

ANNUAL REPORT 2005



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Minister for Foreign Affairs



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Co-operation*

FOREWORD

In keeping with the era of globalisation, Denmark is active in many fields and in many parts of the world. 2005 began with membership of the UN Security Council, which will continue in 2006. Although situations such as Sudan/Dafur, Iraq and the assassination of Lebanon's Prime Minister Hariri attracted the biggest headlines, the Security Council addressed a large number of regional conflicts – e.g. in Africa and Kosovo – and thematic issues, especially counter-terrorism. Denmark used its weight as a Security Council member to assert its influence in the decision to adopt the new UN Peacebuilding Commission, whose purpose is partly to assist the UN and the international community within the field of conflict management.

The UN Summit in 2005 presented an opportunity to ensure a stronger focus on Africa. Africa in particular needs an extra helping hand if it is to reap the benefits of globalisation. Danish development assistance will also direct more attention to Africa. In 2005, therefore, the Government decided to select Mali as a new programme country in Africa and maintain development assistance at a minimum of 0.8% of GNI.

However, development assistance is not enough on its own. There also has to be market access. This is why the outcome of the WTO Ministerial Conference in Hong Kong in December was important. Although no genuine breakthrough was achieved, the process remained on track and the market access conditions of developing countries were made the central focus.

In 2005, Iraq and Afghanistan also drew headlines, primarily for violent events. But at the same time, elections were held and these were a great success. Democracy is still in its infancy in both countries, with Denmark maintaining its military presence there at the request of the UN and also of Iraq and Afghanistan, respectively. Danish troops were also deployed in the UN Mission in Sudan. In all three countries, the Danish military efforts will be combined with reconstruction assistance.

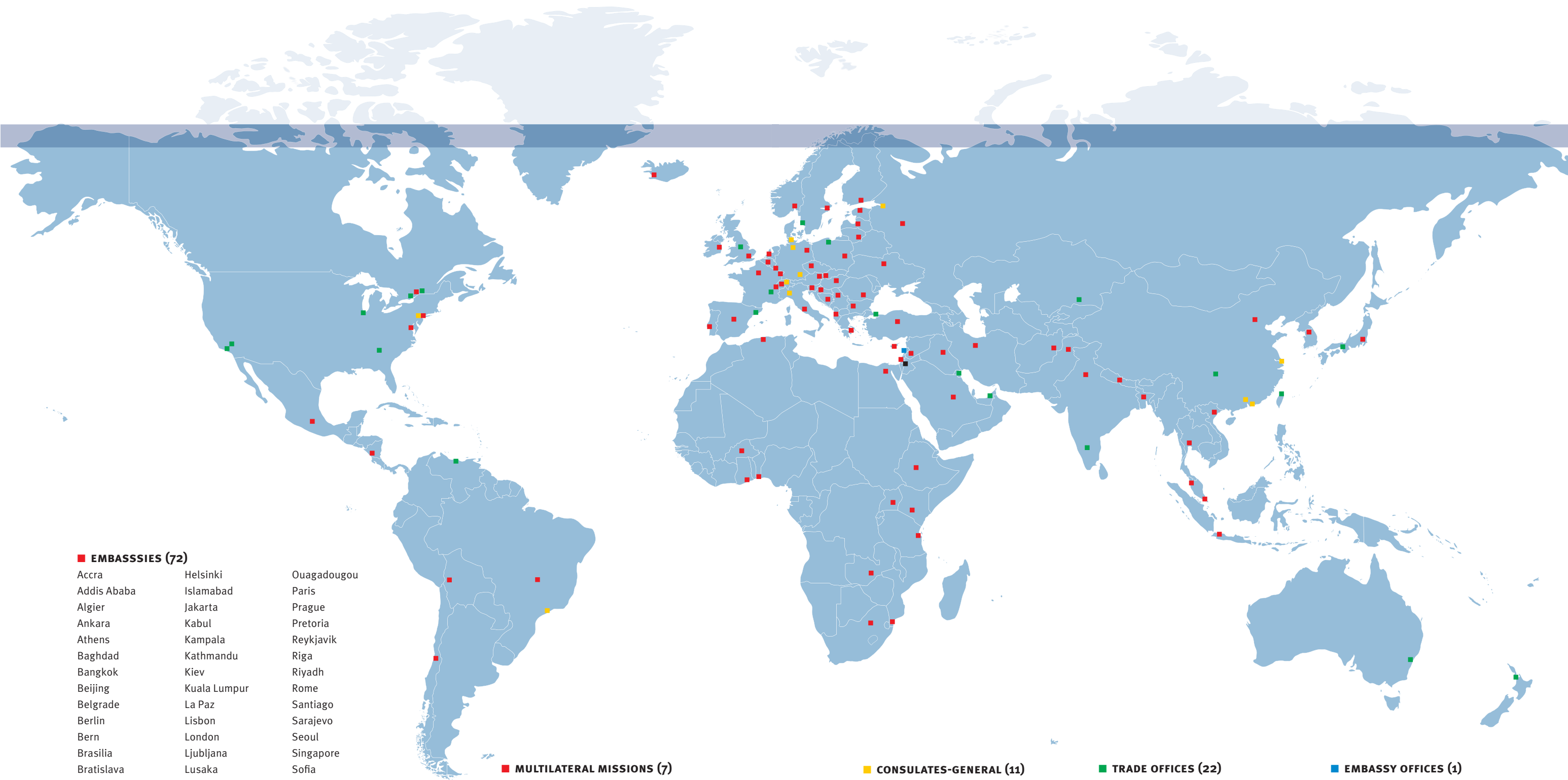
The EU experienced a difficult year following the decision to put the Constitutional Treaty on hold. The year also saw the adoption of a new seven-year budget, new goals for EU assistance, the opening of accession negotiations with Croatia and Turkey, as well as the deployment of a number of important peace missions.

The relationship between the EU and the USA was strengthened, partly thanks to President Bush's visit to Brussels in February 2005. Denmark assigns great importance to the relationship between the EU and the USA, as Denmark and the USA share many foreign policy objectives. This was confirmed during President Bush's visit to Denmark in June.

Terrorism unfortunately also left its mark on 2005. Other disasters, such as the tsunami in Asia, the earthquake in Pakistan and the floods in New Orleans, were challenges of a completely different nature. The tsunami led to a strengthening of the Danish crisis response capability. This capability passed the test following the terrorist attacks in London and Sharm El-Sheik – and most recently in connection with the protests in the Muslim world at the beginning of 2006 over the cartoons printed by the Danish newspaper, Jyllands-Posten. During 2005, a model for Nordic crisis cooperation was agreed, with the EU initiating efforts to build a similar model.

The cartoon affair and the subsequent foreign policy crisis have made it necessary to intensify efforts to improve dialogue with the Muslim countries and communities. This will be a major task in the years ahead, and the whole affair only emphasises that foreign and development policy will be increasingly important for Denmark.

DENMARK'S MISSIONS



■ **EMBASSIES (72)**

Accra	Helsinki	Ouagadougou
Addis Ababa	Islamabad	Paris
Algier	Jakarta	Prague
Ankara	Kabul	Pretoria
Athens	Kampala	Reykjavik
Baghdad	Kathmandu	Riga
Bangkok	Kiev	Riyadh
Beijing	Kuala Lumpur	Rome
Belgrade	La Paz	Santiago
Berlin	Lisbon	Sarajevo
Bern	London	Seoul
Brasilia	Ljubljana	Singapore
Bratislava	Lusaka	Sofia
Brussels	Luxembourg	Stockholm
Budapest	Madrid	Tallinn
Bucharest	Managua	Teheran
Cairo	Maputo	Tel Aviv
Cotonou	Mexico DF	Tirana
Damascus	Moscow	Tokyo
Dar Es Salaam	Nairobi	Vilnius
Dhaka	New Delhi	Warsaw
Dublin	Nicosia	Washington DC
The Hague	Oslo	Vienna
Hanoi	Ottawa	Zagreb

■ **MULTILATERAL MISSIONS (7)**

Brussels	Permanent Representation of Denmark to the EU
	Permanent Representation of Denmark to NATO
Geneva	Permanent Mission of Denmark to the UN
New York	Permanent Mission of Denmark to the UN
Paris	Permanent Delegation of Denmark to the OECD
Strasbourg	Permanent Representation of Denmark to the European Council
Vienna	Permanent Delegation of Denmark to the OSCE

■ **MISSION OFFICES (1)**

Ramallah

■ **CONSULATES-GENERAL (11)**

Flensburg
Guangzhou
Hamburg
Hongkong
Milan
Munich
New York
São Paulo
St. Petersburg
Shanghai
Zürich

■ **TRADE OFFICES (22)**

Almaty	Istanbul
Atlanta	Kobe
Auckland	Kuwait
Bangalore	Los Angeles
Barcelona	Lyon
Caracas	Manchester
Chicago	Montreal
Chongqing	Silicon Valley
Dubai	Sydney
Gdansk	Taiwan *
Gothenburg	Toronto

■ **EMBASSY OFFICES (1)**

Beirut

*) Denmark, like the vast majority of countries in the world, including EU Member States and the USA, pursues a One-China policy. This means that Denmark recognises China and not Taiwan. Consequently, Denmark has no diplomatic relations with Taiwan. At the same time, however, it is Danish policy to cultivate economic and cultural relations with Taiwan.

The MFA's Mission

To work for Denmark's interests and values in relation to the surrounding world in a manner that furthers the freedom, security and welfare of Danes in a more peaceful and just world, with development and economic growth for all.

The MFA's vision

The Ministry of Foreign Affairs – works for Denmark

- 1: We must ensure the greatest possible influence and best possible position for Denmark in international co-operation.
- 2: We must assist Danes in distress abroad quickly and efficiently.
- 3: We must be the partner preferred by enterprises in international trade and investment activities.
- 4: We must strengthen Denmark's participation in international development co-operation and ensure that Danish development assistance remains among the very best in the world.
- 5: We must provide highly-valued advice and co-operation on international issues.
- 6: We must be an open and active communicator of Danish foreign policy views and values at home and abroad.
- 7: We must enjoy wide respect as a competent, efficient, outward-looking and service-oriented enterprise.
- 8: We must be an attractive, dynamic place of work that ensures a high degree of staff satisfaction and targeted competence development.

The MFA's core values

In the Ministry of Foreign Affairs, we work as individuals and as an organisation on the basis of:

Musicality
Transparency
Dynamism
Job satisfaction
Professionalism

ANNUAL REPORT OF THE MINISTRY OF FOREIGN AFFAIRS OF DENMARK FOR 2005



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Herewith is presented the Annual Report of the Ministry of Foreign Affairs of Denmark (MFA) for 2005.

The MFA is a single organisation comprising one single department without subordinate agencies or institutions. This means that the MFA is only obliged to submit an annual report on the outward-facing and operational functions and tasks that the MFA undertakes on a substantial scale.

We have, however, chosen to continue the now well-established practice of reporting on *all* MFA main activity areas, including the departmental functions and responsibilities, which are otherwise exempted from the reporting obligation. This we do as part of the ongoing development of the MFA's performance reporting procedures. However, we also do this in order to provide all those with a professional or personal interest in the MFA's activities a coherent and cross-cutting financial picture of the MFA's most important results in 2005 – and in order to document the governance that has laid the foundation for their achievement.

The Annual Report has been drawn up in accordance with the document, *Guidelines for Writing Annual Reports (Vejledning i udarbejdelse af årsrapporter)*, published by the Agency for Governmental Management (Økonomistyrelsen). It falls into four sections: a report, performance reporting, financial reporting and appendices. As an innovation, the Annual Reports opens with a series of picture stories, with the aim of illustrating the breadth of the MFA's activities in an easily comprehensible manner.

The Annual Report solely reports on the overriding strategic objectives of the past year. Subsequently, not all MFA activity areas are separately described or presented in detail in the Annual Report. Several of these areas are, however, described in the annual reports compiled on a number of the MFA's activity areas.

Questions concerning the MFA's Annual Report 2005 may be addressed to the MFA's Finance Department (OKO@um.dk).

2. PICTURE STORIES

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PHOTO: UN PHOTO



GOOD DANISH YEAR IN THE SECURITY COUNCIL

Denmark's first year as a member of the UN Security Council has gone well. We have worked solidly and professionally, whilst keeping an eye on the bigger picture. There is no doubt that clear standpoints, focused efforts and the Danish approach of being a good cooperation partner and a well-organised member offer opportunities for influence, even for a small country like Denmark. At the same time, solid results have been achieved in the efforts to promote the Danish priorities – anti-terrorism, Africa, conflict management and strengthening of the international rule of law.

As Chairman of the UN Counter-Terrorism Committee (CTC), Denmark has played an important role in turning the CTC into a body that takes active measures to prevent terrorism in close dialogue with affected countries and regional organisations. In relation to the conflicts in Africa, Denmark also engages in active efforts to solve them – e.g. in Sudan (Danish troops serve with the UN force), in Liberia (Denmark has a key role as Chairman of the Sanctions Committee), and in Eritrea/ Ethiopia (Danish observers).

With regard to conflict management, Denmark played a central role in the establishment of the UN Peacebuilding Commission. And with regard to strengthening the international rule of law, Denmark has, among other things, contributed to promoting a dynamic Security Council ready to take effective action against impunity for very serious crimes. The referral of the investigation of crimes committed in Darfur to the International Criminal Court (ICC) is the clearest example.

PHOTO: CNIS BOURNICLE / AFP PHOTO



PHOTOS: HEWI BABAKHAN



IRAQI AGRICULTURE SEES GROWTH

Denmark has supported the agricultural sector in Iraq since 2003, and despite the very difficult conditions facing the Iraqis and the international advisers, progress and interest in developing this sector can be detected.

Agriculture is namely the sector that employs most people, and it has the potential to employ far more within sustainable agriculture and the food industry. Such a development is also crucially important for improving living conditions.

In Southern Iraq, four governorates have formed so-called Sector Working Groups, and agriculture has now become one of these. The small photo above shows the group of people who participated in the third Joint Agricultural Sector Working Group meeting in Basra on 22 February 2006, to which the Iraqi Ministry of Agriculture sent three representatives.

The large photo shows an assembly of tomato farmers voting in favour of a motion to proceed with a plan to form a farm-owned cooperative. During 2005, five such tomato farm cooperatives were established and registered in the Basra governorate. Approx. 300,000 tons of tomatoes are produced per year in this governorate, with the employment of over 100,000 workers. Denmark provides assistance in close cooperation with the local authorities and the central authorities in Baghdad, and Denmark also cooperates with other international donors and the International Security Assistance Force.



PHOTO: IGNAZI ROVIRA

ARAB INITIATIVES SPROUT UP

The Wider Middle East Initiative encompasses the establishment of bilateral cooperation programmes as well as broad thematic programmes within the civil society sphere, with the involvement of partners from throughout the region in both types of programmes.

In 2005, efforts were initiated to implement the partnership agreement reached with Yemen in 2004. A technical office was established in April 2005 and cooperation programmes were launched within the areas of media, decentralisation and women's rights. In September 2005, the first steering committee was implemented, which was held in Copenhagen and attended by Yemen's Deputy Prime Minister.

In August 2005, a partnership agreement was signed with Jordan. Besides the existing cooperation on the establishment of a Jordanian ombudsman institution, technical cooperation was initiated to promote the country's decentralisation reform process and gender equality. In Morocco, negotiations were held on the establishment of a Moroccan-Danish partnership programme, and agreement in principle was reached on a partnership agreement, with projects implemented within family legislation and women's rights, rehabilitation of juvenile offenders, and social dialogue on the labour market.

The Danish cooperation partners in the Wider Middle East Initiative total more than 30 NGO and public institutions.

In 2005, the "cartoon affair" had no noteworthy impact on The Wider Middle East Initiative. After the escalation of the affair in January 2006, a number of activities have had to be postponed, although it is too early to judge the long-term effect of the affair on the many cooperation projects.



PHOTO: LARS-HENRIK WORSØE



PHOTOS: CHARLOTTE OLSEN

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ELECTION MILESTONE IN AFGHANISTAN

By far the most important event in Afghanistan in 2005 was the parliamentary and provincial council elections that were held in September; the first since the 1960s, with Denmark as an important donor.

The implementation of the elections was a technical and logistical feat that required helicopters as well as mules in order to reach the remotest parts of Afghanistan. The election battle, where more than 5,000 candidates ran individually, was lively and reasonably fair. Taliban-Al Qaida were unable to disrupt the voting process, except for a few sporadic incidents. Although there were examples of election fraud and threats made against both candidates and voters, these could not spoil the general impression of an election process which in the main was credible.

The participation of women was an especially positive element, with more than 500 female candidates running in the two elections and a final result which saw several of the female candidates win a seat on their own votes and without help from the mandated quota for women. Women fill 68 of the 249 seats in the parliament's Lower House, which outstrips the proportion of women in parliament in many far more developed countries.

Ethnically, the Lower House's election result came to reflect the Afghan realities in the best possible way, with a little under half of the seats taken up by Pashtuns and the rest by Tajiks, Hazaras, Uzbeks, Turkmens, etc. During the Lower House's first few sessions, all these newly elected politicians are now engaged in the process of learning the art of democracy, with all the joys and sorrows that it brings. But here they are supported competently by a joint donor capacity building programme, to which Denmark, among other countries, channels financial support.





PHOTO: HENNING BAGGER / SCANPIX

STRENGTHENED TIES WITH THE USA

The increased number of visits between Denmark and the USA testifies to a further strengthening of the traditionally good and close relations between the two countries. 2004 saw the first visit to Denmark by a US Secretary of State since 1991. The fewest of people would have expected that one year later this would be followed by President George W. Bush's visit on 5-6 July. Here, Prime Minister Anders Fogh Rasmussen was host to a visit that was highly successful and subject to intense media coverage.

The Prime Minister visited the USA in May, when he met with President George W. Bush and had talks and roundtable discussions with experts on globalisation. Minister for Foreign Affairs Per Stig Møller held political consultations with Secretary of State Condoleezza Rice during his visits to the USA in March and September.

The good bilateral relations between Denmark and the USA rest on strong historical and economic ties between the two countries. Moreover, there are a number of foreign policy issues where there is an increasing convergence of views between Denmark's and the USA's analyses, with a common focus on actively seeking to establish the fundamental conditions essential for securing stable and peaceful development in the world, such as democracy and justice.

Denmark has also won recognition for its constructive efforts to ensure a transatlantic cooperation that is as positive and effective as possible. This applies to efforts within both the EU and NATO.



PHOTO: EMILIO MORENATTI / AP PHOTO

GAZA-EGYPT BORDER OPENED

Denmark plays an active role in the majority of crisis management missions conducted under the EU common security and defence policy. In 2005, the EU launched six new missions – a record number. The EU is now engaged in conflict management activities in Africa, Asia, the Middle East and in the Balkans.

In the Middle East, the EU established a Border Assistance Mission in November 2005. In doing so, the EU made an important contribution to the peace efforts and the development of Gaza following Israel's withdrawal earlier in the year. With the presence of 60 EU observers, it was possible to open the border between Gaza and Egypt, whereby the Palestinian Self-Governing Authority for the first time assumed direct responsibility for border control.

The EU monitors the border control procedures to ensure that they follow international standards. With approx. 1,200 people crossing the border each day, almost 140,000 people have crossed the border during the first few months. Danish police officers participate in the Border Assistance Mission.

The small photo above shows EU observers who are participating in the EU Border Assistance Mission in Gaza, while the large photo shows Danish Police Commissioner Stig Ødorf in conversation with a Palestinian security officer during the opening ceremony on 25 November 2005.



PHOTO: ROLF HOLMBOE



PHOTO: HALLA POULSEN

GREENLAND TRAVELS TO WASHINGTON

In May 2005, Denmark, Greenland and the USA met in Washington as part of the new cooperation within the so-called Joint Committee, which was established as part of the Igaliku Agreement of 2004. The purpose of the Joint Committee is to engage the USA in solid and mutually beneficial cooperation in Greenland, and the meeting in May in Washington put Greenland on the agenda in the US capital for an entire week.

With a wide range of meetings and events for the representatives of the Greenland Home Rule Government, business people and cultural representatives, the cooperation showed its worth for Greenland. The programme reflected the new broad partnership within environment, research, education, trade and other areas. It included an exhibition on Greenland in the world-famous Smithsonian Museum and the largest ever Greenlandic business promotion drive carried out abroad. During a visit to NASA's Goddard Space Flight Center, discussions took place about the rapid increase in the melting of the Inland Ice, regarding which NASA satellite photos have contributed to a greater understanding. The large photo shows, among other things, the Ilulissat Ice Fjord, which NASA has monitored for many years.

For both the Self-Rule Government in Nuuk and the Danish Government in Copenhagen, it is highly important that the Joint Committee cooperation meets the intentions of the three parties to expand relations between Denmark/Greenland and the USA from purely defence-oriented cooperation to broad, multi-dimensional cooperation of mutual benefit in civil and economic matters. The next meeting of the Joint Committee is scheduled to take place in Copenhagen on 30-31 May 2006.



PHOTO: EARTH OBSERVATORY - NASA



PHOTO: MORTEN JUHL / BERLINGSKE TIDENDE

WHEN CRISIS STRIKES

In 2005, the Ministry of Foreign Affairs strengthened its crisis response capability. A permanent Emergency Response Unit was set up in the Consular Affairs department. A hotline and call centre was established in the Crisis Management Centre. Satellite telephones were purchased and an advanced registration database installed. A crisis portal was developed and agreements reached with telecom companies regarding the dispatch of text messages to Danes in crisis-hit areas.

‘During the protests against the cartoons of the Prophet Muhammed that were published in the national newspaper, Jyllands-Posten, the crisis response capability stepped into action. Embassies had to be closed and others reinforced with extra staff. The Crisis Management Centre and the Consular Affairs department immediately received staff reinforcements from other parts of the Ministry of Foreign Affairs, as it was clear that the situation would require a 24-hour crisis management response over many weeks,’ says Lars Thuesen, Head of Consular Affairs (small photo).



PHOTO: YOUSSEF BADANI / EPA



PHOTO: JOHANNES JANSSON

ACTION ALWAYS HAS CONSEQUENCES

In the old days, travellers from Bornholm to Copenhagen used to take the overnight boat from Rønne. Today, it is not uncommon for the journey to go through Sweden. And this has given rise to difficulties for travellers with pets, weapons for competitions and hunting, as well as drugs for personal use. This problem was taken up by the various Ministers for Nordic Cooperation during the Danish Presidency in 2005. And at a press conference, Connie Hedegaard from Denmark and Berit Andnor from Sweden were able to present a series of breakthroughs for those travelling to and/or from Bornholm. The Presidency had the theme, “The Nordic Region in a New Era: Knowledge, Dynamism and Cooperation” and placed emphasis on renewing and streamlining Nordic cooperation.

At the Nordic Council Session in Reykjavik, the Nordic Council Film Prize was awarded for the second time. This time, the prize was awarded to the Danish film “Manslaughter” (“Drabet”), which is the last in a trilogy about the Danish class society. The director, Per Fly; the producer, Ib Tardini; and the authors, Kim Leona, Dorte Høegh, Mogens Rukov and Per Fly, received the film prize at a grand ceremony in Reykjavik Theatre. In justifying its choice, the Adjudication Committee said: ‘Without condemning or whitewashing the characters, “Manslaughter” shows that an action always has consequences’. At the session, the Nordic parliamentarians adopted the plan presented by the Danish Presidency for modernising the Nordic Council of Ministers. And at the close of the session, Ole Stavad from Denmark was unanimously elected as President of the Nordic Council in 2006. He has been Chairman of the Nordic Council’s Danish delegation since 2001.



PHOTO: MAGNUS FRÖDERBERG



PHOTO: LOUISE BRINCKER

REFUGEES HELPED LOCALLY

Denmark conducts region-of-origin activities in a number of countries, including Tanzania. In the western part of the country, there reside approx. 350,000 refugees, particularly from Burundi and Congo, in one of the country's poorest areas. In some areas, the refugees outnumber permanent residents, and many years' overpopulation has had a detrimental impact on the environment and put great strain on the local communities. In the areas outside the camps, the Danish support goes partly to the management of natural resources, especially water and fuel.

Water pumps are installed in collaboration with a local-based administration, where the village appoints a person to be responsible for the water pump's operation and maintenance. This is financed by the locals, who pay a small charge each time they fetch water. Effort is made to ensure that the villages choose women for the position of water pump manager, partly because this promotes good local ownership.

Denmark also sponsors tree-planting in an effort to prevent forests being completely cleared when people gather firewood for cooking. These activities are carried out by a number of Tanzanian NGO's.

We also carry out region-of-origin activities in Uganda, Kenya, Somalia, Sudan, Zambia, Afghanistan, Sri Lanka, Kosovo and Iraq.



PHOTO: HENRIK JESPERSEN



PHOTO: JØRGEN SCHYTTE



PHOTO: ERNST TOBISCH

SEXUAL AND REPRODUCTIVE HEALTH FOR ALL

Sexual and reproductive health and rights are things we take for granted here in Denmark. But in many developing countries, women and girls have no say over their own body. They do not have the possibility to say no to sex, nor protect themselves against unwanted pregnancies and HIV/AIDS infection. They do not have access to sexual guidance, contraception, pregnancy examinations nor are they able to give birth in a hospital or a clinic with trained midwives and obstetricians present. Each year, approx. 18 million women and young girls in developing countries have an illegal abortion performed under unsafe conditions after becoming pregnant against their wish. In sub-Saharan Africa, more than 60 per cent of diseases contracted are attributed to sexual and reproductive disorders, including HIV/AIDS. Lack of access to reproductive health often has disastrous consequences for the woman concerned. However, it also has consequences for the country's economy and ability to fight its way out of poverty. Each year, millions of productive energies are wasted, because women either die or become incapable of working as a result of sexual and reproductive problems. Consequently, Denmark works actively to ensure that especially women and young people in developing countries learn about sexual matters and gain access to contraception. With dedicated and sustained efforts in connection with the UN Summit held in 2005 to assess the progress made towards implementing the Millennium Declaration, Denmark played a part in ensuring that the goal regarding reproductive health for all was linked together with the international efforts to eradicate poverty – the Millennium Development Goals.



TUBERCULOSIS MUST BE ELIMINATED

The Aeras Global TB Vaccine Foundation has as its ultimate objective to eliminate tuberculosis, which is one of the biggest killers in the developing world. Aeras is an international NGO that is supported by the Bill & Melinda Gates Foundation.

Invest in Denmark, which is an integrated part of the Ministry of Foreign Affairs, met with Aeras' President and CEO, Jerald Sadoff, in New York in 2003 and has since then worked intensively both in the USA and in Denmark to attract a tuberculosis project to Denmark. This aim has now been realised.

The current project has two Danish focal points: the first is an agreement between Aeras and Statens Serum Institut on development and production of a tuberculosis vaccine; and the second is an agreement, sponsored by Danida, between Aeras and the Danish company, Medicon. This agreement entails building a clinical and educational infrastructure in South Africa with the aim of implementing tuberculosis vaccination programmes locally.

'Denmark has always played an important role in the fight against TB and now shows its commitment further by being the first country to support us in our global efforts to develop a safe and effective TB vaccine. Aeras highly values this important cooperation with Denmark and looks forward to persuading further donor countries to support us in our work,' says Jerald Sadoff.

Invest in Denmark has, in cooperation with Copenhagen Capacity and the National AIDS Foundation, helped in establishing this cooperation, which has led to the creation of 12 new jobs in Denmark.





PHOTOS: UDEMRISMINISTERIET



GROWTH ENTERPRISES ON THE GLOBAL MARKET

The vast majority of Danish companies are small and medium-sized growth enterprises – with an international potential that must be exploited on the global market. The Trade Council of Denmark offers these companies a number of programmes that can help them to step out into the international commercial arena.

The BornGlobal programme can act as a door-opener for high-tech growth enterprises, paving their way to enter a completely new market and gain access to the proper networks. The BornCreative programme helps the large number of creative entrepreneurs within the culture and entertainment industry to penetrate the global markets, where Danish design, fashion, games and music can really come to the fore.

On the occasion of the World Expo, the Danish Crown Prince and Princess, together with Minister for Economic and Business Affairs Bendt Bendtsen, travelled to Japan. Here, a special promotion drive was organised by GEMBA Innovation and the Trade Council of Denmark for a small group of BornGlobal and BornCreative enterprises. The smaller growth enterprises that participated benefited considerably from having the royal couple and the Minister for Economic and Business Affairs as door-openers to the Japanese market, which can otherwise be very difficult for small companies to penetrate.



PHOTOS: UFFE WOLFFHEGHEL

WANDERLUST THAT KNOWS NO BOUNDS

It has gradually become a well-established tradition that the Ministry of Foreign Affairs participates in the two annual travel fairs in the conference centres, Bella Center and Messecenter Herning. Around 100,000 Danes, all with the travel bug, visit the stands at the two travel fairs. This gives the Ministry of Foreign Affairs a unique opportunity to tell them about what forms of assistance Danish tourists can get, where they can seek information about different travel destinations, and how the crisis response capability steps into action when major disasters occur abroad.

More and more Danes are travelling outside Denmark's borders, and many travel abroad on holiday several times a year. The travel destinations are becoming increasingly exotic, and people often travel under their own steam. However, this also means that more and more tourists for one reason or another need assistance abroad. In 2005, the Ministry of Foreign Affairs and the Danish Embassies and Consulates assisted over 6,000 Danes who found themselves in distress abroad.

The number of people that visited the Foreign Ministry's stand in Bella Center and Messecenter Herning was record high. A very large number of inquisitive people dropped by the two stands, where the staff answered questions, handed out leaflets and travel advice notices, and, last but not least, gave advice on how to search for information on the Internet about travel destinations, etc.





SATISFACTION AND MOTIVATION IS THE GOAL

The efforts to ensure satisfied and motivated staff throughout the organisation is a key element in the efficiency enhancement and development of the Ministry of Foreign Affairs. Since 2003, annual staff satisfaction surveys have been conducted. The 2005 survey showed a considerable increase in the level of both satisfaction and motivation. The results have been discussed both in the Ministry as a whole and in the various departments and offices as well as at the Missions. Action plans have been formulated for how to ensure the positive trend continues and to address effectively those areas where they may be a need for extra effort. The aim is not just to maintain the positive result but also to improve it even more.

The Ministry places importance on all staff developing their competences on an ongoing basis – and throughout their period of employment. The key tool for ensuring this is the annual staff appraisal interview, in which the head of unit and the staff member discuss which competencies the staff member needs in their current job function and in the years ahead. Based on this, a concrete plan is drawn up for what kind of competence development activities will be run. Competence development takes the form of courses and peer training, as well as training through sparring and coaching in the day-to-day work. In 2004 and 2005, all staff had an appraisal interview and also had a personalised development plan drawn up.

3. REPORT

The Annual Report is submitted for three main accounts:

- § 06.11.01. The Danish Foreign Service
- § 06.11.03. Foreign Service Buildings
- § 06.11.05. Consular Revenues

3.1. Presentation of the MFA

3.1.1. Primary functions

The MFA's primary responsibility is to implement the Danish Government's foreign policy. This entails that the MFA:

- Handles and coordinates Denmark's official relations to foreign countries; a number of international organisations, including the EU, the UN and NATO; and in respect to the Nordic cooperation.
- Assists Danes who find themselves in difficult situations abroad.
- Assists the Danish business community in their export activities, internationalisation and other commercial activities abroad where there is a clear commercial interest for Denmark, as well as attracts foreign investments to Denmark.
- Handles and coordinates Denmark's trade policy.
- Administers Danish development assistance.
- Contributes to spreading awareness of Denmark and Danish culture¹.

In an international perspective, the MFA is characterised by having a broad and integrated approach to administration and service delivery, where the entire palette of international tasks is collected. This means we adopt a single-stringed approach 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 the promotion of Denmark. The gathering of governmental export promotion activities in the MFA in 2000 and environmental assistance to developing countries in 2001 has been part of this development. As a consequence, Denmark has gained a better and cheaper foreign service.

1) *In terms of appropriations, the MFA's primary functions fall into four general main areas: General foreign policy, Consular service, Administration of development assistance, and Export and investment promotion.*

During these years, other countries are moving in the same direction. For example, Innovation Norway's offices abroad were integrated into the Norwegian Ministry of Foreign Affairs in spring 2004², with Norwegian development assistance and all developing country-based Missions following suit in April 2005. The same is happening in the USA.

In line with the Central Administration's internationalisation, other ministerial areas have gained increasing importance as independent international operators in their relevant fields. We engage in close cooperation with the relevant Ministries on these tasks. However, the MFA's hallmark is also that we safeguard and promote the overriding, cross-cutting Danish interests through a cross-sectoral approach to the discharge of international tasks and responsibilities. This we do on behalf of the entire Danish Commonwealth³.

3.1.2. Organisation

The MFA comprises the Ministry in Copenhagen and a global network abroad of Embassies, Consulates-General and Trade Offices, as well as Missions at the most important international organisations.

The MFA is a single organisation, which means that the staff all work together in one and the same organisation, regardless of whether they are located in Accra, Brussels, Shanghai or Copenhagen. This contributes to promoting coordination, efficiency and synergy in the day-to-work.

The global network of Missions abroad is the hallmark of the MFA and also provides the basis for enabling the MFA to safeguard and promote Denmark's international interests in the most optimal way.

With an in-depth knowledge of local conditions and an effective network of contacts, the Missions are equipped to analyse and evaluate the domestic and foreign policy situation in countries. Consequently, the Missions play a crucial role in the formulation and implementation of the overall Danish foreign policy as well as in the safeguarding and promotion of Danish commercial interests.

2) *Innovation Norway is the Norwegian equivalent of the Trade Council of Denmark.*

3) *In this respect, the Faroese Home Rule Government and Greenland's Home Rule Government have posted staff attached to the Embassy in Brussels, and the Faroese Home Rule Government also has a representative attached to the Embassy in London.*

It is also via confidential contact with the politicians, authorities, companies, organisations, network groups, media, etc. of the country that the Missions are able to influence the forming of opinion and the internal decision-making processes in the countries when political decisions of decisive importance for Denmark are to be made.

This protection of interest, presence and access to the decision-makers in the most important capitals is an extremely effective and absolutely crucial Danish foreign policy instrument. And this has become even more important in step with technological developments that have created the opportunity for more frequent, faster and safer communication with the Missions. The virtual collaboration that takes place via our interactive intranet and the use of video-conferencing are two good examples of such developments. Today, many tasks that were previously performed by the Ministry in Copenhagen are being carried out by – or in close collaboration with – the Missions.

That the Missions serve as an important political instrument for the entire Government and the Central Administration is reflected in the staff composition at the Missions. Of the 318 administrative officers under Head-of-Mission level who were posted abroad, approximately 19 per cent are special attachés from other Ministries⁴.

The number and location of Missions is reviewed and prioritised on an ongoing basis according to Denmark's foreign policy interests and priorities. More information about the Missions can be found on the MFA website (www.um.dk)⁵.

In Copenhagen, the MFA is organised into Consular Affairs, the North Group, the South Group, the Trade Council of Denmark, and the Administration and Services Secretariat. In addition, the MFA in Copenhagen has a Communication Unit, a Protocol Unit and an Inspector General.

The North Group handles foreign and security policy relations in respect to a number of international organisations as well as to the Nordic countries, European countries, Russia, Caucasus, Central Asia, North America, Japan, Australia and New Zealand. The South Group handles

foreign policy and development policy relations in respect to the other countries in the world as well as to a number of international organisations. The Trade Council of Denmark handles matters relating to trade policy as well as export and investment promotion across the geographical division. Consular Affairs, the Communication Unit and the Protocol Unit are function-based units that also handle their respective tasks and responsibilities across the geographical boundaries. The Administration and Services Secretariat discharges the common administrative functions for the entire MFA organisation.

More information about the MFA's organisational set-up in Copenhagen can be found on the MFA website⁶.

3.2. The financial result in 2005

The MFA's operating profit in 2005 shows an expenditure increase of approximately DKK 50 million. This increase covers a deficit in the ordinary operations of around DKK 56 million and a one-off surplus within the sphere of consular services of around DKK 6 million. The expenditure increase will be financed from the MFA's appropriations surplus. The result should be seen in relation to a budgeted increase in expenditure of DKK 60 million, which was earmarked primarily for:

- One-off investments for continued modernisation and efficiency enhancement of the MFA, including extraordinary maintenance expenses of properties in the service abroad, IT investments, competence development, and severance/redundancy payments.
- Denmark's membership of the UN Security Council (2005-2006).
- Consuls Meeting in Copenhagen⁷.

Excluding one-off investments etc., the MFA's expenditure balances with the Finance Act appropriations. The MFA's cost-cutting plans for 2004-2005 amounting to a total of DKK 140 million have in other words had the assumed effect on the permanent expenditure level. This applies to both staff costs and other operating expenditure.

4) *As of 1 March 2006.*

5) *Under Om Os – Organisation – Find os i udlandet (About Us – Organisation – Missions Abroad).*

6) *Under Om Os – Organisation – Organigram (About Us – Organisation – Organisation Chart).*

7) *The last Consuls Meeting was held in 1995.*

Table 1. The MFA's operating profit shows an expenditure increase in 2005⁸

DKK million	Accounts 2005 (cost-based principle)	
Ordinary operating revenues (excl. appropriations)	-214.3	
Ordinary operating costs	1,717.8	
– of which staff costs	588.3	
Other operating items, net	10.7	
Financial items, net	2.1	
Extraordinary items, net	-10.6	
Result (excl. appropriations)	1,505.8	
	Operating appropriations (expenditure-based principle)	Capital appropriations (expenditure-based principle)
Income	-228.2	0.0
Expenditure	1,717.1	17.8
Result (excl. appropriations)	1,488.9	17.8
Appropriations, (net)	1,439.1	Appropriations, revenues, incl. TB Appropriations, expenditure, incl. TB
Result	-49.8	21.3
Balance as per 31 December 2005 ¹	-87.8	1.3

1) Pursuant to Ministry of Finance Circular of 6 February 2003 on transfer of accumulated surplus funds from 2005 to 2006 (Cirkulære om disponering af videreførsel fra 2005 til 2006), the MFA's appropriations are reduced by a total of DKK 58 million, which is divided in the following way: DKK 38 million on operating activities and DKK 20 million on non-operating (capital) activities.

DKK million	Status as of 31/12 2005
Fixed assets, total	1,871.9
– of which intangible assets	26.3
– of which tangible assets	1,845.5
Current assets, total	788.1
Assets, total	2,660.0
Equity	2,161.9
Provisions	12.6
Other liabilities	485.5
Equity and liabilities, total	2,660.0

The MFA's operating surplus has, pursuant to the Ministry of Finance Circular of 6 February 2006 on transfer of surplus funds from 2005 to 2006, been reduced by DKK 38 million. When this is compared to the increased expenditure of approximately DKK 50 million, the surplus funds eligible for transfer to 2006 are around DKK 88 million. The operating surplus amounted to DKK 246.1 million at the beginning of 2005. When this is adjusted for a deficit transfer of DKK 87.8 million, the accumulated surplus is reduced to DKK 158.3 million (at the beginning of 2006) – corresponding to 11 per cent of the MFA's operating expenditure.

A significant proportion of the available appropriations surplus will in the years ahead be used for further IT investments and other efficiency enhancement measures, as part of the actions taken to achieve expenditure reduction in 2006-2007 of approximately DKK 40 million. The remain

der of the appropriations surplus will be set aside as a necessary reserve to cover unanticipated expenditure, for example as a result of exchange rate developments and the continued cost reductions in 2006.

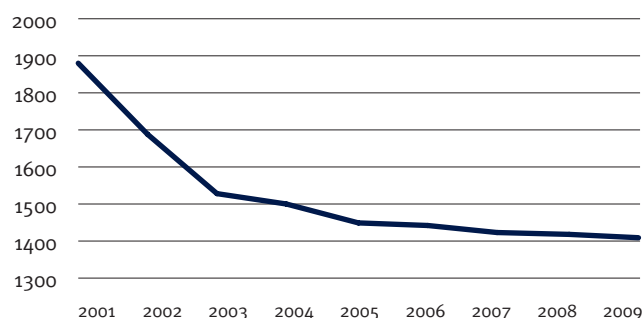
3.3. The budget framework and its significance for 2006

The budget framework for 2006 is determined by a multi-year agreement (2006-2009) that the MFA concluded with the Ministry of Finance in connection with the 2006 Finance Act.

The agreement gives the MFA the opportunity to effect long-term planning of the operations situation both in the home service and the service abroad. The operating appropriations of the MFA will, at the same time, be subject to adjustment, as is the case regarding other government areas of operation.

8) Operating appropriations include \$06.11.05. Consular Revenues.

Figure 1. The MFA's operating appropriations will be subject to continued adjustment in the coming years



The multi-year agreement encompasses a number of special elements:

- In 2005-2006, the MFA is to be allocated a total of DKK 30 million to cover extraordinary expenditure in connection with Denmark's membership of the UN Security Council. The funds will primarily be used for posting extra staff to the UN Mission in New York and the temporary Embassy in Addis Ababa as well as for staff reinforcements in the home service during this period.
- In 2005-2007, the MFA is to be allocated a total of DKK 44 million for implementing measures designed to safeguard Danish Missions against terrorist attack.
- In 2006, the MFA is to be allocated DKK 10 million – and DKK 3 million each year afterwards – to the strengthened crisis response capability; a decision which was made as part of the follow-up on the evaluation of the overall Danish response to the Asian tsunami.

The huge savings made in recent years and the MFA's increased cost-effectiveness in the future have been made possible primarily as a result of the already implemented and planned efficiency-enhancing IT investments. Among other things, we have chosen a corporate IT solution that entails optimising the use of IT within the existing infrastructure, with emphasis on standardisation, centralisation and consolidation. Within just a few years, the solution has halved the MFA's IT operating costs. In addition, we have modernised our intranet, our homepages and our e-mail systems. We are increasingly making use of digital case-handling systems and virtual collaboration tools, such as video-conferencing, and we have introduced electronic document storage as the primary method of storing and archiving documents. In 2006-2007, we plan to spend approximately a further DKK

80 million on IT investments. Of this expenditure, approximately DKK 40 million will go towards establishing the MFA's new global communications network, which is designed to strengthen our communication opportunities and give the Missions more bandwidth. The investments will be financed via the appropriations surplus.

Additional information about the MFA's transition to e-management can be found in the MFA's Efficiency Enhancement Strategy on the MFA website⁹.

3.4. Operational results in 2005

3.4.1. Reporting conditions and framework

According to the *"Guidelines for Writing Annual Reports"* (*Vejledning i udarbejdelse af årsrapporter*), issued by the Agency for Governmental Management (Økonomistyrelsen), "all goals and performance requirements that have been agreed or determined by another party than the organisation" must be reported on.

The external determination of goals takes place for the MFA primarily through ministerial and Government decisions, foreign policy and development policy reports, parliamentary decisions, and decisions adopted within international fora. As the MFA is responsible for conducting foreign policy on behalf of the entire Danish Commonwealth, the goals set can in certain circumstances reflect decisions taken by the Greenland Home Rule Government or the Faroese Home Rule Government.

In order for the externally determined goals to function as a governance tool, they must be communicated and operationalised internally in the MFA.

This internal communication takes the form of the Permanent Secretary's announcement of the overriding strategic objectives for the coming year¹⁰. This announcement of objectives encompasses both externally directed goals that concern effects, products and services, and internally directed – more operationally oriented – goals that apply across the organisation. The objectives are set at the highest possible level in the task hierarchy, and they are grouped

9) *Under Om Os – Vores arbejde med at blive bedre* (About Us – Organisation – The Efficiency Enhancement Strategy).

10) *The strategic objectives announcement is approved by the MFA's political leadership.*

according to which of the eight vision points they must contribute to achieving.

The overriding strategic objectives for 2005 were announced to the entire organisation in October 2004.

The special conditions for target setting and reporting within the foreign policy sphere

It is a particular challenge to set targets within the general foreign policy sphere – and to report on the extent of their achievement. This is because the MFA often cannot by itself fulfil an overriding political objective (e.g. “No further proliferation of weapons of mass destruction – Iran and North Korea halt nuclear weapons programmes”). In this respect, too many actors are involved and too many international interests are at stake. Conversely, it is typically not possible either to highlight one particular activity as decisive for a target’s achievement, which as a rule is the result of a combination of activities carried out by several actors.

Professor Jørgen Grønnegård Christensen and Professor Nikolaj Petersen observe also in their report, *Managing Foreign Affairs: A Comparative Perspective*, that “The challenge...is that...measurement is a serious problem. In the field of foreign policy, it is so serious that it seems impossible to develop a meaningful general measure of MFA cost effectiveness and goal fulfilment”.

By setting targets for the MFA’s results in the general foreign policy field as inputs to achieving the wider overriding objectives, the Danish MFA has taken up the challenge and – as Jørgen Grønnegård Christensen and Nikolaj Petersen conclude – established a system that ensures “.... greater responsibility and accountability in both parliamentary and social terms” and a “....much better position to document their activities than before”.

By juxtaposing the strategic objectives in the Permanent Secretary’s announcement with the *“goals that have been agreed or determined by another party than the organisation”*, it is possible in the following sections to document the MFA’s target and performance management by employing the concepts contained in the guidelines issued by the Agency for Governmental Management. This can occur despite the fact that the conditions for performance report-

ing within the MFA’s sphere differ considerably from those that apply to other ministerial areas which are organised as departments with subordinate agencies.

In 2005, the overriding strategic objectives were operationalised in specific performance targets – both internally and externally directed – in cross-cutting performance contracts. The contracts, which are valid for one year at a time and follow the calendar year, are concluded between the MFA’s senior management and all heads of units at home and abroad.

A more detailed description of the MFA’s target and performance management concept can be found in the MFA’s Efficiency Enhancement Strategy on the MFA website¹¹.

3.4.2. Target achievement levels

In conformity with the structure of the Permanent Secretary’s announcement of strategic objectives and the one-year performance contracts, the reporting in the following is structured according to the eight vision points. The level of target achievement is indicated in the following way:

A = Fully achieved
B = Partially achieved
C = Unachieved

Over 95 per cent of the set targets for 2005 were fully or partially achieved. Almost 78 per cent were fully achieved and around 17 per cent were partially achieved. Only around 5 per cent of the targets for 2005 were unachieved. Bearing in mind the special conditions for performance reporting within the MFA’s activity sphere, we regard this to be a highly satisfactory result.

The high level of target achievement is due not least to the ongoing efforts to streamline the MFA’s service delivery and administration. The MFA has formulated and pursues an ambitious strategy to improve efficiency and quality. The aim is to ensure that the MFA is constantly able to deliver demanded services of the utmost quality, and that the MFA is organised in the most optimal way to address the new international challenges and the increasing demands of the surrounding world for coordination, flexibility and response capability as well as transparency and openness.

11) *Under Om Os – Vores arbejde med at blive bedre* (About Us – Organisation – The Efficiency Enhancement Strategy).

A more detailed review of these efficiency enhancement measures can be found in the MFA's Efficiency Enhancement Strategy on the MFA website¹².

Table 2. Over 95% of the set targets have been fully or partially achieved

Vision points	Target achievement level		
	A	B	C
1. We must ensure the greatest possible influence and best possible position for Denmark in international cooperation.	19	4	
2. We must assist Danes in distress abroad quickly and efficiently.	4		
3. We must be the partner preferred by enterprises in international trade and investment activities.	5		1
4. We must strengthen Denmark's participation in international development cooperation and ensure that Danish development assistance remains among the very best in the world.	6	3	1
5. We must provide highly-valued advice and cooperation on international issues.	3		
6. We must be an open and active communicator of Danish foreign policy views and values at home and abroad.	5	1	
7. We must enjoy wide respect as a competent, efficient, outward-looking and service-oriented enterprise.	4	2	1
8. We must be an attractive, dynamic place of work that ensures a high degree of staff satisfaction and targeted competence development.	3	1	

3.5. Operational challenges in 2006

The MFA faces – both internally and externally – a number of significant challenges and major tasks in 2006. These can be summarised as follows:

3.5.1. We must ensure the greatest possible influence and best possible position for Denmark in international co-operation

With the escalation of the cartoon affair at the beginning of the year, the challenges facing the MFA – and Denmark – in 2006 radically changed. Already during the first few months of the year, enormous efforts were expended on the affair at all levels and on all fronts. However, the work on restoring Denmark's reputation and bilateral relations and on strengthening the long-term dialogue with the Muslim world will be a central task for the MFA *throughout* 2006.

The cartoon affair shows extremely clearly how the political and economic globalisation has altered the conditions for the MFA's administration and service delivery. And the affair has very much heightened the relevance of the analyses being carried out concerning globalisation's megatrends and importance for the MFA as a whole (see chapter 3.6). Globalisation is thus the crucial challenge facing our administration and service delivery. In this light, active efforts will be needed in 2006 to strengthen the EU's global competitiveness, also to the benefit of Denmark, and to increase free trade so that the poorest countries can also derive benefit from globalisation.

In 2006, the Government will endeavour to maintain and expand the transatlantic cooperation. Within the EU policy field, efforts will be made to ensure that the EU is streamlined in accordance with the wishes of its citizens. These efforts will primarily relate to the period of reflection on the EU's future, with a focus on the EU's core functions. The implementation of the national agreement on the Danish European policy will be assigned heavy importance. Similarly, propriety in the enlargement process and strengthening of the EU's global role will also be assigned high priority.

Within the field of security policy, Denmark will take action on several fronts to increase citizens' sense of security.

Denmark's membership of the UN Security Council will be used to influence international development, and we will contribute actively to the international cooperation on counter-terrorism and the efforts to promote human rights, democracy and reform processes. The continuing work with conflict management and conflict prevention as well as the strengthening of the crisis response capability in regard to humanitarian disaster relief will also be assigned high priority. In addition, Denmark will continue to prioritise its

¹²⁾ *Under Om Os – Vores arbejde med at blive bedre* (About Us – Organisation – The Efficiency Enhancement Strategy).

involvement in, for example, Iraq and Afghanistan, and we will actively work to ensure that Iran and North Korea halt their nuclear weapons programmes.

3.5.2. We must assist Danes in distress abroad quickly and efficiently

The expectations of citizens to the MFA's delivery of consular services will also be high in the future. We will therefore strive to provide highly professional, timely and results-oriented service in the many – including unpredictable – matters we must expect to see also in 2006. We will, among other things, further develop the concept of the MFA's travel advice notices, which are gaining increasing importance for citizens who always need to be able to keep themselves informed of the security conditions and risks in the most frequently visited countries where the security situation may not be altogether stable. This will take place in the light of the changed security situation in the world. To further enhance security for Danes abroad, we also plan to conduct media campaigns with the aim of spreading awareness of the MFA's consular services. In addition, we will continue the efforts to streamline and optimise the case-handling procedures, and in this respect make preparations to use user-satisfaction surveys in the area.

In 2005, the MFA established a strengthened crisis response capability, which would be activated in the event of major crisis abroad where many Danes are affected. The capability has already – with great success – been activated on several occasions, including in connection with the terrorist attacks in London, in Egypt and on Bali in 2005, and most recently at the beginning of 2006 in connection with the protests in the Muslim world against the cartoons published by the Danish newspaper, *Jyllands-Posten*. In 2006, the response capability will be adjusted and streamlined in the light of lessons learned. Among other things, a competence development training system will be set up for staff whose names are on call-up lists or who are to be posted to the Embassies affected. This will entail a further strengthening of the response capability's flexibility.

In 2005, an independent unit for visa and passport processing was established. The unit undertakes, among other things, the extensive preparations for introducing the new Visa Information System (VIS), by which a common database is established for visa issuance in Schengen countries. The purpose of the new system is to improve the efforts to combat illegal immigration and criminality, including terrorism. The Danish Missions will be made ready to partici-

pate in the enhanced visa cooperation in the course of 2006-2007. Lastly, towards the end of 2006, Denmark will accede to the so-called Apostille Convention, whereby the MFA will be the central Apostille authority. This means that citizens in the future will only need to contact one single place (the MFA) for legalisation of documents for use abroad.

3.5.3. We must be the partner preferred by enterprises in international trade and investment activities

In 2006, one of the MFA's focus areas will be to help Danish companies exploit the opportunities offered by globalisation and to attract competence-intensive investments to Denmark. Our efforts will focus around the five strategic goals in the new strategy towards 2010 of the Trade Council of Denmark, *Globalisation at work*:

- Increased internationalisation of Danish enterprises
- Best possible framework conditions for the Danish corporate sector
- Strengthened commercial innovation
- Strengthened global opportunities for entrepreneurs and small and medium-sized enterprises (SMVs)
- More foreign investments to Denmark

In specific terms, the goal is that our advice and consultancy to Danish companies must contribute to achieving increased exports of up to DKK 3 billion. In addition, direct consultancy services to companies concerning trade policy conditions must be expanded. A new focus area is to strengthen commercial innovation by easing the access of companies to foreign capital, networks, technology and markets. Furthermore, it will continue to be a core task for the MFA to strengthen the global opportunities for small and medium-sized enterprises. This will entail, among other things, running a series of programmes and activities targeted at SMEs with fewer than 50 employees and less than DKK 50 million in annual turnover.

Lastly, we aim to ensure that the efforts to attract foreign investments to Denmark will lead to the establishment of at least 625 new competence-intensive jobs in Denmark in 2006, of which at least 75 must be located in West Denmark. This must be seen in the light of the cooperation agreement concluded with West Denmark in the investment promotion field, with the aim of ensuring more investments and knowledge-intensive jobs to the regions of Jutland and Funen, which traditionally have experienced greater difficulty in attracting foreign investments.

3.5.4. We must strengthen Denmark's participation in international development co-operation and ensure that Danish development assistance remains among the very best in the world

With the common goals of UN Member States within the development field, the so-called Millennium Development Goals (MDGs), broad international consensus has been reached regarding the direction of the global development efforts. These goals lie inherently at the heart of Danish development assistance, which in 2006 will also focus on the sectors and initiatives that contribute in particular to their achievement. This applies, for example, to the initiatives to combat the spread of HIV/AIDS, where Denmark will, among other things, strive to promote greater focus on capacity building in the developing countries' own health sectors, with the particular aim of preventing the spread of HIV/AIDS and strengthening women's opportunities to protect themselves against infection. Likewise, we will do more to promote economic growth in our programme countries, including establishing a new business sector development programme in Africa. Unfortunately, we must nonetheless recognise that countries particularly in sub-Saharan Africa will have difficulty in reaching the MDGs. We, in Denmark, will therefore increase our development assistance to Africa from 2006. Among other things, we will initiate development cooperation with Mali, which in 2005 was selected by the Government as a new programme country for Danish development assistance.

Another challenge in 2006 will be to fulfil the objective of ensuring greater alignment of Danish development assistance with recipient countries' own poverty reduction strategies and systems. The restructuring of assistance, which is delivered to an even greater degree on the recipient country's terms, requires changes in both rules and procedures and an acceptance that Denmark as a donor first and foremost prioritises support that promotes MDG achievement in the particular countries ahead of a wish to implement activities with visible Danish fingerprints. The performance reviews of the administration of Danish development assistance that are planned to be conducted in a number of programme countries in 2006 will, among other things, evaluate whether progress is being made in the alignment of Danish activities with the national systems.

3.5.5. We must provide highly-valued advice and cooperation on international issues

In 2006, an MFA priority will be also be to provide professional and targeted advice in connection with the coordina-

tion of Danish EU policy. With a strengthened inclusion of all parts of the MFA, including affected Embassies and the Permanent Representation of Denmark to the EU in Brussels, we will continuously tailor the advice to existing needs and ensure effective and timely action as well as sharing of information. The MFA will also continue to assign strong priority to the cooperation between the MFA and the Greenland Home Rule Government and the Faroese Home Rule Government, respectively, with the aim of ensuring that overall foreign policy interests are safeguarded and promoted in the most optimal way. Lastly, the MFA in 2006 will make special efforts to strengthen its emergency preparedness in regard to handling a potential international pandemic disease outbreak, with emphasis on information and response capabilities.

3.5.6. We must be an open and active communicator of Danish foreign policy views and values at home and abroad

The cartoon affair has emphasised the need for us to become even more adept at reaching out to the general public – also abroad. The aim is here is not just to promote Danish viewpoints, but also to establish dialogue and prevent the spread of misinformation about Danish attitudes, values, etc. In 2006, therefore, we will continue efforts to improve the MFA's external communication. This will be done by placing increased emphasis on communicating Danish foreign and development policy to the general public at home and by forging even closer contact to both the national and international press. In addition, the Missions will invest even more energies in the work regarding *Public Diplomacy* in order to enhance the visibility and promotion of Denmark abroad, including communicating Danish views on specific issues to local media and the public. Internally, we will strengthen the cross-cutting cooperation in the MFA on external communication. Existing action plans for the communication activities will be updated, and new action plans will be drawn up on several key areas.

3.5.7. We must enjoy wide respect as a competent, efficient, outward-looking and service-oriented enterprise

We will continue to do our utmost to provide the best possible service to the wide range of customers and partners that the MFA serves. This applies, for example, to the Government, other Ministries, parliamentary committees, citizens at home and abroad, the business community, NGOs, national and international organisations, as well as Diplomatic Missions based in Denmark. In addition, in the

light of the current appropriations situation, we will ensure that there continues to be an effective utilisation of the MFA's resources, which will include tight financial management in accordance with the Government's budget and appropriation rules as well as the MFA's instructions.

3.5.8. We must be an attractive, dynamic place of work that ensures a high degree of staff satisfaction and targeted competence development

In the MFA, we place great importance on having satisfied staff. In spring 2006, therefore, we will conduct the fourth general survey of staff satisfaction in the MFA. At the same time, we will continue the work on following up the results of last year's satisfaction survey, with particular focus on the units in which there has shown to be a special need for improving satisfaction. Another key focus area in 2006 is the locally employed staff. Furthermore, we anticipate that the full implementation of the new pay systems in 2006, along with the formulation of a coherent family policy and health policy, will help make the MFA an even more attractive place to work. As part of the efforts to increase well-being, improve efficiency and promote innovation and creativity in the MFA, we will also continue to devote strong attention to both management and staff development. In 2006, 360° performance appraisals will be carried out of all newly appointed managers in the MFA and of all deputy heads at the largest Missions, whilst appraisal interviews will be conducted with all staff. Both managerial performance appraisals and staff appraisal interviews will be followed up by the formulation of individual competence development plans.

3.6. Major external influences and their significance for the MFA in 2006

Globalisation has changed the way we live and thus the reality that the MFA operates within. The international relations have changed, and the nation states are now facing real global competition. The global system has become more "porous" and more loosely structured. Diplomacy is no longer simply a matter of relations between governments. Today, there are a large number of actors on several levels in play, and more or less informal networks across the nation states are gaining greater importance. The borders between domestic and foreign policy are being wiped away. Domestic political issues have an external dimension – and vice-versa. These are new times for Danish foreign policy. The cartoon affair is a clear example of this. The affair has

in an extreme way demonstrated globalisation's many aspects – political, economic, business, cultural, religious, media-related and information-wise, etc. With globalisation's paradigm shift in international politics, a completely new agenda for foreign policy has been set and new and sharpened requirements are today placed on the MFA. This applies both in relation to our functions and responsibilities and in relation to our organisation.

In January 2006, therefore, we launched a broad analysis of globalisation and its importance for Denmark's foreign policy placement in a broad sense in the 21st century. The aim is to analyse what kind of world we are to operate within, and the analysis is to result in a number of specific recommendations for how the MFA's instruments and competences can be strengthened, developed and tailored to meet the new and changing challenges as well as increasing demands regarding coordination, flexibility, response capability, communication, transparency and openness that globalisation creates. Among other things, we will analyse the role and functions of the Missions in the globalised world. Is the Danish Foreign Service present in the right places with the right dimensioning and the right competences? We will also examine how the MFA most effectively contributes to positioning Denmark and Danish companies in the increasingly more globalised and innovative international economic system. The Government's Globalisation Strategy will be an integral element of the analysis. Lessons learned from the cartoon affair will naturally also be included as an important element in the analysis work.

4. THE MFA IN AN INTERNATIONAL PERSPECTIVE

In order to achieve the most effective and efficient administration and service delivery, we at the MFA place importance on regularly comparing results, resource consumption and efficiency improvement measures with other institutions. Owing to the MFA's unique organisation and the extremely diverse range of tasks and functions that the MFA undertakes, it often does not sense to compare the MFA with other Ministries in the Danish Central Administration. On the other hand, such comparisons can be carried out in respect of other countries' foreign services.

There exist no formalised instruments for comparing results, although foreign policy observers probably have a fairly clear picture of how different foreign services perform comparable tasks and functions, such as membership of the UN Security Council.

Nevertheless, if it is documented that the MFA's results are fully comparable with those of other countries, it is thus possible to carry out a comparison of the structures, instruments and expenditures that underpin the results that have been achieved. In this way, it is possible to gain a picture of the effectiveness and efficiency of the administration and service delivery and evaluate whether the MFA ranks among the most effective and efficient foreign services.

With this aim in mind, we have taken the initiative to conduct several international expenditure comparisons, and we have also run an international workshop on modernisation.

The latest expenditure comparison study was conducted in 2005 by Deloitte Business Consulting as an updating of previous years' expenditure comparisons¹³.

The study confirms that the Danish MFA ranks among the most cost-effective foreign services. Only two of the 19 foreign services studied, i.e. Iceland's and Luxembourg's, have lower expenditures than the MFA after differences in the tasks performed and the size of the development assistance

provided by each country are taken into account¹⁴. The MFA's level of expenditure is thus lower than the Finnish, Norwegian and Swedish foreign services.

Also calculated on a per capita basis, the MFA is a more cost-effective organisation than the majority of the foreign services studied. Only four of them have lower levels of expenditure than the MFA, i.e. the French, the Italian, the German and the Spanish; and this despite the fact that foreign service expenditure per capita tends to be higher in small countries than large countries. There are namely a number of basic costs in running a foreign service, and these are unrelated to whether a country has a small or large population. To be an active player in the international system requires an infrastructure in the form of a home service of a certain size and Missions abroad.

The MFA also has fewer staff and fewer Missions than the majority of the foreign services studied.

The information regarding those countries judged to be directly comparable with Denmark in terms of population size, prosperity, international involvement, etc. is summarised in Table 3. The overall findings of the survey are incorporated in The MFA Annual Report 2004, which can be downloaded from the MFA website¹⁵.

13) The expenditure comparison was made on the basis of 2003 figures, which were the latest available figures when the survey was conducted. To enable a comparison of the expenditure level over a number of years, the survey encompasses the same foreign services as the two previous surveys, namely the 15 "old" EU Member States and the foreign services of comparable OCED countries.

14) There is a considerable difference in the size of the development that each country provides, which means that the relative expenditure allocated by each country to the administration of development assistance also varies considerably. In order to obtain a comparable indication of the expenditure level of the respective foreign services, it is necessary to make adjustments for these differences.

15) Under Om os – Økonomi, mål og resultater – Resultater og økonomi (About Us – Economy and Results).

Table 3. The MFA ranks among the most cost-effective foreign services

Country	Total expenditure (DKK billion) ¹	Total expenditure per capita (DKK) ¹	Number of Missions	Number of staff
Netherlands	3.93	241	158	5,509
Switzerland	2.38	329	169	4,745
Austria	2.13	260	104	2,696
Sweden	1.97	218	100	3,792
Norway	1.33	287	100	2,527
Finland	1.32	252	91	2,886
New Zealand	1.20	299	50	1,781
Denmark	1.08	199	86	2,377

1) The total expenditure has been adjusted for differences in the tasks performed and expenditure deducted for administration of development assistance.

An international workshop on modernisation was conducted in September 2005 by the Danish Institute for International Studies (DIIS) in collaboration with the MFA. The objective was to compare and analyse reform and efficiency improvement measures in those Western foreign services that were deemed to be furthest ahead in this area. Besides the MFA, these foreign services included the Swedish, the Norwegian, the Finnish, the Dutch and the British.

The workshop showed that of the five smaller countries that were directly comparable to the MFA in terms of population size, prosperity, international involvement etc., Denmark had travelled furthest down the path of efficiency improvement and reorganisation that all six foreign services to a greater or lesser extent had embarked upon. In this respect, Professor Jørgen Grønnegaard Christensen and Professor Nicolaj Petersen in their report, *Managing Foreign Affairs: A Comparative Perspective*, concluded that the Danish (and the British) foreign service in particular “have gone through systematic modernisation projects where the organisation has been adapted to the challenges of a more complex environment at the domestic and international scene”, and that this modernisation has resulted in “quite radical changes already” and “rather radical changes that should not be underestimated”. The report can be downloaded from the MFA website¹⁶.

Especially in relation to developing an effective target and performance management system, there would appear to be reason for singling out the Danish MFA. It distinguishes itself namely by having adopted – as the only foreign service to do so – an extensive and systematic model of governance that subjects the MFA's *entire* range of activities to target and performance management. In their report, Jørgen Grønnegaard Christensen and Nicolaj Petersen conclude that, as a result of this modernisation, the Danish MFA has established a system that ensures “.... greater responsibility and accountability in both parliamentary and social terms” and a “....much better position to document their activities than before”.

16) *Managing Foreign Affairs: A Comparative Perspective*. DIIS Report 2005:15. The Danish Institute for International Studies. The report can be found under Om Os – Vores arbejde med at blive bedre – Sådan gør vi det bedre.

5. PERFORMANCE REPORTING

The MFA's performance reporting takes place on the basis of the Permanent Secretary's October 2004 announcement of the strategic objectives. These strategic objectives and specific performance targets together with the associated measurement methods and success criteria are listed below with an indication of the level of target achievement¹⁷. New targets that arose *during* 2005 are also reported on¹⁸.

This form of performance reporting entails that we, in line with the practice of previous years, also report on that part of the MFA's functions that involves servicing the Ministers, the Government and the Folketing (the departmental functions). This is done despite the fact that this part of the activities portfolio is *not* subject to the reporting obligation – which corresponds to the fact that other ministerial areas do not report either on the departmental functions or subject these functions to a formalised system of target and performance management. The fact that the departmental functions are incorporated into the MFA's annual reporting procedure is because these functions are subject to target and performance management in exactly the same way as other MFA functions. This is done in order to:

- Ensure the optimal use and distribution of resources in accordance with a clear strategic prioritisation of tasks – and in the light of the resources situation
- Promote balanced governance across the MFA's main business areas
- Ensure better coherence between the Government's political priorities, the Finance Act adoption process, the Permanent Secretary's strategic objectives announcement, the individual performance contracts, and the performance reporting in the Annual Report
- Strengthen the basis for cross-cutting reports on the MFA's objectives, targets, results and resources

A more in-depth review of the MFA's target and performance management concept can be found in the MFA's Efficiency Enhancement Strategy on the MFA website¹⁹.

The performance reporting process is structured around the MFA's eight vision points. For each vision point, certain important targets are selected, which are subject to a brief analysis. In addition, an explanation is given for the reasons why certain targets for 2005 have not been realised.

5.1. We must ensure the greatest possible influence and best possible position for Denmark in international co-operation

Strategic objectives in 2005	Performance targets 2005	Measurement method	Success criteria (A, B, C)	Target achievement level
1. Denmark optimally positioned in the European arena	a. Targeted active bilateralism and alliance creation in EU25	The number of political consultations held at capital level, in Member States and in Brussels	A: 90% A's from relevant units at home and abroad B: 80% A's and B's from relevant units at home and abroad C: >20% C's from relevant units at home and abroad	B: >80% of the underlying targets have been achieved as A's or B's
	b. Visible Danish imprints on the Common Foreign and Security Policy (FUSP), the European Security and Defence Policy (ESDP) and key European policy issues, e.g. the Lisbon Process, Agenda 2007 and fundamental issues concerning the continuing enlargement process of the EU	The most important Danish standpoints reflected in legislative acts, conclusions and declarations	A: 90% A's from relevant units at home and abroad B: 80% A's and B's from relevant units at home and abroad C: >20% C's from relevant units at home and abroad	A: >90% of the underlying targets have been achieved as A's

17) The measurement method must document the level of target achievement. Success criteria will provide the basis for determining whether a particular target may be regarded as being A) achieved, B) partially achieved, and C) unachieved.

18) Any alteration to the targets or establishment of new targets in 2005 will be separately indicated and reasons given.

19) Under Om Os – Vores arbejde med at blive bedre (About Us – Organisation – The Efficiency Enhancement Strategy).

Strategic objectives in 2005	Performance targets 2005	Measurement method	Success criteria (A, B, C)	Target achievement level
	<p>c. Active bilateral and multilateral European Neighbourhood Policy (ENP), especially Russia and the EU's eastern neighbours</p> <p>d. Contribute to formulating the EU's China and India policy, including the implementation of the strategic partnership</p>	<p>The most important Danish priorities reflected in relevant conclusions (The European Council and GAERC)</p> <p>Substantial inputs made to the strategic partnerships</p>	<p>A: 90% A's from relevant units at home and abroad</p> <p>B: 80% A's and B's from relevant units at home and abroad</p> <p>C: >20% C's from relevant units at home and abroad</p> <p>A: Substantial Danish inputs reflected in the EU's new policy on China and India</p> <p>B: Substantial Danish inputs reflected in the EU's new policy on either China or India</p> <p>C: Coreper instructions reflect substantial Danish inputs to the strategic partnerships</p>	<p>A: >90% of the underlying targets have been achieved as A's</p> <p>A: The summits between the EU and China and India, respectively, in September 2005 reflect Danish priorities, including political dialogue, business promotion and environment</p>
2. Successful Danish membership of the UN Security Council 2005-2006	Danish priorities for Security Council membership achieved	Initiative taken by Denmark on all 4 priority areas. Major sub-initiatives taken on 3 of the 4 areas	<p>A: Major sub-initiatives taken on 3 out of 4 areas</p> <p>B: Major sub-initiatives taken on 2 out of 4 areas</p> <p>C: Major sub-initiatives taken on 1 out of 4 areas</p>	A: Major initiatives have been taken on all 4 priority areas
3. Maintain and strengthen the transatlantic relationship	<p>a. Contributions to close, balanced and credible EU-North American cooperation</p> <p>b. Maintain a modernised and focused NATO as the transatlantic framework for countering new threats and as the guarantor of Europe's security</p>	<p>Important Danish priorities reflected in declarations, etc. from summits</p> <p>With a point of departure in the Istanbul Decisions, Denmark will through regular discussions in NATO and bilateral contacts actively work for a continued transformation of NATO's capabilities, the development of traditional and new partnerships, as well as support for NATO's operations</p>	<p>Both:</p> <p>A: 90% A's from relevant units at home and abroad</p> <p>B: 80% A's and B's from relevant units at home and abroad</p> <p>C: >20% C's from relevant units at home and abroad</p>	Both: A: >90% of the underlying targets have been achieved as A's
4. Active Danish participation in conflict management and prevention at political, civilian and military level	a. Denmark contributes to stronger international security policy cooperation by promoting security policy contacts and operative cooperation between the EU, NATO and third countries, respectively	Constructive Danish efforts in this regard in the EU and NATO, including many Danish contributions	<p>A: 90% A's from relevant units at home and abroad</p> <p>B: 80% A's and B's from relevant units at home and abroad</p> <p>C: >20% C's from relevant units at home and abroad</p>	A: >90% of the underlying targets have been achieved as A's

Strategic objectives in 2005	Performance targets 2005	Measurement method	Success criteria (A, B, C)	Target achievement level
	b. Denmark strengthens its role as a serious partner for security, growth and development in Africa	<p>In the UN Security Council, Denmark has actively and visibly contributed to efforts to solve at least one conflict in Africa</p> <p>Denmark participates actively – in the form of reconstruction assistance and military operations – in the international follow-up to an expected agreement on Sudan</p>	<p>A: The minutes from the debate in the Security Council show active Danish participation in the efforts to solve at least one conflict in Africa</p> <p>B: The minutes from the debate in the Security Council show Danish contributions have been made in connection with efforts to solve at least one conflict in Africa</p> <p>C: None of the above</p> <p>A: Denmark participates actively with reconstruction assistance and military activities</p> <p>B: Denmark participates actively either with reconstruction assistance and military activities</p> <p>C: None of the above</p>	<p>A: Several active Danish contributions, especially in regard to Sudan and West Africa</p> <p>A: Approval of an integrated Danish relief aid and reconstruction programme of DKK 500 million to Sudan</p> <p>In addition, the African Union's efforts in Darfur are supported financially and with military and civilian advisers</p>
	c. Under the Arab Initiative, reform and democratisation processes are supported in the Arab world and the Middle East	5 cooperation projects established within human rights, the media sector, and civil society building, as agreed with the governments in the countries affected	<p>A: 5 cooperation projects established within the three areas</p> <p>B: 3-4 cooperation projects established</p> <p>C: 2 cooperation projects established</p>	A: More than 5 cooperation projects launched
	d. Strengthened Danish support to peace and stabilisation in Iraq and Afghanistan, through the provision of support to reconstruction and by influencing the policy of multilateral organisations towards the two countries	Adoption of a new Iraq appropriation document and conclusion of a governmental agreement with Iraq regarding the said document, as well as the conclusion of a governmental agreement with Afghanistan regarding continued support to the reconstruction for the period 2005-2009	<p>A: Adoption of new Iraq appropriation document and conclusion of government agreement with both Iraq and Afghanistan regarding continued support towards reconstruction</p> <p>B: Adoption of new Iraq appropriation document and conclusion of government agreement with either Iraq or Afghanistan regarding continued support towards reconstruction</p> <p>C: None of the above</p>	A: Government agreement concluded with Iraq, and new Iraq appropriation document adopted earmarking DKK 250 million for reconstruction and humanitarian assistance in 2005-2008. Strategy adopted for cooperation with Afghanistan for 2005-2009, and an appropriation document adopted earmarking DKK 670 million for reconstruction and humanitarian assistance

Strategic objectives in 2005	Performance targets 2005	Measurement method	Success criteria (A, B, C)	Target achievement level
		Agreements reached with Iraq and Afghanistan concerning the readmission of own nationals, and a satisfactory handling of the readmission process	A: Agreements reached with Iraq and Afghanistan concerning the readmission of own nationals B: Agreements reached with either Iraq or Afghanistan concerning the readmission of own nationals C: None of the above	B: Readmission agreement concluded with Afghanistan, and the cooperation with Afghan authorities functions satisfactorily. Primarily due to the security situation in Iraq, it has not yet been possible to conclude a readmission agreement with Iraq
	e. Active Danish participation in international cooperation regarding non-proliferation of WMD	Active participation and presentation of Danish contributions at approx. 50 meetings, including in the UN (First Committee, B and C arms control conventions and NPT), 3 EU working groups and 5 export control regimes	A: 90% A's from relevant units at home and abroad B: 80% A's and B's from relevant units at home and abroad C: 20% C's from relevant units at home and abroad	A: >90% of the underlying targets have been achieved as A's
5. Strengthened international counter-terrorism	Active and coordinated Danish contributions bilaterally and in international fora to the international efforts against terrorism	Targeted Danish efforts bilaterally and in international fora launched in 5 areas Documentable Danish contributions in multilateral fora (minutes and conclusions)	A: 90% A's from relevant units at home and abroad B: 80% A's and B's from relevant units at home and abroad C: >20% C's from relevant units at home and abroad	A: >90% of the underlying targets have been achieved as A's.
6. Promotion of respect for human rights	a. Strengthened international focus, including on effective and independent monitoring b. Greater consistency and transparency of EU policy	Increase in the number of countries ratifying the Optional Protocol to the UN Convention Against Torture The minutes, etc. show that Denmark and the EU have called on other countries to ratify the Convention Potential Danish initiative to reform the UN Commission on Human Rights Positive progress report	Both: A: 90% A's from relevant units at home and abroad B: 80% A's and B's from relevant units at home and abroad C: >20% C's from relevant units at home and abroad	Both: A: >90% of the underlying targets have been achieved as A's

Strategic objectives in 2005	Performance targets 2005	Measurement method	Success criteria (A, B, C)	Target achievement level
7. Danish efforts in regions of origin to be strengthened through interaction with Danish and international actors	Effective implementation of the framework for Danish efforts in regions of origin determined together with the Ministry of Refugee, Immigration and Integration Affairs (INM)	2 planning missions implemented together with the INM Efforts in the following regions of origin: Afghanistan, Kenya, Somalia, Tanzania, Uganda, Zambia and the Balkans	A: 2 planning missions implemented together with the INM B: 1 planning mission implemented C: No planning missions implemented A: Region-of-origin initiatives launched in = >5 countries B: Region-of-origin initiatives launched in 3-4 countries C: Region-of-origin initiatives launched in 1-2 countries	A: 3 joint trips undertaken with a group of like-minded donors for consultations on regional protection programmes. Joint planning carried out with the attaché for foreigners (INM) in Kabul in connection with the preparation of initiatives in Afghanistan. 10 working group meetings held between the INM and the MFA A: Region-of-origin initiatives launched in 5 countries – new initiatives in Afghanistan and Sudan as well as the second phase of initiatives in Somalia, Tanzania and Iraq
8. Denmark contributes to ensuring a balance between development policy issues and the Millennium Development Goals (MDGs) as well as wider issues with a focus on global threats and collective counteraction	<p>a. Denmark contributes to ensuring that the 2005 UN Summit results in intensified efforts to help the poorest countries in Sub-Saharan Africa</p> <p>b. Denmark plays a key role in the EU reporting on the obligations of donor countries in relation to the MDGs (Goal 8) prior to the 2005 Summit</p>	<p>A Danish-sponsored expert report submitted as input to the UN Summit with focus on particular problems facing Africa</p> <p>3 countries have prepared Goal 8 reports with Danish assistance</p>	<p>A: A Danish-sponsored expert report submitted B: A Danish-sponsored expert report formulated C: None of the above</p> <p>A: 3 countries have prepared Goal 8 reports with Danish assistance B: 2 countries have prepared Goal 8 reports with Danish assistance C: 1 country has prepared Goal 8 reports with Danish assistance</p>	<p>B: A ministerial seminar was organised in Ghana on African perspectives regarding a potential peacebuilding commission instead of the envisaged report. Subsequent conclusions incorporated into the summit preparations</p> <p>A: More than 3 countries have received direct Danish technical assistance towards drafting their Goal 8 reports. Denmark has played a leading role in the work in the OECD/DAC on drawing up standards for Goal 8 reporting</p>

Strategic objectives in 2005	Performance targets 2005	Measurement method	Success criteria (A, B, C)	Target achievement level
9. Safeguarding of Danish interests in international trade policy negotiations and active use of existing agreements	a. Definition and promotion of Danish trade policy initiatives in the EU	i) Forward momentum in the WTO Round, and ii) consolidation of broad political support for the Danish trade policy line	A: 2-3 initiatives presented. B: 1 initiative presented C: No initiatives presented	A: Denmark has presented the Nordic Africa Initiative (NAI) on trade and development to the EU Member States. In 2005, the MFA also launched an external study aimed at identifying suitable areas for differential and more favourable treatment of developing countries. The EU Member States initiated closer discussions of the study in February 2006
	b. Implementation of analyses concerning barriers to Danish exports and subsequent follow-up	Specific initiatives benefiting Danish enterprises in terms of providing better market access for their products	A: 3-5 specific initiatives identified, launched and approved by the Wall Demolition Committee (Murbrækker-udvalget) B: 1-2 specific initiatives identified, launched and approved C: 0 specific initiatives identified, launched and approved	B: The Wall Demolition Committee discussed and approved the results of the MFA-launched Russia study on market access barriers for Danish companies. Follow-up has primarily taken place via the Article 133 Committee and the EU's negotiations with Russia on admission to the WTO

Ad 1.b.

In the highly important EU policy area, Denmark was able to secure a key position in a number of areas. This applied not least to the cooperation on promoting research and development that are among the priorities of Denmark. Here, Danish efforts in connection with the mid-term evaluation of the Lisbon Process and the negotiations regarding the EU's budget for 2007-2013 contributed to increased priority being assigned to research and development, along with a subsequent 75 per cent increase in funding of these areas. The active Danish efforts to get more Danes to seek employment in the EU system also bore fruit, in that around 1,500 Danes registered for the special EU Preselection Test in 2005. This is a tripling in relation to the last Preselection Test in 1999.

Also the work on the EU's future was an important task for the MFA in 2005. A major effort was made in the preparations for the Danish referendum on the EU Constitutional Treaty, which was planned to take place on 27 September

2005. The French and Dutch rejection of the Constitutional Treaty, however, altered the prerequisites for the MFA's work. The Danish referendum was cancelled, and instead a period of reflection on the EU's future was initiated.

In October 2005, the EU initiated accession negotiations with Turkey and Croatia. Partly at Denmark's request, a negotiating framework for a stringent and proper process was adopted. Lastly, Denmark played an important and positive role in the sphere of the European defence and security policy by, among other things, actively contributing to increased use of civilian missions. In this respect, several civilian missions were dispatched in 2005 than at any other time in the EU's history – many of them with Danish police officers.

Ad 2.

Denmark has set out four priorities for its membership of the UN Security Council: to contribute to 1) strengthening the fight against terror, 2) securing peace and stability in

Africa, 3) strengthening conflict management and 4) strengthening the international rule of law. In 2005, major initiatives were taken in all four areas. As Chairman of the UN Counter-Terrorism Committee (CTC), Denmark has played a prominent role in making the CTC an organ that actively – and in close dialogue with affected countries and regional organisations – prevents terrorism (see Ad 5. below). With regard to the conflicts in Africa, we have engaged in strenuous efforts particularly in relation to a) Sudan, where the dispatched UN peacekeeping force has a Danish contingent, b) Liberia, where Denmark has a key position as Chairman of the Sanctions Committee, and c) Eritrea/Ethiopia, to where Danish observers have been dispatched. In relation to the international rule of law, Denmark has contributed to promoting a more dynamic Security Council when it comes to taking action against impunity for very serious crimes. In this respect, the referral of the investigation of crimes committed in Darfur to the International Criminal Court (ICC) is one of the clearest examples.

And lastly, we have played an absolutely crucial role in connection with the establishment of the so-called Peacebuilding Commission, which, among other things, is to assist the UN and the international community with conflict management. The foundation stone for the Peacebuilding Commission was laid already in June 2004 with a seminar held in Copenhagen on civilian crisis management. In May 2005, the seminar was followed up with an open debate in the UN Security Council on post-conflict peacebuilding. This took place under the Danish chairmanship of the Security Council. Lastly, in autumn 2005, Denmark, together with Tanzania, initiated the decisive negotiations in New York that led to the establishment of the Commission.

Ad 3.a.

In 2005, an important goal for Denmark was to contribute to promoting close, balanced and credible EU-North American cooperation. The goal was fully achieved, with important Danish priorities reflected in the declarations from the EU-USA summit in June 2005. This applied, for example, to the proposals regarding cooperation on Africa, energy and the knowledge-based society. Prior to the summit, the Danish Government had at the beginning of 2005 published a catalogue of 39 specific proposals for EU-USA cooperation within different strategic areas. The MFA's work on promoting the catalogue took place in close collaboration with the Danish Embassies in the EU Member

States and the Embassy in Washington. The work speeded up in particular following the positive outcome of the EU-USA summit and the NATO summit in February 2005.

Ad 4.c.

In 2005, the strengthening of relations with countries in the Arab world and the Middle East continued to be an important goal for Danish foreign policy. The goal was actively pursued through the establishment of a number of bilateral cooperation programmes and broader thematic programmes within the field of civil society. This took place within the framework of *The Wider Middle East Initiative*²⁰.

In 2005, therefore, work began on implementing the partnership agreement reached with Yemen in 2004. A technical office was set up; collaboration projects within the areas of media, decentralisation and women's rights were implemented; and the first steering committee meeting was held in Copenhagen, attended by Yemen's Deputy Prime Minister. The same year, Denmark signed a cooperation agreement with Jordan. This paved the way for technical cooperation aimed at promoting the country's decentralisation reform process and gender equality. This should be seen in the context of the already existing cooperation regarding the establishment of a Jordanian ombudsman institution. In 2005, agreement in principle was reached regarding a partnership agreement with Morocco regarding projects within family legislation and women's rights, rehabilitation of young offenders, and social dialogue on the labour market. The projects will be implemented within the framework of the Moroccan-Danish partnership programme signed in February 2006. In addition, a number of thematic activities were implemented within the areas of media, human rights and youth.

In 2005, the cartoon affair had no noteworthy impact on the work in relation to *The Wider Middle East Initiative*.

Ad 4.d.

Despite the difficult conditions in Iraq, it proved possible to implement Danish development assistance activities in 2005 that have contributed to generating visible results for the local population. This applies especially to Iraqi agriculture, region-of-origin projects as well as the promotion of

20) *The Danish cooperation partners in The Wider Middle East Initiative number more than 30 NGOs and public institutions.*

human rights and democracy. A key element in the Danish assistance activities has been the increased use of Iraqi structures and cooperation partners. In addition, close cooperation was established between the civilian and military activities in the Basra area. This took place via the MFA's financing of projects that were implemented in collaboration with the military, and the military's support to the civilian reconstruction activities.

With regard to Afghanistan, a partnership agreement was reached in 2005 regarding continued Danish support to peace, stability and reconstruction in the period 2005-2009, to which was earmarked a total budget of DKK 670 million. We in Denmark assign importance to streamlining the assistance activities in line with the country's own objectives and strategies. This implies that over 50 per cent of the funds are allocated via joint donor trust funds and the Afghanistan government. Spearhead activities include education, democracy and human rights, sharply followed by refugee integration and civilian-military cooperation²¹. In addition Danish support is given to rural area development and public sector reform. By, among other things, fighting opium production and corruption, these activities contribute in a decisive way to the country's reconstruction. It should be mentioned that the Afghanistan government regards Denmark as a model cooperation partner.

Ad 5.

In 2005, Denmark gained a high profile in the work on strengthening the international efforts against terrorism. At the multilateral level, Denmark used its chairmanship of the UN Counter-Terrorism Committee (CTC) among other things to strengthen the Committee's role as a *clearing house* for assistance to countries wishing to honour their international obligations within counter-terrorism but which do not have the necessary resources to do so. Denmark, for example, took the initiative to develop a method for identifying assistance needs, with the aim of strengthening the CTC's competences within this area. Within the framework of the EU, Denmark succeeded in promoting the Danish initiative from 2004 on strengthening the EU's ability to react swiftly and protect populations in crisis situations through the development of a modular approach to civil protection cooperation. The initiative was

reflected in the conclusions from the European Council meeting in June. At the bilateral level, Denmark allocated support in 2005 to a number of anti-terrorist initiatives, for example in Kenya and the IGAD region²², and we also channelled support to the counter-terrorism programme being implemented by the UN Office on Drugs and Crime. Lastly, Denmark worked to develop a country analysis instrument that aims to strengthen opportunities for identifying relevant focus areas in the long-term efforts against terrorism and extreme fundamentalism.

Ad 7.

The Danish regions-of-origin efforts and cooperation with national and international actors in this field were also among the major objectives of the MFA's activities in 2005. The cooperation with the Ministry of Refugee, Immigration and Integration Affairs (INM) was consolidated during 2005, and closer cooperation was developed with partners within the EU domain regarding refugee-oriented efforts in third countries. By the end of 2005, regions-of-origin initiatives had been conducted in 10 countries, with a total budget of around DKK 650 million. Two of these efforts were launched in 2005 – in Afghanistan, as part of the Danish five-year programme for the country, and in Sudan, as part of the Danish assistance programme. In addition, the second phase of the regions-of-origin efforts in Somalia, Tanzania and Iraq was finalised, with agreements reached with authorities and partners for the next three years. The efforts hitherto had been carefully reviewed prior to the launch of this second phase. The objectives behind the efforts have in general been achieved. The new efforts have nonetheless been adapted and adjusted in the light of lessons learned. Among other things, capacity-building of local and national refugee authorities in the recipient countries is a new and key element in a number of the initiatives, which the affected Missions are increasingly involved in developing.

21) The activities concerning the civilian-military cooperation generate synergies in relation to the Danish military contribution.

22) IGAD's membership comprises Djibouti, Eritrea, Ethiopia, Kenya, Uganda, Sudan and Somalia.

5.2. We must assist Danes in distress abroad quickly and efficiently

Strategic objectives in 2005	Performance targets 2005	Measurement method	Success criteria (A, B, C)	Target achievement level
1. Provide professional service to all who are in need	Appropriate assistance depending on the conditions and circumstances in the country (illness, accident, imprisonment, etc)	Targets for response times to be set out in the Missions' performance contracts. To be measured as an average of the Missions' overall target achievement	A: 96-100% of cases have been processed within the specified time-limit B: 41-95% ditto C: 0-40% ditto	A: Approx. 99% of cases were processed within the specified time-limit
2. Contribute to ensuring that travellers can be well informed before travelling	Travel advice notices on the MFA website for the most frequently visited countries where the security situation may not be altogether stable	Travel advice notices must be updated at least every 3 months and no later than 12 hours after an event that affects the security situation in the country	A: Max.3 over-run time-limits B: 4-10 ditto C: >10 ditto	A: The time-limit was observed in all cases
3. Establish a strengthened crisis response capability	Establishment of a strengthened crisis response capability that includes an International Operative Task Force, an Emergency Response Unit, personnel response and back-up teams, a call centre with hotline, a database for registering missing persons, and a disaster information website	Establishment before the end of 2005	A: Full establishment of the strengthened crisis response capability before the end of 2005 B: Partial establishment C: No establishment	A: The strengthened crisis response capability was established before the end of 2005
4. Ensure the right balance between service and compliance with legislative controls when issuing visas	At least one unannounced inspection each year of visa procedures practised at Missions authorised to issue visas	To be measured by the number of Missions that have met the target. Inspections are to be conducted by the Head of Mission or another senior member of staff not involved in visa processing on a daily basis	A: Full compliance with inspection and reporting requirements C: No compliance with inspection and reporting requirements	A: All Missions have complied with the inspection and reporting requirements

Note: The objective to establish a strengthened crisis response capability was set subsequently.

During the last few years, we have seen a steady growth in the number and scope of cases within the consular services sphere. The large number of Danes travelling abroad combined with the generally heightened security risk makes strong demands on the MFA's preventative efforts (travel advice notices) and crisis response capability. The strategic objectives in this area include, therefore, preventative efforts, ongoing readjustment of the crisis response capability and streamlining of case-handling procedures, which must ensure quick and professional assistance to citizens when misfortune strikes.

Consular service tasks are inherently difficult to predict, and 2005 was very much characterised by crises abroad in which

many Danes were affected. This applies, for example, to the tsunami disaster in Asia and the bomb attacks in London, in Sharm el-Sheikh and on Bali. The crises monopolised all resources during those periods when they were at their height.

Ad 1.

Due to its quite exceptional nature, the tsunami disaster in Asia in December 2004 / January 2005 is not incorporated in the target achievement figures. Like the foreign services in many other affected countries, the MFA was not prepared for a disaster of such enormous magnitude. The MFA's staff did their utmost - under the circumstances - to provide the best possible assistance to the Danes in distress, but the

response capability was not adequate to perform this task in an optimal way. One of the key objectives for 2005 was therefore to establish a strengthened crisis response capability (see below).

Ad 3.

The goal of establishing a strengthened crisis response capability was set at the beginning of 2005 in the follow-up of the tsunami disaster in Asia and the Government's decision to strengthen Denmark's response capability to handle crises abroad where many Danes are affected. The strengthened crisis response capability was put in place during 2005. An International Operative Task Force was established, with the aim of creating a venue for cooperation and coordination between the actors most affected, such as public authorities, the travel industry, the insurance industry and emergency call centres. The MFA is chairman and secretariat for the Task Force. In addition, we also set up a special Emergency Response Unit in the MFA, which is designed to ensure that we are able more quickly and more effectively to assist Danes who have found themselves in difficulty in connection with crises abroad. The Emergency Response Unit dispatches reinforcement teams for rapid strengthening of the home-based response and for rapid dispatch to crisis areas, and it also ensures that its staff are given the necessary training. The Emergency Response Unit also coordinates the MFA's newly established call centre, which has a hotline number and a database for registering missing persons. Furthermore, the Emergency Response Unit ensures that text messages are sent to mobile phones with Danish SIM cards. This showed to be particularly useful in connection with the cartoon affair, where this method of communication enabled us to reach Danes – also those unaware of the crisis – far away from Denmark. We also established a special disaster information website, which can be updated around the clock and activated when necessary. Furthermore, the website capacity has been increased and can now handle up to 300,000 visits per day.

The MFA crisis response capability will continuously be adjusted and adapted in the light of lessons learned.

Ad 4.

The goal regarding the inspection and monitoring of the visa processing procedures exercised by Missions authorised to issue visas was set following the results of the MFA's own inspections in 2004, which observed instances of inadequate case-handling in visa administration at a number of Missions. In October 2004, the Minister for Foreign Affairs briefed the Folketing's Foreign Affairs Committee on this situation and requested at the same time that the Public Accounts Committee consider conducting a study of the MFA's administration in this area. In 2004 and 2005, the National Audit Office of Denmark conducted an in-depth study of the MFA's visa administration, submitting its report to the Public Accounts Committee in June 2005²³. The National Audit Office found that the MFA in the vast majority of cases has made a commendable – and, in some cases, very commendable – effort to improve visa administration at the Missions.

23) In October 2005, the MFA submitted its remarks to the reports, and in November 2005 the National Audit Office of Denmark submitted a follow-up note to the Public Accounts Committee. The documents can be found on www.ft.dk under Statsrevisorerne.

Tabel 4. A large number of consular services were performed in 2005

	2001	2002	2003	2004	2005	
Assistance to Danes in distress and other assistance cases	3,901	4,745	4,334	5,033	6,183	<i>Note: It should be noted that the figures under "Assistance to Danes in distress and other assistance cases" and "Family law and other civil law cases" are not directly comparable over the years due to a change in the method of calculation. It should also be noted that the Asian tsunami disaster, which affected around 4,500 Danes in the area hit, led to an extraordinary number of assistance cases that required handling under very difficult circumstances. Due to the atypical and urgent nature of the numerous cases and the quite unique situation in general, these cases were not registered in the normal way. The tsunami-related cases, therefore, are not incorporated in the figures quoted under "Assistance to Danes in distress and other assistance cases".</i>
Visa applications	94,104	74,099	69,700	74,020	75,500	
Residence permit applications	20,279	14,510	13,291	13,580	13,686	
Family law and other civil law cases	3,177	1,517	1,307	1,277	3,730	
Passports and driving licences	10,704	10,742	11,997	12,777	14,518	
Authentications, certificates, etc. in the service abroad	6,171	5,573	5,289	5,612	7,460	
Authentications in the home service	27,830	27,109	24,857	30,156	31,349	

5.3. We must be the partner preferred by enterprises in international trade and investment activities

Strategic objectives in 2005	Performance targets 2005	Measurement method	Success criteria (A, B, C)	Target achievement level
1. Financial effect: Earnings ratio	22% earnings in proportion to expenditure	Data taken from UM-finans	A: 22%+ B: 20-22% C: < 20%	A: Earnings amounted to 23% of expenditure
2. Foreign direct investment to Denmark	a. Successful projects b. 550 created jobs	Both: External auditing	Both: A: 100%+ B: 80-100% C: < 80%	Both: A: 36 successful projects and 746 jobs created
3. Small and medium-sized enterprises (SMEs)	a. 4,500 SME customers b. 1,600 SME customers assisted through DTC's special SME programmes	Both: Data drawn from CRM, DETA and SourceDenmark, respectively, and compared	A: 100%+ B: 80-100% C: < 80% A: 100%+ B: 90-100% C: < 90%	C: 3,549 SME customers A: 2,024 customers assisted through SME programmes
4. Commercial crisis standby capacity	An action plan must be formulated within 24 hours for the continued work, provided it has proved impossible to solve the problem within this timeframe	Internal evaluation of the submitted action plans	A: The crisis resolved or action plan within 24 hours B: Action plan within 72 hours C: Action plan later than 72 hours	A: Emergency response plans formulated within 24 hours on all matters in 2005 (Russia, Australia, avian flu, Newcastle disease)

Note: In the Permanent Secretary's announcement of strategic objectives for 2005 (from October 2004), reservation was made for the TCD Board's approval of the specified targets. The Board subsequently increased the target for SMEs: 3.a from 2,550 to 4,500 and 3.b from 500 to 1,600.

Ad 2.

With 746 jobs created in 2005, almost 36 per cent more jobs were created (and sustained) than was originally targeted. The positive result stems primarily from concerted efforts within the focus areas of information and communication technology (ICT), biotech and Denmark as a hub. In addition, Denmark's high rankings in international surveys regarding competitiveness and business climate, including international recognition of Denmark's flexible labour market, contributed to making Denmark an attractive country in which to establish business operations

Ad 3.a.

The Trade Council of Denmark (TCD) served an overall total of 4,396 paying customers in 2005. Of these, 2,181 belonged to the category of small and medium-sized enterprises (SMEs). In addition, 1,368 SMEs received assistance through the special SME programmes. Despite serving 27 per cent more SME customers in 2005 than in 2004, TCD failed to achieve its ambitious target of serving 4,500 SMEs in 2005. This is due to the fact that the tasks performed in 2005 were more complex than previously and that TCD

engaged in closer and extended relations with the individual customers. This development must in itself be seen as positive, as the economic benefit measurement shows that this kind of service produces the best results for companies.

Ad 3.b.

SMEs make up the majority of businesses in Denmark, and studies show that these companies have a huge unexploited potential. Denmark's prosperity depends partly on SMEs, including entrepreneurs, obtaining the best growth opportunities – also in relation to internationalisation. The special efforts targeted at SMEs are therefore a core responsibility of the MFA. Consequently, it is also particularly gratifying that the number of SMEs that have been assisted through the special SME programmes lies above the specified targets. The demand for – and satisfaction with – these programmes has risen sharply in step with companies, organisations, etc. becoming acquainted with the programmes. This applies also to the sector-specific programmes, *BornGlobal* and *BornCreative*, which are targeted at innovative growth enterprises within the high-tech industry and the culture and entertainment economy.

5.4. We must strengthen Denmark's participation in international development co-operation and ensure that Danish development assistance remains among the very best in the world

Strategic objectives in 2005	Performance targets 2005	Measurement method	Success criteria (A, B, C)	Target achievement level
1. Maintenance of strong Danish contributions to poverty reduction efforts through achievement of the Millennium Development Goals (MDGs)	a. The framework for the development cooperation with the Africa programme countries is to be developed and strengthened, including in cooperation with the EU and regional African organisations	A Danish-initiated ministerial conference on strengthening Africa's position in international trade cooperation organised and held	A: A Danish-initiated ministerial conference held with high-level African participation B: A Danish-initiated ministerial conference held with low-level African participation C: A Danish-initiated ministerial conference organised, but not held	A: Nordic-African ministerial conference held on Danish initiative in Dar es Salaam in January 2005 with participation of African and Nordic Ministers responsible for international trade

Strategic objectives in 2005	Performance targets 2005	Measurement method	Success criteria (A, B, C)	Target achievement level
	<p>b. The programme cooperation is to be strengthened for selected sectors that particularly contribute to achievement of the MDGs</p> <p>c. Denmark contributes to ensuring that sexual and reproductive health and rights (ICPD and ICPD+5), including the connection with the fight against HIV/AIDS, are given high priority with respect to fulfilling the MDGs, to preparing the UN Summit in 2005, and to the dialogue with foundations and programmes</p> <p>d. Women's role in development assistance strengthened in accordance with the Gender Equality Strategy</p>	<p>4 new sector programmes within health (including HIV/AIDS), water and sanitation, and education finally approved by the Board, and the first sector reviews of 4 other programmes carried out</p> <p>Reports from the 2005 UN Summit document that Denmark has worked actively to ensure that sexual and reproductive health and rights are given a high priority in relation to the MDGs</p> <p>A special effort made to implement the Gender Equality Strategy in all programme countries</p>	<p>A: 4 new sector programmes approved by the Board, and initial sector reviews of 4 other programmes carried out</p> <p>B: 4 new sector programmes approved by the Board, and initial sector reviews of 4 other programmes carried out</p> <p>C: 2 new sector programmes approved, and initial sector reviews of 2 other programmes carried out</p> <p>A: Direct documentation in the reports stating that Denmark has worked actively to ensure that sexual and reproductive health and rights are given a high priority in relation to the MDGs</p> <p>B: Danish priorities partially reflected in the reports</p> <p>C: None of the above</p> <p>A: A special effort made to implement the Gender Equality Strategy in 15 programme countries</p> <p>B: Ditto in 12-14 programme countries</p> <p>C: Ditto in < 12 programme countries</p>	<p>A: 6 sector programmes approved – in Uganda (health); Bangladesh and Zambia (water and sanitation); Bolivia, Benin and Burkina Faso (education). Sector reviews of more than 4 other programmes carried out</p> <p>A: In the Summit Declaration, the UN Member States commit themselves to incorporating the ICPD goal on access to reproductive health in strategies for achieving the MDGs</p> <p>B: The 2005 performance contracts of Missions shows that special efforts are planned in relation to the Gender Equality Strategy in 13 countries. Final reports for 2005 have not yet been submitted</p>
2. Increased effectiveness and quality of development assistance	<p>a. Adjustment of Danish bilateral assistance to developing countries' national systems and poverty reduction strategies</p> <p>b. Strengthened monitoring and performance achievement in relation to the prioritised Danish targets regarding multilateral efforts</p>	<p>4 performance reviews (PR) observe progress in the use of national indicators in the Danish-supported programmes since the first PR two years earlier</p> <p>Reports drawn up by all Missions in programme countries and South Africa regarding the capabilities of multilateral organisations in the host country</p>	<p>A: 4 PR reports observe progress</p> <p>B: 1-3 ditto</p> <p>C: None ditto</p> <p>A: Reports drawn up by all affected (16) Missions</p> <p>C: Reports drawn up by < 16 Missions</p>	<p>A: 3 PRs carried out during the first round. 4 PRs carried out during the second round. All PRs show progress since the first PRs were carried out two years ago</p> <p>A: Reports drawn up by all 16 Missions</p>

Strategic objectives in 2005	Performance targets 2005	Measurement method	Success criteria (A, B, C)	Target achievement level
	c. Enhanced Danish efforts to harmonise bilateral and multilateral assistance	Joint programming of donor support between Nordic+ countries in at least 3 developing countries	A: Joint programming of donor support between Nordic+ countries in at least 3 developing countries B: Ditto in 2 developing countries C: Ditto in 1 developing country	C: Joint programming of donor support between Nordic+ countries not achieved in any developing country in 2005
		Joint donor PRs of at least 3 multilateral organisations at country level	A: Joint donor PRs in 6-8 countries of 3 multilateral organisations at country level B: Ditto in 4-5 countries C: Joint donor PRs in < 4 countries and/or of < 3 multilateral organisations	A: PR carried out for the World Bank, UNFPA and UNAIDS in 9 countries
3. Key role for Denmark in the international cooperation on sustainable development and environment	Adjustment of Denmark's efforts in line with the <i>Strategy for Denmark's Environmental Assistance to Developing Countries 2004-2008</i> and the <i>Action Plan for Denmark's International Follow-up to the Johannesburg Summit</i> , respectively	Environmental assistance programmes launched in Kenya and South Africa, and a regional environmental programme launched in Central America	A: Environmental assistance programmes launched in Kenya and South Africa, and a regional environmental programme launched in Central America B: Environmental assistance programmes launched in either Kenya or South Africa, and a regional environmental programme launched in Central America C: Environmental assistance programmes launched in either Kenya, South Africa or Central America	B: Environmental assistance programmes launched in South Africa and Central America. Environmental assistance programme in Kenya expected approved in May 2006
		Environmental screening carried out of all new bilateral assistance initiatives submitted to the Board	A: All relevant bilateral Board proposals subjected to environmental screening B: 75% ditto C: 50% ditto	B: Environmental screening carried out of 80% of all relevant bilateral Board proposal

Ad 1.b.

The goal to strengthen development assistance within health (including HIV/AIDS), water and sanitation, as well as within education should be seen as a clear indication of the Government's wish – and substantial contributions – to promote the common goals of UN Member States within the development field, the so-called Millennium Development Goals (MDGs). In this regard, three new sec-

tor programmes within education were approved in 2005. In this way, Denmark now supports education in eight of our 15 programme countries. The objective is to ensure better access of poor people to education. This is achieved through establishment of school facilities and improvement of education and training programmes, including support to developing better curricula and competence development of teachers. Similarly, Denmark now supports the health

sector in seven programme countries. Here, the assistance focuses on building strong national systems that can provide basic health services to the population. This applies, among other things, to preventing and combating the spread of HIV/AIDS, which represents a serious threat to socio-economic development especially in the hardest-hit countries in southern Africa. Lastly, Denmark now contributes to ensuring better access to safe drinking water, sanitation and water resource management in 11 programme countries.

Ad 1.c.

Access to reproductive health services (contraception and information) is crucial for being able to reach – but not encompassed by – the defined MDGs. Such access is not specified in the MDGs partly because of the political and religious resistance among certain UN Member States against abortion and access of unmarried young people to contraception and sex education. It is therefore an important goal for Denmark to ensure that UN Member States commit themselves to integrating the goal of universal access to reproductive health in MDG-related strategies and initiatives. This was a goal that Denmark pursued actively in connection with the preparations for the UN Summit in 2005. This applied in particular to the previous EU preparations, where Denmark on several occasions contributed to the adoption of strong Council conclusions that emphasised the importance of this goal. But it also applied in conjunction with the preparations in New York and in connection with the cooperation with the major UN funds and programmes, NGOs and other actors. The result was a Summit Declaration that made it possible to establish a new sub target MDG target regarding access to reproductive health services. As the national poverty reduction strategies of all developing countries in the future will be focused on the MDGs, such a target will serve to encourage governments in developing countries to take active steps now to ensure the individual person's fundamental right to decide over their own body and influence the direction of their own future.

Ad 2.a.

Evaluation of the Danish assistance efforts is a key instrument in the target and performance management system, which was introduced for development assistance in 2003 and which is absolutely crucial for enabling the MFA to achieve its vision of Danish development assistance being comparable to the best in the world. The objective of the evaluations is to review the working procedures of Embassies with a view to the planning and administration of the development assistance. In 2005, seven performance reviews (PRs) were conducted. These show everyone that the last few years' increased focus on target and performance management of the administration of development assistance now reflects a marked improvement in the quality of the new country strategies and Danish-sponsored programmes. The PRs also show that progress has been made in relation to the first round of PRs with respect to the harmonisation of Danish assistance with other donor support and the integration of the Danish assistance in programme countries' own policies and systems.

Ad 2.c.

The reason why the goal of a strengthened Danish effort to harmonise both bilateral and multilateral assistance was not achieved is due first and foremost to an over-ambitious timetable. Significant progress has been made in relation to joint programming in several countries. Particularly in Uganda, Tanzania and Zambia, the process is well advanced. A joint strategy was adopted for Uganda, in which Denmark is expected to participate from 2007. With respect to Zambia and Tanzania, the process of formulating joint country strategies is expected to be complete in the middle of 2006 – both with Danish participation. For the other countries, the negotiations between the donors and the recipient countries proved more difficult and longer than expected, and the donors had difficulty reaching decisions regarding which focus areas to select and de-select, which is necessary for ensuring the joint programming.

5.5. We must provide highly-valued advice and cooperation on international issues

Strategic objectives in 2005	Performance targets 2005	Measurement method	Success criteria (A, B, C)	Target achievement level
1. Professional and targeted EU coordination	Satisfaction in the Central Administration with the contributions to and consultancy in EU coordination provided by the MFA, including the Embassies	Annual evaluation meeting with relevant Ministries	A: 85% satisfaction among relevant Ministries C: < 85% ditto	A: Annual evaluation meeting showed widespread satisfaction among the Ministries
2. Valued cooperation partner for Greenland, the Faroe Islands and the Nordic countries	<p>a. Satisfaction among the parties of the Danish Commonwealth with the MFA's efforts in connection with the specific handling of tasks</p> <p>b. Successful Presidency of the Nordic Council of Ministers</p>	<p>Item on the agenda at the Permanent Secretary's annual meeting with Greenland and the Faroe Islands. Qualitative assessment based on the minutes</p> <p>Quantitative enumeration of achieved specific objectives in the Presidency programme for the Nordic Cooperation Ministers</p>	<p>A: Full satisfaction. B: Partial satisfaction. C: No satisfaction</p> <p>A: Minimum 6 out of 7 specific objectives achieved B: 3-5 ditto C: < 3 ditto</p>	<p>A: Regular Faroese and Greenlandic expressions of full satisfaction with the MFA's efforts</p> <p>A: All 7 objectives were realised or initiated. In addition, 65 out of 73 sub-initiatives were completed. Work currently being done with the other 8</p>

Ad 1.

Providing highly-valued advice and consultancy in connection with the coordination of the Danish EU policies is a key and high-priority task of the MFA. To what extent this aim is achieved is best judged in dialogue with the affected Ministries. Consequently, we have for a number of years met with the most affected Ministries in order to obtain feedback on our coordination work. The feedback from the six Ministries we met with this year was predominantly positive and constructive. The Ministries were generally very positive about the cooperation with the MFA in 2005. This applied especially to the activities and products of the Permanent Representation of Denmark to the EU and of Embassies. In this respect, the Ministries expressed increasing interest for, among other things, the Embassies' assessment reports on the situation in the other EU Member States and the influence of specific EU issues on domestic policy. This in turn led to a wish to make increasing use of Embassies also proactively in relation to specific EU matters.

It should also be mentioned that in 2005 the Ministries were able to reach agreement on a set of new guidelines for the domestic EU procedure. The aim of the guidelines is to improve and streamline the cross-ministerial EU coordination with a view to developing an even stronger decision-making basis regarding matters that fall under the Danish EU procedure.

Ad 2.a.

The Government assigns strong importance to the cooperation with Greenland, the Faroe Islands and the Nordic countries. It is therefore satisfying that the overriding objective of being a valued cooperation partner for these countries was fully achieved in 2005. This applies especially in relation to Greenland, where in particular the Joint Committee meeting in Washington demonstrated that the new cooperation between the USA, Greenland and Denmark has made an extremely promising start. For a whole week, Greenland was the sole item on the agenda in the US capital at various meetings and events organised for representatives of the Greenland Home Rule Government, the business community and the cultural community. The main objective of the Joint Committee is to engage the USA in Greenland in specific cooperation projects of mutual benefit. The Joint Committee meeting in Washington showed that the Igaliku Agreement from 2004 to modernise the defence agreement from 1951 has delivered concrete value for Greenland in the form of a new and broad cooperation with the USA. In Greenland, there has been considerable satisfaction with the close partnership with Denmark in connection with the Joint Committee negotiations, as well as great satisfaction with the fact that it was possible to achieve solid results so quickly.

Ad 2.b.

Focus has been placed on the Nordic cooperation to ensure it produces visible results for Nordic citizens. The primary objective of the Danish Presidency of the Nordic Council of Ministers in 2005 was, therefore, to make the Nordic cooperation as results-oriented and politically relevant as possible. The Danish Presidency was successful and produced results. All seven objectives in the Presidency programme, The Nordic Countries in a New Era: Knowledge, Dynamism and Cooperation (Norden i en ny tid: Viden, dynamik og samarbejde), were achieved. One item worth highlighting is, for example, the radical reform of the struc-

ture of the Nordic Council of Ministers, which has led to a reduction in the number of councils from 18 to 11. Negotiations were also initiated regarding a budget reform. These negotiations are expected to be completed during 2006. In addition, a reprioritisation pool was established, whereby space is created for sharper political priorities. The pool is financed by annual efficiency savings of 1-2 per cent. Both the Norwegian Presidency (2006) and the Finnish Presidency (2007) of the Nordic Council of Ministers have declared that the efforts to modernise Nordic cooperation will be continued.

5.6. We must be an open and active communicator of Danish foreign policy view and values at home and abroad

Strategic objectives in 2005	Performance targets 2005	Measurement method	Success criteria (A, B, C)	Target achievement level
1. Continued focus throughout the organisation on implementing the 3 strategic objectives in the joint communication strategy	a. Activities in the action plan, including the website modernisation, linked to the MFA's joint communication strategy must be implemented	Internal review of the action plan showing the extent to which activities have been implemented	A: Over half of the activities in the action plan are fully or partially implemented B: < half are implemented C: None are implemented	A: 13 out of the 16 action plan activities were implemented
		Continued improvement in the MFA website's fulfilment of the criteria in "Top of the Web" ("Bedst på Nettet")	A: Score of 5 'netkroner' in "Top of the Web" B: =4 netkroner C: < 4 netkroner	A: The MFA website, www.um.dk, was awarded 5 netkroner in "Top of the Web"
		Trade Council of Denmark ((TCD)'s image survey and Gallup's annual Danida survey must show increased knowledge and a higher rating compared to 2004	A: Level of knowledge among export officer > 65%/ average of 3.1 and above B: 60-65%/2,8-3,1 C: 55-60%/2,6-2,8	A: Knowledge of TCD rose to 76%
	b. Information strategy for the EU Constitutional Treaty to be drawn up and implemented	Internal review of whether the strategy has been formulated and implemented	A: Rise in the number of Danes who believe that development assistance helps considerably/very considerably – from 42% to 43% B: Rise in the number of Danes that have heard of the goals – from 6% to 8% C: Rise in the number of Danes who know Danida well/reasonably well – from 42% to 44%	A: 52% believed that development assistance helped to a great/greater extent
			A: Strategy formulated and implemented B: Strategy formulated but not implemented C: Strategy not formulated	B: Strategy formulated but not implemented

Strategic objectives in 2005	Performance targets 2005	Measurement method	Success criteria (A, B, C)	Target achievement level
	c. Activities in communication strategies and web guidelines for the Danish membership of the UN Security Council and the Danish Presidency of the Nordic Council of Ministers must be implemented	Internal review of the communication strategies showing the extent to which activities have been implemented	A: 90% A's from relevant units at home and abroad B: 80% A's and B's from relevant units at home and abroad C: >20% C's from relevant units at home and abroad	A: A special Security Council website and a campaign website for the NMR presidency were set up, with ongoing posting of news, speeches and articles. A special focus on potential media angles resulted in more articles and interviews regarding the Danish Security Council membership

Open and active communication of Danish foreign policy views and values both at home and abroad is an element of our work that is gaining increasing importance. Globalisation has changed the way we live and thereby the conditions for the nature of modern diplomacy. If we are to secure maximum Danish influence in the globalised world as well as good and timely information about – and contributions to – the foreign policy debate here in Denmark, the MFA needs to be more visible. Consequently, we have now over a number of years sought to improve the MFA's external communication. Among the numerous measures that we instituted in 2005 – in addition to modernising the MFA's website (see below) – is the active use of lectures, school visits and participation in various conferences, trade fairs and open-house events. Thus, in 2005 we once again opened our doors to the public in connection with the Copenhagen Night of Culture. Also in 2005, the MFA for the third year in succession took part in the annual travel fairs in the conference centres, Herning Messecenter and Bella Center. The cartoon affair has emphasised the need for the MFA to become even more adept at reaching out to the public – at home and abroad.

Public Diplomacy abroad

Also at the Missions, the efforts to heighten the visibility and profile of Denmark as well as communicate Danish standpoints to local media and the public have been fully integrated in the daily work. The importance we at the MFA attach to these efforts is reflected in the numerous interviews, lectures, articles, feature articles etc. that the Missions participated in giving and writing, respectively. In 2005, the Missions held lectures on Denmark and Danish standpoints on over 1,400 different occasions. Similarly, the Missions participated in giving and writing, respectively, 1,700 interviews, articles and feature articles in 2005 in the host country's press.

Ad 1.a.

The key instrument of the MFA's outward communication is the MFA website. This became abundantly clear to us in connection with our handling of the tsunami disaster in Asia in December 2004 / January 2005, when the media, concerned relatives and the wider public rightly expected continuous updates on the MFA website. The goal of modernising the website (www.um.dk) has therefore been assigned high priority. Today, all news coverage of major events and international issues, background articles, ministerial speeches, etc. is accessible on the website. The website also provides contact information for relevant persons in the MFA in Copenhagen and at the Missions abroad. The travel advice notices are updated regularly and always no later than 12 hours after an event affecting the security situation in a country. Moreover, the MFA offers an increasing number of services to the MFA's customers and users via the

website, for which we have won great recognition. In 2005, the website – for the second year in succession – was voted the best Ministry website in the IT and Telecom Agency's assessment of public sector websites, and www.um.dk, as the only Ministry website, was awarded top marks in all five categories in *Top of the Web (Bedst på Nettet)*.

Another absolutely key element in the work on strengthening the MFA's external communication was the goal to ensure that the MFA outwardly appears as one single organisational unit. This was achieved in 2005 by gathering the MFA's approximately 200 websites into one Internet site with a common visual identity, web policy, functions and technology. Besides a general boost in quality and considerable economies of scale of a technical, economic and staff-related nature, the MFA became part of a very select group of foreign services in the world that have established one single corporate Internet site across the MFA's organisational structure and national borders. The corporate website

offers the opportunity to use and present information across the MFA's organisation in Denmark and abroad.

Ad 1.b.

The goal to formulate and implement an information strategy for the EU Constitutional Treaty was only partially achieved. The strategy was formulated, but was not implemented due to the cancelled referendum. Instead, a period of reflection was initiated on the future of the EU.

This is a classic example of the target-setting and reporting challenges that confront the general foreign policy sphere, where there are many international interests at stake and where Denmark is just one among many actors. Outside events can rapidly shift focus and thus alter the preconditions for the MFA's activities. In such instances, a mechanical reporting on targets often provides a misleading picture of the MFA's activities.

5.7. We must enjoy wide respect as a competent, efficient, outward-looking and service-oriented enterprise

Strategic objectives in 2005	Performance targets 2005	Measurement method	Success criteria (A, B, C)	Target achievement level
1. Providing good service to MFA customers	a. Satisfaction with the service level of visits, etc. to, for example, Parliamentary Committees, Embassies in Copenhagen and organisations	Satisfaction with visits/servicing	A: 90% A's from relevant units at home and abroad B: 80% A's and B's from relevant units at home and abroad C: >20% C's from relevant units at home and abroad	A: >90% of the underlying targets have been achieved as A's
	b. Satisfaction among internal and external customers with professional and targeted consultancy on international law and EU law	Questionnaire survey	A: 90% A's from relevant units at home and abroad B: 80% A's and B's from relevant units at home and abroad C: >20% C's from relevant units at home and abroad	A: >90% of the underlying targets have been achieved as A's
	c. Larger number of the primary business partners within development assistance who rate the cooperation as relevant, professional and competent	Quantitative enumeration of evaluations	A: 80% evaluate the cooperation as relevant, professional and competent B: 60-79% ditto C: <60% ditto	A: Level of satisfaction among primary cooperation partners at 94%

Strategic objectives in 2005	Performance targets 2005	Measurement method	Success criteria (A, B, C)	Target achievement level
	<p>d. Satisfaction among TCD customers with the tasks performed</p> <p>e. Pilot project incorporating a number of Missions carried out in order to develop a system for measuring user satisfaction with assistance to Danes in distress abroad</p>	<p>Customer satisfaction among TCD customers at 95%. To be measured by collating the response results from the auto-generated email questionnaires</p> <p>As of 1 January 2006, the pilot project is to provide the basis for establishing a system for measuring user satisfaction with consular sections at Missions with posted staff</p>	<p>A: 95%+ B: 80-94% C: < 80%</p> <p>A: Implementation of pilot project C: Non-implementation</p>	<p>A: Customer satisfaction at 95%</p> <p>C: The pilot project was not implemented</p>
2. Efficient resource management	a. Compliance with the budget framework, including cost-cutting plan	Quantitative enumeration	<p>A: 96-100% of units have complied with their budget framework B: 81-95% ditto C: < 81% ditto</p>	B: 89% of units complied with their budget framework
	b. No reprimands from the National Audit Office of Denmark, controller or other authorities	Quantitative enumeration	<p>A: Very satisfactory evaluation in the National Audit Office's report on the auditing of the Government accounts for 2004 B: Satisfactory ditto C: Unsatisfactory or not fully satisfactory ditto</p>	B: Satisfactory evaluation in the National Audit Office's report

Ad 1.a-d.

An important objective for the MFA – within the given framework – is to provide the best possible service to the wide range of customers and cooperation partners that the MFA serves. Such a customer range implies multifarious expectations, which in turn calls for targeted and customised solutions for each specific group of actors. In 2005, we also strove to deliver these solutions, partly by optimising the MFA's activities in several areas. Two such examples are firstly, the faster and better service we are able to offer the Danish business community today via the MFA's website and via www.GoGlobal.dk, which in one location gathers all relevant information about Denmark's international business support instruments, and secondly, the faster and better assistance which we at the MFA are able to provide Danes who have found themselves in difficulty abroad as a result of strengthening our crisis response capability. The feedback in the various user surveys that we conducted in 2005 was also predominantly positive in this regard.

Ad 1.e.

The goal to implement a pilot project with the aim of establishing a system for measuring user satisfaction with the MFA's provision of assistance to Danes in distress abroad was not achieved. This was due to a number of unforeseen, extraordinarily large-scale and demanding consular cases, including the tsunami disaster in Asia, which monopolised all resources during the period when these cases were at their most intense. This meant that other cases, including the pilot project in question, subsequently had to be assigned lower priority. The pilot project is expected to be implemented in 2006.

5.8. We must be an attractive, dynamic place of work that ensures a high degree of staff satisfaction and targeted competence development

Strategic objectives in 2005	Performance targets 2005	Measurement method	Success criteria (A, B, C)	Target achievement level
1. Strengthened competences in value-based management	Implementation of management development programmes for all heads of unit in the home service and the service abroad in the light of the 360 degree appraisal	Achievement of the specifically defined targets in the competence development plans of Heads of Department/Mission	<p>A: Heads of Department have been offered development activities in line with their own development plan, and Heads of Mission have been offered joint management development training (Ambassadors Meeting) and meaningful facilitation at regional meetings</p> <p>B: Some Heads of Department and some Heads of Mission have not been offered the competence training above that they requested</p> <p>C: A significant proportion of Heads of Department/Mission express clear dissatisfaction with the form and/or scope of management development training offered with the resources available</p>	<p>A: Heads of Department were offered development activities in the form of individual-based activities, internal workshops and external courses. Heads of Mission participated in joint management development workshops (Ambassadors Meeting 2005). All Heads attended a meeting with Permanent Secretary of the Ministry of Finance, Karsten Dybvad, on Public Governance – Code for Chief Executive Excellence in Denmark. In addition, individual coaching sessions were run, along with the provision of ongoing guidance and offers of facilitation at regional meetings</p>
2. Greater staff satisfaction	Implementation of staff satisfaction survey with satisfactory results	<p>Compared with the 2004 Staff Satisfaction Survey:</p> <ul style="list-style-type: none"> A general increase to 80% of very satisfied or satisfied staff, of whom 25% very satisfied Increased satisfaction with the opportunities for competence development 	<p>A: 80% satisfied or very satisfied, of whom 25% very satisfied</p> <p>B: 75%/25% ditto</p> <p>C: A fall in the number of satisfied or very satisfied in relation to the 2004 Staff Satisfaction Survey</p> <p>Average level of satisfaction regarding questions on satisfaction with:</p> <ul style="list-style-type: none"> opportunities for competence development, including on-the-job training benefits of staff appraisal interview, including follow-up on development plan the MFA's prioritisation of competence development <p>A: 70% satisfied or very satisfied</p> <p>B: 60% ditto</p> <p>C: < 60% ditto</p>	<p>B: 79% satisfied or very satisfied, of whom 25% very satisfied</p> <p>This element could not be measured, as several of the questions in the 2005 survey were reformulated in relation to the 2004 survey, in order to make the process more targeted. The reformulation was made <i>after</i> the target-setting in October 2004</p>
		A general response rate of minimum 75% in all units	<p>A: Response rate of = > 75%</p> <p>B: Response rate of = > 67%</p> <p>C: Response rate of < 67%</p>	A: Overall response rate of 76%

Strategic objectives in 2005	Performance targets 2005	Measurement method	Success criteria (A, B, C)	Target achievement level
3. Ensure qualified and flexible performance of tasks through systematic competence development of all staff groups based on a comprehensive competence development strategy for the MFA	Strengthened competence development of all staff	Staff appraisal interviews have been conducted, individualised development plans have been drawn up, and the staff appraisal interviews in 2004 have been followed up on in accordance with the new concept for all relevant staff	A: Staff appraisal interviews conducted for all staff C: Staff appraisal interviews not conducted for all staff	A: All interviews were conducted at the end of 2004 and the start of 2005. The second round of appraisal interviews will be conducted according to the new concept before the end of the first quarter of 2006

Ad 1.

A crucial element determining whether an organisation can deliver its best is that it also possesses the necessary competences. A key precondition for developing the necessary skills and competences among staff is that the managers themselves possess the skills and competences necessary to exercise professionalised management. With the MFA's global 360° managerial performance appraisal, which was introduced in 2004, we at the MFA have systematised management development at Head of Department level and above. By the end of 2004, 360° appraisals had been carried out on the performance of all managers. These appraisals were followed up in 2005 by a wide range of management development activities. For example, MFA managers in 2005 – in addition to a number of individual-based development activities – participated in internal workshops on delegation, motivation, coaching, communication, personnel management and intercultural management. To ensure coherence with the management development activities carried out in the rest of the governmental administration, the "Public Governance – Code for Chief Executive Excellence in Denmark" was integrated into the MFA's management development concept.

The MFA's professionalisation of management has been met with strong commitment, and the process has opened up for new discussions and increased sharing of knowledge regarding the challenges that go with the job of being a manager. To further strengthen the global interconnecting link between the Heads of Department and the Heads of Mission, we developed in the fall of 2005 an electronic manager portal – E-manager Forum – which offers a number of management tools and provides MFA managers with the opportunity for cross-organisational dialogue on managerial challenges. The Change and Development Fund (Udviklings- og Omstillingsfonden), which has allocated funds to the establishment of the portal, regards the project as a spearhead project.

Ad 2.

In the MFA, we place great importance on having satisfied staff. We do so not only in order to improve staff well-being, but also because it contributes to creating a more effective organisation. Consequently, all performance contracts contain targets for satisfaction and follow-up on the general satisfaction surveys, which we have now carried out three years in succession. The 2005 survey showed an increasing level of satisfaction and motivation among staff. In this respect, the number of satisfied staff once again increased, rising from 67 per cent in 2003 to 79 per cent in 2005, of whom 25 per cent are very satisfied, compared to 15 per cent very satisfied in 2003. This should also be seen in relation to a significantly increased response rate – from 60 per cent in 2003 to 76 per cent in 2005.

The very extensive satisfaction surveys provide solid insight into what generates satisfaction and motivation among the MFA's extremely diversified staff groups. This makes it possible to implement a focused follow-up on the results. Together with a huge commitment from the heads of unit in the MFA, this has led to a rising trend in the individual staff member's satisfaction and motivation, which according to experts is quite unique for such a large and differentiated organisation as the MFA. In 2005, we devoted particular focus to the group of locally employed staff. The reason for this was that the 2004 satisfaction survey had shown a substantially lower level of satisfaction and motivation within this staff group in relation to other staff groups. Therefore, we established local consultation committees at all Missions – even those that are so small that the MFA's consultation agreement does not make this a requirement. In addition, we established more transparent and differentiated pay systems for locally employed staff, and we worked actively to increase locally employed staff's understanding of, and incorporation in, the MFA's general operations. In 2006, we will continue the follow-up work in regard to locally employed staff.

6. KEY FINANCIAL INFORMATION

6.1. Profit and loss account

Table 5. Profit and loss account (DKK million)

Note		2005	Budget for 2006
	Ordinary operating income		
1	Sale of good and services	-157.1	
	Subsidies for own operations	0.0	
	Other operating income	-13.4	
	Payment for consular services	-43.8	
	Ordinary operating income, total	-214.3	-204.7
	Ordinary operating costs		
	Change in inventory	0.0	
	Consumable costs		
	Rent	218.0	
	Other consumable costs	332.8	
	Total consumable costs	550.8	
	Staff costs		
	Salaries and wages	535.9	
	Pension	73.4	
	Reimbursement of staff payment	-49.2	
2	Other personnel costs	28.2	
	Total staff costs	588.3	
	Other ordinary operating costs	507.1	
3	Depreciation and amortisation	71.6	
	Ordinary operating costs, total	1,717.8	1,755.6
	Result of ordinary operations	1,503.5	1,550.9
	Other operating items		
	Other operating income	-1.9	
	Other operating costs	12.6	
	Result before financial items	10.7	10.7
	Financial items		
	Financial income	-1.2	
	Financial costs	3.3	
	Result before extraordinary items	2.1	2.1
	Extraordinary items		
	Extraordinary income	-11.0	
	Extraordinary costs	0.4	
4	Total extraordinary items	-10.6	-10.6
	Profit/loss for the financial year¹	1,505.8	1,553.1

¹⁾ The figure has been rounded up.

6.2. Balance sheet

Table 6. Balance sheet (DKK million)

Note	Assets	2005	2004	Note	Equity and liabilities	2005	2004
	Fixed assets						
5	Intangible fixed assets			9/10	Total equity	-2,161.9	-1,320.8
	Completed development projects	12.8	11.4		Long-term liabilities		
	Acquired concessions, patents, etc.	3.3	3.3		Mortgage debt	-12.3	-13.6
	Development projects under implementation	10.2	4.6		Other payables	-0.3	-0.3
	Total intangible fixed assets	26.3	19.3		Government debt	0	0
6	Tangible fixed assets				Total long-term debt	-12.6	-13.9
	Land and buildings	1,706.6	1,702.7		Current liabilities		
	Infrastructure	0	0		Suppliers of goods and services	-234.3	-376.5
	Plant and machinery	16.7	11.5		Other payables	-59.2	-75.1
	Transport equipment	16.6	16.7		Holiday leave payable	-94.7	-99.9
	Furniture and IT equipment	100.6	101.5		Projects in progress financed by loan	0	0
	Projects in progress financed by savings from previous years	5.0	0		Prepayments from costumers	-97.3	-28
	Total tangible fixed assets	1,845.5	1,832.4		Total short-term debt	-485.5	-1,255.4
	Financial intangible assets						
	Total fixed assets	1,871.8	1,851.7				
7	Current assets				Total liabilities	-498.1	-1,269.3
	Inventory	0	0		Total equity and liabilities	-2,660.0	-2,590.1
8	Accounts receivables	235.3	322.1				
	Securities	0	0				
	Cash at bank and in hand	552.9	416.3				
	Total current assets	788.2	738.4				
	Total assets	2,660.0	2,590.1				

6.3. Appropriations accounts

Table 7. Appropriations accounts for §06.11.01. Danish Foreign Service (incl. the MFA Language Centre) as well as §06.11.05. Consular Revenues (DKK million)

	2004	Budget for 2005	Accounts (expenditure-based)	Difference	Budget for 2006 (expenditure-based)
Expenditure	1,604.2	1,704.4	1,717.1	(12.7)	1,757.8
Income	198.2	205.3	228.2	(22.9)	204.7
Net expenditure	1,406.0	1,499.1	1,488.9	10.2	1,553.1
Appropriations, net	1,459.8	1,439.1	1,439.1	-	1,423.6
Profit, net	53.8	(60.0)	(49.8)	10.2	(129.5)

Note: The figures exclude §06.11.03. Foreign Service Buildings, which shows an expenditure decrease of DKK 21.3 million in 2005.

The overall operating expenditure in 2005 increased by around DKK 113 million in relation to 2004 to a total of DKK 1,717.1 million. Measured in fixed costs, the increase equals approximately DKK 80 million. This result should be seen in the light of a budgeted expenditure increase of DKK 60 million for one-off investments to continued modernising and streamlining of the MFA, etc. (see chapter 3.2). The expenditure level is influenced furthermore by the fact that the MFA has been allocated extraordinary appropriations amounting to DKK 44.1 million during the period 2005-2007. These appropriations are to be used for instituting security measures at the MFA's missions, of which approximately DKK 15 million was spent in 2005.

In 2006, we budgeted for a total of approximately DKK 117 million for extraordinary one-off expenses, such as additional efficiency improvement investments and Denmark's membership of the UN Security Council. These activities will be financed from the MFA's surplus. In addition, we have budgeted for a pull on the surplus of approximately DKK 13 million to stretch out the staffing readjustment process that is necessary as a result of the declining appropriations profile for the MFA in the coming years.

6.4. Appropriations settlements

Table 8. Appropriations settlements (DKK million)

	Appropriations	Accounts	Result	Balance as per 1 January 2005	Reduction	Balanced as per 31 December 2005
Capital						
- expenditure	39.1	17.8	21.3	38.1	(20.0)	39.4
Operations and maintenance						-
- payroll	555.3	561.1	(5.8)	34.7	-	28.8
- other opera- tions and main- tenance	883.8	927.7	(43.9)	211.4	(38.0)	129.5
Total	1,439.1	1,488.9	(49.8)	246.1	(38.0)	158.3

In pursuance of the Ministry of Finance Circular of 6 February 2006 on the transfer of year-end surplus fund from 2005 to 2006, the MFA's surplus has been reduced by DKK 58 million. This reduction is broken down in the

following way: DKK 20 million in non-operating (capital) appropriations and DKK 38 million in operating appropriations.

Table 9. Balance for the Danish Foreign Service, §06.11.01 (incl. the MFA Language Centre) and §06.11.05. Consular Revenues (DKK million)

	As per 31 December 2002	As per 31 December 2003	As per 31 December 2004	As per 1 January 2005	Balance as per 31 December 2005	Year-end 2005
Operations	175.2	192.4	246.1	(49.8)	(38.0)	158.3

An explanation of the planned use of the year-end surplus funds, including any subsequent non-transfer, is provided in chapter 3.2 on the key financial result in 2005.

7. MANAGEMENT REPORT

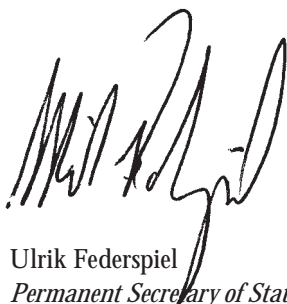
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The MFA's Annual Report 2005 is presented in accordance with the provisions of The Budget and Accounting Procedures Act (Regnskabsbekendtgørelsen).

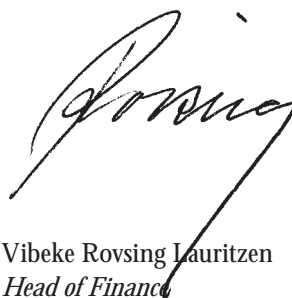
The Annual Report covers the accounting principle explanations for §6. The Ministry of Foreign Affairs of Denmark (excl. §06.11.13. Danish Centre for International Studies and Human Rights), which are to be submitted to the National Audit Office of Denmark in connection with the audit inspection for 2005.

We regard the adopted accounting policy to be appropriate, on the grounds that the Annual Report 2005 provides a reliable picture of the MFA's assets and liabilities as well as the year's economic and operational results.

Ministry of Foreign Affairs of Denmark, 18 April 2006.

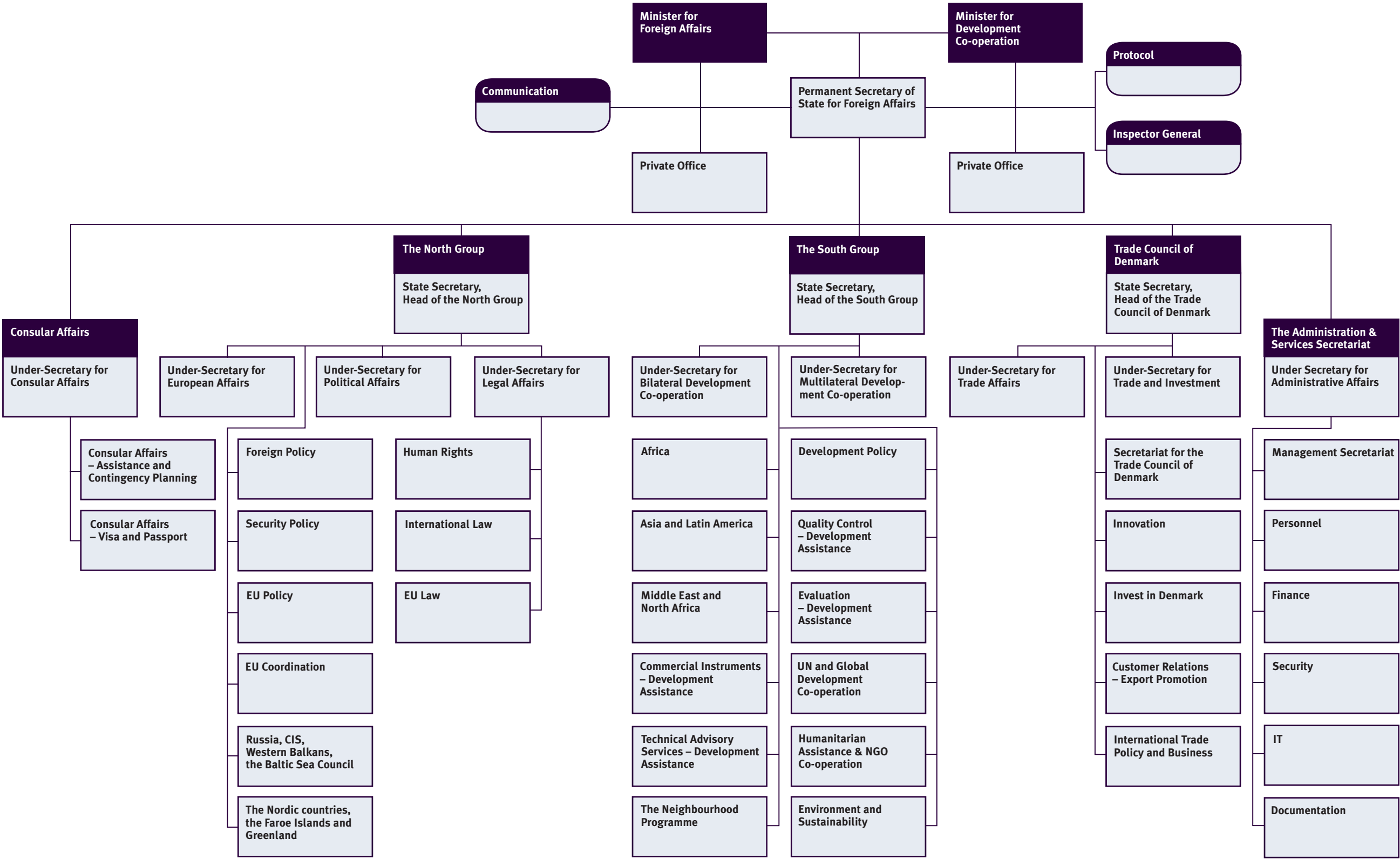


Ulrik Federspiel
Permanent Secretary of State for Foreign Affairs
Ministry of Foreign Affairs of Denmark



Vibeke Røvsing Lauritzen
Head of Finance
Ministry of Foreign Affairs of Denmark

ORGANISATIONAL CHART



AFTERWORD



Ulrik Federspiel
Permanent Secretary of
State for Foreign Affairs

In 2005, the Ministry of Foreign Affairs of Denmark (MFA) continued the work on streamlining the organisation. In particular, we focused on developing new and more effective tools and methods, which incorporated, for example, flexible forms of cooperation, an up-to-date personnel management approach and staff development.

In 2005, target and performance management was introduced throughout the organisation. The cross-cutting system encompasses all our tasks and functions within foreign policy, consular service, development assistance, and export and investment promotion. The system entails that all units in Copenhagen and all Embassies, etc. conclude performance contracts with the MFA's senior management. In these contracts, the Government's foreign policy and development policy priorities are translated into specific goals and targets. Alongside target and performance management, we also introduced time logging. We have done this in order to promote coherence between planning and follow-up, which is necessary in order to ensure we use our resources in the most optimal way.

For the third consecutive year, we conducted a staff satisfaction survey in 2005. As in the previous years, we have followed up fully on its results in an effort to ensure the best possible framework conditions for promoting staff development and motivation.

On the communication front, the MFA's approx. 200 homepages were collected together in a single organisational and technical platform in 2005, which encompasses common design, technology, hosting and statistics as well as an integrated web policy. As a result, we are among a select group of foreign services in the world that have established one single corporate website across their organisational structure and across national borders. The corporate website allows for the opportunity to use and present information across the MFA's organisational set-up in Denmark and abroad.

In 2005, as part of the Finance Act negotiations, a firm framework was created that is to govern our activities in the coming years. A multi-year agreement was reached that gives us the opportunity to effect long-term planning of the operations situation both in the home service and the service abroad. The operating appropriations of the MFA will, at the same time, be subject to adjustment, as is the case regarding other government areas of operation.

The work on developing the MFA, however, is far from complete. With the economic and political globalisation, a paradigm shift in international politics has occurred, which creates new challenges and new opportunities for the entire organisation. We have therefore initiated studies that in 2006 will analyse the political and economic globalisation and its importance for the MFA in the 21st century. The Jyllands-Posten cartoon affair has heightened the relevance of this analysis.

The aim is for the MFA to be organised constantly in a way that enables us in the most optimal way to tackle the international challenges and the surrounding world's rising demands regarding coordination, flexibility, response capability, communication as well as openness and transparency. The work is to result in a series of specific recommendations regarding the new and changing tasks that the MFA can be expected to face, and how the MFA can address them in a way that benefits Denmark and Danish interests most effectively. We must ensure that we are present in the right places, with the right dimensioning and the right competences. This will be a huge and exciting task, which will involved as many MFA staff as possible. This task ties in with the Danish Government's Globalisation Strategy.

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