trafficking will be additionally strengthened and information will be provided on rights and equality in ethnic minority environments in order to counter negative forms of social control mechanisms. In addition, work will be done focusing on equality in daycare services and education as well as fathers' use of leave. Internationally, Denmark will continue its active commitment to promote equality in relation to, among other venues, the Danish Presidency of the Council of Europe and the follow-up on the Sustainable Development Goals.

The campaign for Denmark's election to the UN Human Rights Council for the period of 2019-2021 will also be a main priority for the Ministry of Foreign Affairs in 2017. The vote on membership will take place at the UN General Assembly in November 2018. Membership of the council will potentially secure Denmark a prominent role in international discussions on important issues such as freedom of speech, freedom of press, the protection of minorities and the protection of women's rights.

Export and investment promotion

In 2017, the focus of export promotion efforts will be on helping more businesses to enter export markets through customised consultancy, aimed especially at small and medium-sized businesses, and through business promotion in selected markets. Collaborations between Danish and foreign authorities concerning the design of frameworks and standards, which in the long run can pave the way for Danish competences and solutions, will also be prioritised. In addition, Denmark will make it a priority to strengthen its presence in the most important, global science centres.

Free trade adds to economic growth and prosperity in Denmark. It is, therefore, important that the EU continues its ambitious free trade agenda with a focus on reaching new trade agreements with third countries to the benefit of Danish companies, workers and consumers alike. In the current situation of increased free trade scepticism and risk of protectionism, Denmark will, as part of its trade policy, work to secure open markets and a rule-based international trade system centred around the WTO. In June 2017, Denmark will take over the presidency of the OECD Council of Ministers, and the overriding theme of the talks will be how to ensure that more people gain positively from globalisation.

Digital and technological diplomacy

In 2017, the Ministry of Foreign Affairs has decided to name a Tech Ambassador, who will be tasked with driving the development of digital and technological diplomacy forward. The purpose of this is to strengthen the MFA's knowledge of the global development trends in digitalisation and technology for the benefit of the Government, Danish authorities and other partners as well as to promote the already existing Danish strongholds in this area on an international scale.

2.5.3. Key organisational priorities

The MFA must be seen as an organisation, which efficiently delivers results of 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 integration of Denmark's foreign policy instruments in order to be able to safeguard Denmark's interests in the best possible way.

In 2016, the MFA has defined three organisational benchmarks in an effort to establish a manageable, operational and lean framework that acts to support the MFA's ongoing work and priorities. As part of the framework, Senior Management has defined three organisational benchmarks, which are as follows: (1) Results of a high professional standard through the effective and efficient administration and prioritisation of resources; (2) Openness and cooperation; and (3) Cross-cutting integration and coordination.

For the organisational benchmarks, a total of 6 strategic change projects have been defined. The projects have a cross-cutting organisational focus and can be carried out within a relatively short time span (1-2 years). In 2017, Senior Management will revise the change projects in order to determine whether to add, remove or make other changes to the existing portfolio of projects.

Finally, each centre in the MFA defines 2-5 highly prioritised core tasks, following strategic discussions with Senior Management, while Embassies, Consulate-Generals etc. compile an action plan containing 3 strategic priorities each. Both the highly prioritised core tasks as well as the action plans cover 1 year and build on the Government's overall political objectives and priorities. In 2017, the MFA will also work with a number of organisational key priorities within the framework of the Ministry's strategic cooperate governance.

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, all transferable or partially transferable properties are valued on the basis of a market valuation carried out in 2005, whereas non-transferable properties are valued on the basis of the acquisition price. No revaluations are made regularly in relation to market development in relation to the transferable properties. The value of all properties is divided according to three categories: land, buildings and installations. The value of installations is fixed at 10 percent of the value of the building.
- In 2016, the threshold for activation of development projects was increased to DKK 700.000 following consultation with the Agency for the Modernisation of Public Administration. The change in accounting principle led to operation costs of approx. DKK 13,7 million in 2016.
- Assets that fall under the grants/subsidies sphere are not included in the cost-based accounts.
- From 2016 onwards, provisions regarding savings days are entered into the MFA's statement of provisions, cf. section 3.2.1. Explanation of reversed provisions and accrual items. The provision regarding savings days incurred a cost of approx. DKK 4,6 million in the financial statement for 2016.
- The MFA has changed its accounting procedures in relation to the ongoing exchange rate adjustment in the accounts. Until 2013, each Mission adjusted the exchange rate on an ongoing basis in connection with transfer of cash and cash equivalents. At a given time, therefore, there were several exchange rates per currency in the accounts. From 2013, an annual exchange rate per currency is set. This annually fixed exchange rate is used also when setting the budget frame.
- In 2005, the MFA entered into agreement with the Ministry of Finance and the Agency for the Modernisation of Public Administration to use joint bank and cash holdings in the service abroad in the cost and expenditure-based spheres. From 2013, the cash and cash equivalents in both the service abroad and the home service are separated in these areas. There are, however, grant appropriations that are registered in the cost-based accounts and subsequently settled.

3.2 Profit and loss account, etc.

The MFA's profit and loss accounts for the years 2015 and 2016 along with the budget for 2017 are presented below in table 6.

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

Profi/loss as of 31.12.2016	Accounts 2015	Accounts 2016	Budget 2017
Ordinary operating revenue			
Appropriations booked as revenue			
Appropriations	-1.649,0	-1.599,0	-1620,2
Amount spent of previous year's reserved appropriations	-5,8	0,0	0,0
Amount reserved of current year's appropriations	0,0	0,0	0,0
Appropriations booked as revenue, total	-1.654,8	-1.599,0	-1620,2
Sale of goods and services	-107,6	-144,1	-87,6
Fees/charges	-110,4	-119,0	-116,5
Grants for own operations	-1,7	-8,3	-
Ordinary operating revenue, total	-1.874,5	-1.870,4	-1824,3

Ordinary operating costs			
Consumption costs			
Rent	233,3	240,2	227,0
Consumption costs, total	233,3	240,2	227,0
Personnel costs*			
Salaries and wages	649,6	603,3	617,1
Pension	99,1	97,6	94,1
Reimbursement of pay	-131,9	-105,7	-125,3
Other personnel costs	16,8	3,0	16,0
Personnel costs, total	633,6	598,2	601,9
Depreciation and amortisation	95,4	122,4	81,5
Other ordinary operating costs	908,3	960,0	1100,7
Ordinary operating costs, total	1870,6	1920,8	1.929,7
Result of ordinary operations, total	-3,9	50,4	105,4
Other operating entries			
Other operating revenue	-103,3	-176,0	-192,9
Other operating costs	19,6	13,5	0,0
Result before financial items, total	-87,6	-112,1	-87,5
Financial items			
Financial revenue	-1,1	-1,4	0,0
Financial costs	126,5	83,9	84,5
Financial items, total	125,4	82,5	84,5
Result before extraordinary items, total	37,7	-29,6	-3,0
Extraordinary items			
Extraordinary costs	0,0	0,0	0,0
Extraordinary revenue	0,0	0,0	0,0
Extraordinary items, total	0,0	0,0	0,0
Year-end profit/lost, total	37,7	-29,6	-3,0

Note: A positive (+) figure = expenditure/deficit, 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 contain 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.

The table below accounts for the MFA's distribution of year-end profit for 2016.

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

	2016
Year-end profit for transfer	29,6
Appropriated earned surplus	0,0
Transferred to dividends to Treasury	0,0
Transferred to carry-forward surplus	29,6*

*DKK 20,7 million of this amount stems from proceeds from the sale of the residence in Dublin, which – in agreement with the Ministry of Finance, could not be reallocated. During the year, these funds have been reserved for accrual to Treasury. However, the way in which this has taken place is by increasing the carry-forward surplus.

3.2.1 Explanation of reversed provisions and accrual items

The MFA's provisions are adjusted annually, and were last adjusted as of 31.12.2016.

Provisions in 2016	DKK million

Holiday pay	99,3
Flex time	2,6
Overtime	1,5
Savings days	4,6
Severance pay for locally employed staff in the service abroad	34,6
Refurbishment of leased properties	58,6
Loss on debtors	0,4
Personnel adjustments	12,7

3.3 The balance sheet

The MFA's balance sheet for 2015 and 2016 is presented below in table 8. Notes to the balance sheet can be found in section 5.1.1.

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

Balance as of 31.12.2016					
Assets	2015	2016	Liabilities	2015	2016
Fixed assets					
Intangible fixed assets			Equity		
Completed development projects	87,1	67,9	Adjusted equity	-32,8	-32,8
Acquired concessions, patents, licences, etc.	2,5	2,5	Carry-forward surplus	-276,6	-306,2
Development projects in progress	16	10,6	Equity, total	-309,4	339,0
Intangible fixed assets, total	105,6	81,0	Provisions	-124,5	-106,5
Tangible fixed assets			Long-term liabilities		
Land, space and buildings	1.462,5	1.430,7	Mortgage debt and other long-term debt	0,0	0,0
Transport equipment	27,2	25,3	FF4 Long-term debt	-1.701,9	-1.676,5
Plant and machinery	8,5	7,1	Long-term liabilities, total	-1.701,9	1.676,5
Fixtures and fittings, tools and IT equipment	40,1	27,7	Short-term liabilities, total		
Work in progress at own cost	73,6	69,9	Suppliers of goods and services	-97,6	-83,0
Tangible fixed assets, total	1.611,8	1.560,7	Other short-term debt	-18,6	-18,4
Financial fixed assets			Holiday pay due	-105,4	-99,3
Government bonds	32,8	32,8	Reserved appropriation	0,0	
Other financial fixed assets	0,0	0,0	Prepayments, liabilities	-1,8	6,7*
Financial fixed assets, total	32,8	32,8	Work in progress and liabilities	-128,8	-82,6
Fixed assets, total	1.750,3	1.674,5	Short-term liabilities, total	-352,3	-276,6
Current assets			Debt, total	2.054,2	-1.953,1
Accounts receivable	438,4	164,8	Liabilities, total	2.488,0	2.398,6
Prepayments and accrued revenue	101,5	109,5			
Cash and cash equivalents					
FF5 Non-interest-bearing account	22,4	77,9			
FF7 Financing account	36,4	184,0			
Other cash and cash equivalents	139,0	187,9			
Cash and cash equivalents, total	197,9	449,8			
Current assets, total	737,7	724,1			
Assets, total	2.488,0	2.398,6			

*A billing error has resulted in DKK 23,3 million being posted under an incorrect accrual accounting category. The amount should have been posted under accounts receivable.

3.4 Explanation of equity

The MFA's equity totalled DKK 339,0 million at the end of 2016. Of this amount, the accumulated surplus carried forward totalled DKK 306,2 million and the adjusted equity totalled DKK 32,8 million, cf. table 9.

The carry-forward surplus totalled DKK 276,6 million at the beginning of 2016, which together with the year-end surplus of DKK 29,6 million thus increased to DKK 306,2 million.

Table 9. Explanation of the MFA's equity 2016 (DKK million)

	R-1 2015 DKK million	R 2016 DKK million
Equity, year-beginning	-347,1	-309,4
Adjusted equity, opening balance	-32,8	-32,8
Changes in adjusted equity	-0,0	0,0
Adjusted equity, closing balance	-32,8	-32,8
Revaluations, opening balance	0,0	0,0
Changes in revaluations	0,0	0,0
Revaluations, closing balance	0,0	0,0
Carry-forward surplus, opening balance	-314,3	-276,6
Changes in carry-forward surplus related to account changes	0,0	0,0
Existing carry-forward surplus appropriated	0,0	0,0
Year-end profit/loss	37,7	-29,6
Year-end profit/loss appropriated	0,0	0,0
Dividends to the State	0,0	0,0
Carry-forward surplus, closing balance	-276,6	-306,2
Equity, year-end	-309,4	-339,0

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)

	2016
Intangible and tangible fixed assets, total	1.641,7
Borrowing limit	2.526,3
Rate of utilisation in %	65,0%

3.6 Follow-up on the payroll ceiling

The MFA's payroll expenditure under the payroll ceiling totalled DKK 580,5 in 2016, which meant an expenditure decrease of DKK 8,9 million in relation to the payroll ceiling of DKK 589,4 million. The total payroll saving subsequently amounted to DKK 47,1 million by the end of 2016, cf. table 11.

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

Main account	2016 Section 06.11.01
Payroll ceiling FL (Finance and Appropriation Act)	589,4
Payroll ceiling incl. TB (Supplementary Appropriation/Appropriation Notes)	589,4
Payroll expenditure under payroll ceiling	580,5
Difference	8,9
Accumulated saving, year-end 2015	38,2
Accumulated saving, year-end 2016	47,1

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 2016
06.11.06 Interest revenues from diverse receivables	Other appropriation	Revenue	-10,0	-4,3
06.11.15 Non-stautory grants	Revenue appropriation	Expenditure	43,2	42,4
06.11.19 The Bilateral Neighbourhood Program	Revenue appropriation	Expenditure	0,0	-5,4
06.11.21 Repayments from the Investment Fund for Central Europe (IØ) and the Investment Fund for Developing Countries (IFU)	Other appropriation	Revenue	-75,0	-75,0
06.21.01 The Nordic Council of Ministers	Statutory	Expenditure	93,9	90,2
06.22.01 Peacekeeping operations, etc. under the UN	Statutory	Expenditure	382,3	296,0
06.22.03 Other organisations	Statutory	Expenditure	275,0	218,8
06.22.05 The European Investment Bank	Other appropriation	Revenue	-0,6	0,0
		Expenditure	0,5	
06.32.01 Developing Countries in Africa	Revenue appropriation	Expenditure	376,9	353,6
06.32.02 Developing Countries in Asia and Latin America	Revenue appropriation	Expenditure	1.001,3	966,3
06.32.04 Personnel Assistance	Revenue appropriation	Expenditure	292,0	305,0
06.32.05 Danida Business Programmes*	Revenue appropriation	Expenditure	-99,0	-97,6
06.32.07 Loan assistance	Revenue appropriation	Revenue	-52,4	-52,1
		Expenditure	13,0	12,5
06.32.08 Other assistance	Revenue appropriation	Expenditure	422,0	425,5
06.32.09 The Danish-Arab Partnership Programme	Revenue appropriation	Expenditure	175,7	170,2
06.32.11 The Neighbourhood Programme	Revenue appropriation	Expenditure	110,0	99,7
06.33.01 Assistance through civil society organisations	Revenue appropriation	Expenditure	758,0	753,9
06.34.01 Environment and climate assistance in developing countries, etc.	Revenue appropriation	Expenditure	280,9	282,1
06.35.01 Research and information in Denmark, etc.	Revenue appropriation	Expenditure	121,3	127,6
06.35.02 International development research	Revenue appropriation	Expenditure	6,0	6,0
06.36.01 The UN Development Programme (UNDP)	Revenue appropriation	Expenditure	413,0	410,0
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	420,0	420,0
06.36.06 Other UN development programmes and various multilateral contributions (FNUD)	Revenue appropriation	Expenditure	439,8	429,9
06.37.01 The World Bank Group**	Revenue appropriation	Revenue	-1,2	-1,1
		Expenditure	852,6	848,5
06.37.02 Regional Development Banks	Revenue appropriation	Expenditure	202,5	202,5
06.37.03 Regional Development funds, debt relief initiatives and other funds	Revenue appropriation	Expenditure	512,0	512,0
06.37.04 Assistance through the European Union (EU)	Other appropriation	Revenue	-132,3	-128,8
		Expenditure	526,0	521,8

06.38.03 Various multilateral contributions	Revenue appropriation	Expenditure	0,0	-0,6
06.39.01 General contributions to international humanitarian organisations	Revenue appropriation	Expenditure	590,0	590,0
06.39.02 Humanitarian contributions to acute and protracted crises	Revenue appropriation	Expenditure	0,0	-0,1
06.39.03 Humanitarian contributions to partners in acute and protracted crises	Revenue appropriation	Expenditure	1.760,0	1.759,9
06.41.02 Trade Commissioners and Trade Office	Revenue appropriation	Revenue	-23,3	-32,1
		Expenditure	65,3	84,0
06.41.03 Special export promotion grants	Revenue appropriation	Expenditure	62,2	67,6

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 2016, the MFA had neither extraordinary revenue nor extraordinary expenditure.

Loss on receivables (Balance sheet)

In 2016, the MFA increased its provisions for loss on debtors in 2016 from DKK 0,2 million in 2015 to DKK 0,4 million in 2016. The realised recorded net loss for 2016 amounted to DKK 0,3 million, which is less than in 2015.

Inventories (Balance sheet)

The MFA had no inventories for the purpose of resale.

Provisions (Balance sheet)

Please refer to section 3.2.1.

4.1.1 Notes to the balance sheet

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

	Completed development projects	Acquired concessions, etc.	Total
Cost price as of 1.1.2016	242,0	3,2	245,2
Opening balance adjustments and transfers between scopes of accounting	0,0	0,0	0,0
Acquisition	16,6	0,0	16,6
Disposal	-20,4	0,0	-20,4
Cost price as of 31.12.2016	238,2	3,2	241,4
Accumulated depreciation	-170,3	-0,7	-171,0
Accumulated amortisation	0,0	0,0	0,0
Accumulated depreciation and amortisation as of 31.12.2016	-170,3	-0,7	-171,0
Financial value as of 31.12.2016	67,9	2,5	70,4
Annual depreciation	-15,4	-0,1	-15,5
Annual amortisation	0,0	0,0	0,0
Annual depreciation and amortisation	-15,4	-0,1	-15,5

Development projects in progress

	DKK million
Opening balance as of 1 January 2016	16,0
Acquisition	8,8
Amortisation	-14,2
Transferred to completed development projects	0,0
Cost price as of 31.12.2016	10,6

Note 2. Tangible fixed assets (DKK million)

	Land, space and buildings	Infrastructure	Plant and machinery, etc.	Transport equipment	Fixture and fittings, tools and IT equipment	Total
Cost price as of 01.01 2016	1.933,7		30,7	77,4	169,4	2.211,2
Opening balance adjustments and transfers between scopes of accounting	0,0		0,0	0,0	0,0	0,0
Acquisition	41,5		0,5	9,9	4,8	56,7
Disposal	-208,0		-1,3	-11,3	-7,4	-228,0
Cost price as of 31.12.2016	1.767,2		29,9	76,0	166,8	2.039,9
Accumulated depreciation	-331,6		-22,8	-50,7	-137,3	-542,4
Accumulated amortisation	-4,9		0,0	-0,0	-1,8	-6,7
Accumulated depreciation and amortisation	-336,5		-22,8	-50,7	-139,1	-549,1
Financial value as of 31.12.2016	1.430,7		7,1	25,3	27,7	1.490,8
Annual depreciation	-14,9		-0,5	-0,5	-10,1	-26,0
Annual amortisation	149,5		0,0	0,0	0,3	149,8
Annual depreciation and amortisation	134,6		-0,5	-0,5	-9,8	123,8

Work in progress at own cost

	DKK million
Opening balance as of 1 January 2016	73,6
Acquisition	38,2
Amortisation	0,0

Transferred to completed tangible fixed assets	-41,9
Cost price as of 31.12.2016	69,9

4.2 Commercial activities

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

Table 13. Commercial activities 2013-2016 (DKK million)

	2013	2014	2015	2016
Language training, year-end profit/loss ("-" sign = surplus)	1,1	-0,2	-0,3	1,2
Language training, accumulated year-end profit/loss ("-" sign = surplus)	-4,0	-4,2	-4,5	-3,3

4.3 Fee-financed activities

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

Table 14. Fee revenue 2013-2016 (DKK million)

	2013	2014	2015	2016
Fee- passports	-16,7	-16,2	-16,9	-17,2
Fees - legalisation	-13,4	-13,9	-14,0	-14,2
Fees – assistance cases	-0,2	-0,2	-0,1	-0,1
Fees – visas and residence/work permits	-62,9	-67,7	-76,1	-85,1
Other fee revenue	-1,5	-2,2	-3,2	-2,3
Total	-94,6	-100,2	-110,3	-118,9

4.4 Grant-financed activities

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

Table 15. Grant-financed activities

	Carry-forward surplus previous year	Grant 2016	Expenditure 2016	Year-end profit carried forward
Multi-donor-financed regions of Origin programme in Jordan, Lebanon and Iraq	116,5	31,6	77,5	70,6

4.5 Presented investments

It should be noted that the MFA did not complete any capital projects in 2016.

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

Table 16. Capital projects in progress (DKK million)

Capital projects in progress	Most recently presented	Commencement of construction	Expected completion	Incurred expenditure, total	Incurred expenditure, current year	Approved total expenditure
Embassy building, Dhaka*	2005			0,2	0,0	DKK 7,0, cf. Appropriation Note 178, 2005
Embassy and residences, New Delhi, land rights**	2008	2016	2018	136,0		DKK 136,0 cf. Appropriation Note 48, 2008
Embassy and residences, New Delhi***	2016	2016	2018	32,2	17,3	xx, cf. Confidential Appropriation Note A, 2016

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

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

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

4.6 Overview – Priorities and goals

The MFA's highly prioritised core tasks in 2016	Goal attainment broken down as follows: A= Attained B= Partially attained C= Not attained			
	Total goal attainment	Attained success criteria	Partially attained success criteria	Unattained success criteria
1. Launch of a new development policy strategy	B	3	1	-
2. Strengthening the Danida business platform	A	2	-	-
3. Combining migration and humanitarian efforts	B	2	1	-
4. Provide simplified grant processes and strenghtene performance measurement	B	2	1	-
5. Contribute to promoting equality and women's rights	A	4	-	-
6. Formulating a new strategic framework for the internationalisation of Danish businesses	A	2	-	-
7. Ensure satisfactory export and investment promotion	A	5	-	-
8. Contribute to ensuring progress on the free trade agreement with Japan	B	1	1	-
9. Ensure effective support for immigration authorities in the area of refugees and asylum seekers	A	3	-	-
10. Strengthening the MFA's communication strategy about Denmark abroad	B	1	1	-
11. Rethinking and refocusing the communication on Denmark's development cooperation	A	3	-	-
12. Strengthening TC marketing activities	B	2	2	-
13. NATO – Security policy	A	1	-	-
14. Promoting economic development, growth and employment	B	2	2	-
15. Contribute actively to promoting efforts against radicalisation and for stabilisation	A	5	-	-
16. Strengthen Denmark's position in the Arctic	A	3	-	-
17. Russia/Ukraine	A	4	-	-
18. Promoting Danish core interests in the EU	A	4	-	-
19. Promote the possibility of Denmark's election to the UN Human Rights Council 2019-21	B	2	1	-
20. Further strengthening of the MFA's handling of public-law cases	A	3	-	-
21. Handling of the RIA-relationship regarding EUROPOL, etc.	A	2	-	-
Total	-	56	10	-

4.7 Denmark's missions

