

MINISTRY OF FOREIGN AFFAIRS OF DENMARK



ANNUAL REPORT 2006



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Cooperation*

This report is available in Danish only. However, an executive summary of the report is available in English, entitled "Diplomacy in a Boundless World – Ministry of Foreign Affairs of Denmark. Executive Summary".

Globalisation's challenges and opportunities were key elements of Danish foreign and development policy in 2006.

Also in 2006, Denmark was able to take advantage of the unique opportunity that our membership of the UN Security Council offered to promote efforts to strengthen global security. Denmark was chairman of the Security Council's Counter-Terrorism Committee (CTC), while in the sphere of international law Denmark played a contributing role in the Security Council's adoption of a resolution that improved legal rights guarantees for individuals and organisations on the UN's terrorist list and on the Security Council's other sanctions lists. In addition, Denmark played an active role in efforts to resolve conflicts in Africa, especially Sudan, and in relation to North Korea, the Middle East and the Lebanon crisis. At the same time, we have contributed to building a bridge between conflict management and long-term development through the establishment of the UN Peacebuilding Commission. At the turn of the year, Denmark vacated its seat on the Security Council. However, the long-term Danish involvement in the UN and in the efforts to promote a more equitable, free and just world will continue. As clear evidence of this sentiment, Denmark has announced its candidature to the UN Human Rights Council.

In the EU, the second half of 2006 was dominated by the enlargement process. Preparations were made for Rumania and Bulgaria to become EU Member States on 1 January 2007, while parts of the accession negotiations with Turkey were suspended. 2006 was also the year when energy security and climate change were placed high on the EU agenda.

In 2006, Denmark continued its international involvement in Iraq and Afghanistan. In both countries, Denmark is working together with our partners to promote peace and development by closely coordinating efforts within stability, security and development.

The Cartoon Crisis was an extreme example of political globalisation at work. It emphasised that foreign policy also involves contact with local media and networks. Our Embassies – including those outside the region – were compelled to hasten their way into activities that were far removed from the conventional notions of diplomacy. The well-established network in the Middle East helped ensure that a new Cartoon Crisis did not flare up again later during the year.

Scarcely had we recovered from the Cartoon Crisis when the crisis between Israel and Hizbollah broke out in Lebanon in July. The many thousands of Danes who were visiting Lebanon at the time were evacuated within a few days thanks to a highly effective and efficient evacuation response. The greatest evacuation challenge that Denmark had ever faced was handled with success and won praise both in Denmark and internationally.

In 2006, the Government's development policy placed increased focus on Africa – because this is where the challenges with regard to reaching the UN Millennium Development Goals are greatest. In early summer, the Copenhagen Conference on Africa 2006 was held; a conference which emphasised the Government's commitment to solving Africa's multifaceted challenges. Promoting the role of women is a key element of this commitment. In November, Denmark opened an Embassy in the new programme country, Mali.

The Danish Ministry of Foreign Affairs' globalisation report, "Den grænseløse verden – Udenrigsministeriet og globalisering", was published in 2006. Among its findings, the report recommends that the Ministry of Foreign Affairs should be present in the hot spots of the world, which entails opening new Embassies and strengthening existing Missions in Asia, the Middle East, Africa and Latin America, respectively. With these initiatives, we hope to become even better equipped to face the coming years' challenges in an increasingly globalised world, in which the interplay across policy areas is proving ever more important.



DENMARK'S MISSIONS

1 April 2007

■ EMBASSIES (74)

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

■ CONSULATES GENERAL (11)

- Almaty
- Atlanta
- Auckland
- Bangalore
- Chicago
- Chongqing
- Dubai
- Istanbul
- Kobe
- Kuwait
- Flensburg
- Guangzhou
- Hamburg
- Hongkong
- Milan
- Munich
- New York
- São Paulo
- St. Petersburg
- Shanghai

■ TRADE COMMISSIONS (20)

- Ljubljana
- Los Angeles
- Manchester
- Montreal
- Silicon Valley
- Sydney
- Taipei *
- Toronto
- Zagreb

■ MULTILATERAL MISSIONS (7)

- Brussels
- Geneva
- New York
- Paris
- Strasbourg
- Vienna
- Permanent Representation of Denmark to the EU
- Permanent Representation of Denmark to NATO
- Permanent Mission of Denmark to the UN
- Permanent Mission of Denmark to the UN
- OECD-delegation
- Permanent Representation of Denmark to the European Council
- OSCE, IAEA and CTBTO

■ MISSION OFFICES (1)

- Ramallah

■ 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, it is Danish policy to cultivate economic and cultural relations with Taiwan.*

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Herewith is presented the Annual Report of the Ministry of Foreign Affairs of Denmark (MFA) for 2006.

The MFA is an integrated 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 continue, however, 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 2006 – 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 annexes. The Annual Report opens with a series of picture stories, with the aim of illustrating the breadth of the MFA's activities in an easily comprehensible manner. More detailed information about the MFA can be found on the MFA's website (www.um.dk).

The Annual Report solely reports on the overriding strategic objectives of the past year. Subsequently, not all MFA activity areas are presented and described 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. In order to provide interested readers easy access to detailed information on the specific areas, Annex 4 contains a list of annual reports, etc. published within the MFA's sphere and for related institutions.

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

2. PICTURE STORIES



PHOTO: ELISABETH HOLM HANSEN

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BOUNDLESS WORLD

Globalisation is leading to a more extensive and complex network of international relations. For Denmark, it means that the conditions for our global behaviour are changing. Understanding and adapting to these new ground rules must take place in strong interaction with other languages and cultures.

This was a central message in the Government's Globalisation Strategy, "Progress, Innovation and Cohesion". In the globalisation report, "Diplomacy in a Boundless World – Ministry of Foreign Affairs of Denmark", further focus was placed on the MFA's role as a key agent in facilitating the interaction with other countries and cultures.

With a point of departure in globalisation's mega-trends, the report identifies a number of main trends that will alter the conditions for the MFA's activities in the coming years. The report's central recommendations are that the MFA's instruments and competencies must be upgraded. This requires a strengthened Danish presence in the hot spots of globalisation, with special focus on China and India, as well as the opening of Embassies in, for example, the Middle East.

There is also need for building strong partnerships with relevant actors both inside and outside Denmark. And lastly, the MFA's language and cultural competencies need to be strengthened.



PHOTO: DAVID TROOD / SCANPIX



PHOTO: SØREN LIBORIUS / MINISTRY OF FOREIGN AFFAIRS

DANISH-RUSSIAN MEETING

In the first week of May 2006, a meeting was held in the Danish-Russian Intergovernmental Council on Economic Cooperation. Throughout the week, meetings were held in seven working groups with many commercial contacts, where discussions focused on, among other things, the issues of deliveries to the Russian energy sector.

In the Russian market, contact to the authorities is important, and this recognition served as the point of departure for the MFA's efforts prior to the meeting; efforts that were pursued in dialogue with a number of ministries, agencies, business organisations and enterprises prior to the meeting.

2006 also had a Russian theme from a historical perspective, as the Danish Princess, Dagmar, who was also Russia's Empress Maria Feodorovna, was reburied in the Peter and Paul Cathedral in St. Petersburg on 28 September. The Danish Crown Prince and Princess as well the Minister for Foreign Affairs attended this unusual event, which was coordinated by the MFA.

For the event, a special website was created, providing information in Danish, English and Russian not only about the historical background, but also about modern Denmark. Good contact with the media resulted in broad coverage of the event in both Denmark and Russia. Exhibitions and concerts contributed to promoting Denmark as a cultural nation and a modern society.



PHOTO: KELD NAVITOFF / SCANPIX



PHOTO: RYAN BROWN / UN PHOTO

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UN DEBATE ON STRENGTHENING INTERNATIONAL LAW

Strengthening respect for international law was a major priority during the Danish membership of the UN Security Council. On 22 June 2006, the Security Council, acting on a Danish initiative, for the first time placed focus on this issue in a thematic debate.

The Minister for Foreign Affairs, Per Stig Møller, chaired the debate as President of the Security Council. The thematic debate resulted in agreement on a presidential statement. In this way, Denmark has drawn attention to the significance of international law in connection with the important challenges that accompany globalisation. This applies, for example, to the question of legal rights guarantees in the Security Council's sanction regimes and the fight to end impunity for the most serious crimes.

On the concrete level, Denmark has worked to improve procedures in the Security Council with the aim of deleting the names of individuals and entities that have incorrectly been placed on the UN's terrorist list – a step known as “delisting”. As a result of such efforts, the Security Council established a “focal point” in December 2006, which allows for the review of specific delisting requests submitted by UN sanctions committees.

The presidential statement from the thematic debate can be read on the UN website at www.un.org/docs/sc/unsc_pres_statements06.htm



PHOTO: FEHIM DEMER / EPA / SCANPIX



PHOTO: LEIF ERNST



MISSILE CONTROL

With the holding of a plenary meeting in Copenhagen on 2-6 October 2006, Denmark took over the presidency of the Missile Technology Control Regime (MTCR).

There is an increasing fear of proliferation of weapons of mass destruction (WMD) and the missiles that deliver them to their target. North Korea and Iran are well-known examples. The Government wishes to strengthen efforts to combat the proliferation of WMD – an aim which Denmark achieves by assuming the MTCR presidency.

MTCR is very much based around a practical form of cooperation, in which 35 countries have promised each other to control the export of missiles and missile technology according to common guidelines. This export control commitment is designed to ensure that the export of technology does not contribute to the proliferation of WMD. There exists good cooperation between Danish authorities and enterprises.

MTCR contributes to preventing, raising the cost or at least delaying the proliferation of missiles. Many of the countries that develop missiles lack the necessary missile technology and thus attempt to purchase it abroad. MTCR can at best prevent this from happening. With Denmark's assumption of the MTCR presidency, we have strengthened our position as a country that actively contributes to achieving global security.

PHOTO: MORTEZA NIKOUBAZI / SCANPIX



THE CARTOON CRISIS

The handling of the Cartoon Crisis during the first quarter of 2006 was the all-important task facing large sections of the MFA. At the end of January, a situations room was set up to coordinate the multi-faceted response. From this room, instructions and guidelines were issued to Embassies, and information about developments abroad was collected for use in the ongoing strategy development process.

A media monitoring centre was set up, with the task of monitoring the coverage of the crisis in the Arabic media – Internet newspapers, chatrooms and TV channels. The centre was staffed by experts on the Arab world from the Danish Defence Intelligence Service (DDIS), the Danish Security Intelligence Service (PET) and from the MFA. Daily analyses were made of the media coverage in the Arab world and regular flash announcements were made in response to identified instances of misinformation and misquotation as well as about the reception of the Danish initiatives in Arab media.

The Trade Council of Denmark ensured that contact with the Danish business organisations was maintained and that information was shared about developments regarding the boycott and about measures taken in regard to handling the crisis, so that both the MFA and the companies affected had the best possible basis on which to take action.

PHOTO: HASSAN AMMAR / AFP / SCANPIX





PHOTO: DANIEL JULIUSSEN / BEREDSKABSSTYRELSEN



PHOTO: DANIEL JULIUSSEN / BEREDSKABSSTYRELSEN

THE LEBANON EVACUATION

In summer 2006, a total of 5,873 Danes were evacuated from Lebanon – the largest Danish evacuation ever. Immediately after the crisis broke out, Consular Services was reinforced with staff from other parts of the MFA, and a 24-hour hotline and crisis centre were established. The call centre answered around 10,000 calls.

Already after three days, the first Danes were flown home on one of a total number of 30 evacuation planes, whilst at the other end staff and equipment were dispatched to Lebanon, Syria and Cyprus by the MFA, the Danish National Police, the Danish Emergency Management Agency, the health authorities, the armed forces and Danish NGOs. The MFA led the coordination in the International Operative Task Force, which met daily. Over 100 buses and a high-speed ferry were chartered for transportation between Beirut and Cyprus.

The entire operation was carried out under extreme and dangerous circumstances for the Embassies' staff and the posted staff. Communication took place via text messages dispatched to all Danish SIM cards in Lebanon, Lebanese TV, Danish media and the MFA's crisis portal. As a member of the UN Security Council, Denmark played a key role in the discussions in the UN to defuse the crisis. Denmark channelled around DKK 35 million in humanitarian assistance to Lebanon in 2006.



INNOVATION CENTER DENMARK

The Trade Council of Denmark is placing increased focus on innovation in line with the Government's goal that Denmark should be the world's most competitive economy by 2015 and that Danish companies should be among the most innovative in the world.

The establishment of the first Danish innovation centre in Silicon Valley – Innovation Center Denmark - which was officially opened on 2 June 2006 by Prince Joachim, is clear evidence of this strategy. This move has enabled Denmark to gain direct access to one of the world's most innovative regions. The centre is designed to help Danish enterprises and research institutions gain access to leading knowledge environments and to assist in fostering cooperation with foreign partners and investors.

Prime Minister Anders Fogh Rasmussen paid a visit to the centre shortly after the opening, accompanied by a small group of representatives of high-tech enterprises. It is especially this type of enterprise – operating within fields such as ICT, bio-tech, medico-tech and renewable energy – on which the centre has its primary focus.

Innovation Center Denmark was established in collaboration with the Danish Ministry of Science, Technology and Innovation, which also has a member of staff attached to the centre.





PHOTO: KARSTEN SCHINACK / SCANPIX

ENERGY AND ENVIRONMENT

Since the oil crisis in 1973, there has been a political wish in Denmark to ensure the most efficient utilisation of energy and reduce the energy production's negative impact on the environment. The combination of stringent legislative requirements, conscious political focus on energy efficiency and environmental protection, as well as a dynamic business world has made Denmark a technological leader on the international stage.

These strong expertises must now be utilised to an even greater level on the export markets. Last year, therefore, the MFA, the Danish Ministry of Transport and Energy as well as the Danish Ministry of the Environment took the initiative to strengthen the export of efficient energy and environmental technologies to selected countries – initially Brazil, Russia, India and China (the BRIC countries) as well as the USA. In these countries, the initiatives were implemented in areas where Denmark has clear strongholds and where we also have many large and small enterprises with innovative solutions.

The Danish Embassies in the BRIC countries and in the USA have conducted extensive analyses of the market opportunities, and during the sector-focused export promotions the three Ministers and Danish enterprises will meet with decision-makers in the respective countries.



PHOTO: JOERG BOETHLING / SCANPIX



PHOTOS: KLAUS HOLSEING / DANIDA

NEW EMBASSY IN MALI

On 11-17 November 2006, Minister for Development Cooperation Ulla Tørnæs paid a visit to Mali, during which she opened the first Danish Embassy in Bamako and launched a long-term partnership with Mali on poverty reduction, gender equality and business development. Mali is one of the world's poorest countries and ranks fourth from bottom on the UN's Human Poverty Index. But in a region where many countries are characterised by conflict, Mali is a rare example of a stable country with a well-functioning democracy.

With the opening of the Embassy, Denmark is now firmly under way with pursuing long-term development cooperation in Mali. The assistance should provide impetus to the economic growth and improve the living conditions of the poor section of the population. This is urgently needed in a country where seven out of ten people live below the UN poverty line. Particular focus will be targeted at improving the situation of women. But assistance will also be provided to secure the population safe drinking water.

Africa lags behind all other continents. Therefore, it is the Government's goal to increase Denmark's involvement in Africa considerably in the years ahead. With the development assistance programme in Mali, Denmark will step up its efforts to combat poverty by DKK 800 million over the next five years.





FEMALE CONDOM

“Have you ever seen a female condom? I hadn’t until recently. You might think that it doesn’t have much to do with you. That’s how I also thought.” This is what Minister for Development Cooperation Ulla Tørnæs wrote on 1 December 2006 to her colleagues in the Folketing. The occasion was International Aids Day, the purpose of which was to turn the spotlight onto the consequences of the HIV/AIDS epidemic in Africa for African women.

The folder with the message; a female condom; information about the HIV/AIDS epidemic; and the story about Edna from Zambia who did not have the opportunity to protect herself against HIV/AIDS highlight two key challenges: to ensure access to condoms and to strengthen women’s sexual rights. In Africa, many women – especially the very young – neither have the right nor the opportunity to decide over their own body. As a result, young women account for 75 per cent of 15-24 year-olds who are infected with HIV.

In 2006, the Minister for Development Cooperation allocated DKK 25 million towards ensuring women better opportunities to protect themselves against HIV/AIDS. Of this amount, DKK 15 million went towards spreading the availability of the female condom in Africa, while the remaining DKK 10 million went towards developing microbicides – a chemical condom for women. The priority given to the anti-HIV/AIDS initiatives will continue to increase, and Danish assistance in this area will be doubled between 2006 and 2010.



MCCAIN IN GREENLAND

The global climate changes have brought Greenland into the limelight. Global warming is occurring faster in the Arctic than anywhere else on the planet. The thinning of the sea ice and the retreat of the ice cap has opened the eyes of the international community to the quite immense consequences we will face if we do not take intervening action.

A number of prominent American senators led by Senator John McCain visited Greenland on 23-25 August to see for themselves the reality of climate change. The McCain delegation was received by Greenland's Home Rule Deputy Premier Josef Motzfeldt as well as Minister for Foreign Affairs Per Stig Møller and Minister for the Environment Connie Hedegaard.

The tour went to Kanga Ice Fiord at Ilulissat, which is home to the most productive glaciers in the northern hemisphere. Amidst the magnificent and beautiful surroundings, the delegation could observe the gradual thinning of the ice front and hear about scientific observations from the accompanying scientists: the importance of the climate on the prevailing sea currents, the mass balance of the inland ice, and the galloping glaciers

PHOTO: MADDS HELLEBERG DORFF CHRISTIANSEN





PHOTO: THORSTEN DREIJER

IN CLOSE TOUCH WITH THE GENERAL PUBLIC

One autumn day in October, the MFA opened its doors to the annual Night of Culture, which saw up to 1,000 people pay us a visit. A very popular tour gave a historic insight into the MFA's old buildings, while MFA staff were on hand in The Global Supermarket to talk to the visitors about the daily work.

The video-conferences with staff from the Embassies in Berlin and Warsaw was without doubt the star attraction. Subjects discussed included lobbying, the Cartoon Crisis and the brand new fad: cheap apartments in Berlin. At "Show me your picture of Denmark", visitors were asked to write down what they thought Denmark should be known for in the outside world.

The direct contact with the Danish public was also at the top of the agenda on 14 November 2006, when www.um.dk was voted the winner of the competition, "Top of the Web" by the Danish IT and Telecom Agency in the category, Government Administration.



PHOTO: ELISABETH HOLM HANSEN

3. REPORT

The Annual Report is submitted for three main accounts:

- Section 06.11.01. The Danish Foreign Service
- Section 06.11.03. Foreign Service Buildings
- Section 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 culture (public diplomacy)¹.

The MFA is an integrated service, which means that it gathers the entirety of international tasks in one single integrated structure. 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 unit-based service thus makes it possible – without major organisational or administrative obstacles – to respond effectively to concrete international and global challenges across working areas. 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.

In a globalised world, other ministerial areas are being assigned increasing importance as independent international

operators within their own operational fields. By virtue of the MFA's integrated approach, close collaboration with the other ministries and a direct presence abroad, it is possible to carry out and pursue general and cross-cutting Danish interests across sector-specific policy areas. This combination strengthens the ability of the entire Unity of the Realm to promote and safeguard interests in relation to the outside world².

The Government's Globalisation Strategy – "Progress, Innovation and Cohesion" (April 2006) – makes it clear that the MFA's instruments and competencies must be upgraded in a way that enables the MFA to maintain its ability to effectively safeguard and promote Danish interests internationally and secures strong interaction with other countries and cultures. In the MFA report, "Den grænseløse verden – Udenrigsministeriet og globalisering", which was adopted by the Government and published in October 2006, the MFA has analysed how globalisation's new challenges fundamentally change the way in which international relations are managed. The MFA has a key role to play in relation to these changing framework conditions – with its location at the intersection between national and international relations; with its access to and participation in formal institutions and informal international network formations; as a bridge builder between Danish interests and actors abroad; and with a cross-cutting role in relation to domestic issues with international dimensions. Whilst the point of departure for effectively promoting and safeguarding Danish interests in globalisation is good, the analysis shows that the MFA must constantly hone its instruments and competencies.

3.1.2. Organisation

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

The MFA is an integrated organisation, which means that the staff all work together in one and the same organisation, regardless of where they are located. This contributes to promoting coordination, efficiency and synergy in the day-to-day 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. Besides contributing actively to

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

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

shaping the international opinions about Denmark, the Danish Embassies, owing to their direct local presence in the right networks, have an important task of ensuring the quality and validity of the flow of information that serves as the basis for shaping Danish policy. This is true for virtually all areas of foreign policy relevance where the MFA has networks and direct contact to the local authorities and decision-makers of other countries.

Technological developments have created the opportunity for more frequent, faster and more secure 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 performed by – or in close collaboration with – the Missions. This both strengthens and confirms the relevance of the integrated service.

The principle regarding an integrated service is applied in the relationship to other Ministries' international activities. The combined network of Danish Missions represents a platform abroad that operates in the service of the Government and the entire Central Administration. The principle can be seen, for example, in the staff composition of the Danish Missions abroad, where around 19 per cent of the posted junior diplomats are special attachés from other Ministries³.

The number, size and location of the Danish Missions is reviewed and prioritised on an ongoing basis according to Denmark's foreign policy interests and priorities. In this respect, a key recommendation of the MFA's Globalisation Analysis is a strengthening of the Embassies in Beijing and New Delhi and the opening of Embassies in Amman, Beirut, Buenos Aires, Canberra and Rabat. More information about the Missions can be found on the MFA website (www.um.dk)⁴.

In Copenhagen, the MFA is organised into Consular Services, 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 and a Protocol Department.

The North Group handles foreign and security policy relations in respect to a number of international organisations as well as to the 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 countries in Asia, Africa and Latin America 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 Services, 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 website⁵.

3.2. The financial result in 2006

The MFA's operating profit in 2006 shows a planned expenditure balance of approximately DKK 61 million. This balance covers a deficit in the ordinary operations of around DKK 68 million and additional revenues relating to the appropriation within the sphere of consular services amounting to around DKK 7 million. The expenditure balance will be financed by the MFA's appropriations surplus from previous years..

The expenditure balance primarily relates to:

- One-off investments for increased anti-terrorism measures to secure MFA Missions.
- Extraordinary expenditure in connection with the Cartoon Crisis, not covered by the additional appropriation.
- Expenditures in relation to Denmark's membership of the UN Security Council (2005-2006) and the Danish presidency of the Missile Technology Control Regime (MTCR).
- One-off investments for continued modernisation and efficiency enhancement of the MFA, including extraordinary maintenance expenses of properties in the service abroad and upgrading of the global transmission network.

The MFA's capital accounts show a planned expenditure balance of DKK 20 million, which was financed by surpluses from previous years in the MFA's capital account. The expenditure increase primarily concerns renovation work carried out on the Embassy building in Washington as well

3) *As per 1 March 2007.*

4) *Under Om Os – Organisation – Find os i udlandet.*

5) *Under Om Os – Organisation – Organigram.*

Table 1. The MFA's operating profit shows an expenditure balance in 2006⁶

DKK million	Accounts 2005 (cost-based principle)	
Ordinary operating revenues (excl. appropriations)	-226.0	
Ordinary operating costs	1,786.2	
- of which personnel costs	597.9	
Other operating items, net	7.0	
Financial items, net	0.1	
Extraordinary items, net	4.2	
Year-end profit/loss (excl. appropriations)	1,571.5	
	Operating appropriations (expenditure-based principle)	Capital appropriations (expenditure-based principle)
Income	-242.2	1.0
Expenditure	1,826.6	52.8
Appropriations, (net)	1,584.4	51.8
Bevilling (netto)	1,523.0	Appropriations, revenues, incl. TB
		Appropriations, expenditure, incl. TB
Year-end profit/loss	-61.4	32.8
Carry-forward balance ¹	68.3	Account to be closed
		-19.0

1) After subtraction of an end-of-year surplus of DKK 38 million, the opening balance at the beginning of 2006 was DKK 158.3 million. After deduction of the 2006 end-of-year deficit of DKK 61.4 million, the carried-forward amount is DKK 96.9 million. In connection with the State Accounting Reform the under-expenditure under Section 6.11.03 "MFA Properties" is not carried forward for technical reasons. Likewise, the under-expenditure of DKK 29.6 million under the Danish Foreign Service with respect to the VIS Project, etc. will also not be carried forward. This leaves DKK 68.3 million to be carried forward to 2007, of which DKK 20.8 million is earmarked for reserved allocations.

DKK million	Status as of 31/12 2006
Fixed assets, total	1,935.2
- of which intangible assets	56.6
- of which tangible assets	1,878.6
Current assets, total	973
Assets, total	2,908.2
Equity	2,174.3
Long-term liabilities	11.2
Short-term liabilities	722.7
Liabilities, total	2,908.2

as the construction of a new Embassy in Lusaka, cf. Document 179 15/ 2005 and Document 180 15/6 2005.

Disregarding the one-off investments, etc., the accounts show a moderate increase in expenditure of approximately 1 per cent. This expenditure increase reflected the MFA's wish in 2006 to maintain a staffing level that was slightly higher than had been anticipated in the Finance Act appropriations that form part of the multi-year agreement with the Danish Ministry of Finance. This was made possible due to the appropriations surplus carried forward from previous years.

6) Operating appropriations are inclusive of Section 06.11.05 Consular Revenues.

In 2007, staff from disbanded functions and positions will be relocated to positions relating to highly prioritised staffing enhancements, for example, in the service abroad.

2006 saw efforts made to improve the efficiency of the MFA's administration and service delivery, which began with the closure of around 60 positions, corresponding to a reduction in staff of around 4 per cent. The effect of these closures will be observable in 2007. Furthermore, streamlining measures have been planned – and some already implemented – to improve the efficiency of a number of administrative functions and of the Missions network in Europe, for the purpose of reprioritising the MFA's resources to operate in the hot spots of globalisation.

3.3. The budget framework and its significance for 2007

The budget framework for 2007 is generally determined by a multi-year agreement (2006-09) that the MFA concluded with the Ministry of Finance in connection with Finance Act 2006.

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.

In 2007 the MFA will replace personnel from abolished functions and positions to new areas with high priority.

The increased globalisation has sharpened the demands for a strong political, economic and commercial presence abroad and the need for a flexible and tailored Danish Embassies network.

As part of the realisation of the MFA's Globalisation Analysis, Finance Act 2007 will result in the strengthening of the Embassies network. This strengthening is targeted at globalisation hot spots in Asia and at political, commercial and strategic interests in North Africa and the Middle East. In Asia, the Embassies will be strengthened in Beijing and New Delhi. An Embassy will also be established in Canberra. In North Africa and the Middle East, Embassies will be established in Amman (Jordan), Beirut (Lebanon) and Rabat (Morocco) as well as a Trade Commission in Qatar. In Latin America, an Embassy will be established in Buenos Aires (Argentina), whilst in Africa the Embassy in Addis Ababa (Ethiopia) will be made permanent. In 2006, an Embassy was also opened in Bamako in the new programme country, Mali.

3.4. Operational results in 2006

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.

These goals are communicated internally via the Permanent Secretary's announcement of the overriding strategic objectives for the coming year, which are approved by the MFA's political leadership. The objectives and their operationalisation into more specific targets aimed at delivering effects, products and services in relation to the MFA's surrounding world, including specifically for the general public and companies, were announced to the entire organisation in October

2005. On the basis of these objectives and targets, one-year performance contracts were concluded between the MFA's senior management and all heads of unit at home and abroad. Chapter 4 of the Annual Report reports on the aggregate level of target achievement for all objectives set out in the announcement.⁷

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

On the basis of the eight vision points, 85 specific targets were set out for 2006. Table 2 shows how the 85 targets are broken down according to the three categories – A, B and C.

7) *The MFA Annual Report for 2005 and the MFA's Efficiency Enhancement Strategy provide detailed information about the principles behind the MFA's goals and performance management.*

Table 2. 89% 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	7	2
2. We must assist Danes in distress abroad quickly and efficiently.	4	1	3
3. We must be the partner preferred by enterprises in international trade and investment activities.	9	1	0
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.	5	5	0
5. We must provide highly-valued advice and cooperation on international issues.	3	0	0
6. We must be an open and active communicator of Danish foreign policy views and values at home and abroad.	4	0	1
7. We must enjoy wide respect as a competent, efficient, outward-looking and service-oriented enterprise.	10	2	0
8. We must be an attractive, dynamic place of work that ensures a high degree of staff satisfaction and targeted competence development.	4	2	3

In total, 89 per cent of the targets set for 2006 were fully or partially achieved. Around 68 per cent were fully achieved, while around 21 per cent were partially achieved. Only around 11 per cent of the targets for 2006 were unachieved. The MFA regards this to be a highly satisfactory result, especially bearing in mind that the results were achieved at the same time as the MFA dealt with several major crises in 2006, which in the nature of things had not been foreseen when the goals for 2006 for units at home and abroad had been set.

The positive results were achieved within all of the MFA's main areas of activity. There was a high level of target achievement for the MFA's goals targeted at the general public and at companies, such as assistance to Danes in distress and export promotion activities targeted at Danish enter-

prises. It is primarily in relation to internally directed goals – e.g. for internal monitoring procedures in the consular sphere – that there is a need for a certain improvement of the target achievement level in 2007. A detailed report on the target achievement and detailed analyses are presented in Chapter 4.

In 2006, the MFA continued its efforts to introduce a new time-logging system, which is to be used by all staff at home and abroad and thus strengthen the basis for the MFA's planning and follow-up, including the basis for assessing whether resources are used in the most optimal way. In connection with the drafting of performance contracts for 2007, closer linkage has been established between the operational targets and the allocated resources, whereby all units have been instructed to attach relevant 'purpose accounts' in the time-logging system to the targets set.

3.5. Operational challenges in 2007

From 2007, the MFA has introduced a multi-year strategic framework to replace the previous one-year Permanent Secretary announcement of the overriding strategic objectives for the MFA's activities. This change creates a longer-term planning horizon. The present strategic framework runs from 2007 to 2009 and translates the Government Platform into a small number of overall objectives for the MFA's work. The framework comprises 11 strategic priorities, which will be broken down each year into a number of specific targets. The specific targets for 2007 are presented in Annex 3.

With a point of departure in the 11 strategic priorities, the sections below present what are deemed to be the important challenges and tasks facing the MFA in 2007 – on both the inner and outer lines.

3.5.1. An active international effort to fight terrorism and curb the proliferation of weapons of mass destruction

The MFA will work to maintain a high Danish profile in relation to anti-terrorism. This will take place through the integrated use of security, development and EU policy measures as well as public diplomacy initiatives. In specific terms, priority will be assigned to the implementation of, for example, the UN Global Counter-Terrorism Strategy and the EU strategies regarding counter-terrorism and the fight against radicalisation. Priority will also be given to enhancing the cooperation with the security services in Denmark (e.g.

Centre for Terrorism Analysis (CTA)) and the relations to the research community, especially the Danish Institute for International Studies (DIIS).

It must be expected that the international political disagreement regarding weapons of mass destruction will continue in 2007. Nevertheless, the operational challenge will be to find ways of strengthening the international non-proliferation efforts. Denmark will - bilaterally and in relevant international fora, such as MTCR, the EU and the UN – continue to pursue an active results-oriented and consensus-oriented approach to the efforts to address specific proliferation risks emanating from, for example, Iran and North Korea. Preventative and capacity building initiatives in cooperation with developing countries, for example regarding export control, will also be assigned greater importance.

In relation to NATO, efforts will be made to achieve agreement on a broad definition of the alliance's political and military renewal. This entails, for example, that focus continues to be placed on the civil-military coordination, the use of NATO as a forum for strategic dialogue, revision of NATO's partnerships, solidarity in the distribution of tasks regarding NATO operations, and the continued enlargement process.

Denmark also wishes to ensure that the EU and the USA continue to share a common stance on issues. This applies also in a broader international context with respect to handling the issue of the Iranian nuclear programme, with the aim of ensuring that Iran complies with the requirements of the UN Security Council and the International Atomic Energy Agency (IAEA). Within the framework of the EU's work, Denmark will also attempt to further develop EU-US cooperation in the Quartet, including in respect to practical measures such as implementing the agreement concerning access to and movement inside Palestine.

3.5.2. An effective and integrated effort to safeguard and promote Danish interests in the EU, with special focus on finding a solution concerning the EU Constitutional Treaty

During the first half of 2007, the German EU presidency will draw up a report for adoption at the European Council in June 2007 concerning the continuing efforts to draft a constitutional treaty. The report is expected to sketch out the process and framework for a negotiated solution on the EU's treaty basis before the elections to the European Parliament in 2009. The MFA will have an important task in promoting Danish viewpoints in relation to the report. If

an intergovernmental conference is convened during the second half of 2007, we will need to work to ensure that Danish interests are safeguarded and promoted in the most optimal way on the basis of a new negotiation proposal. The Danish attitudes and positions will be formulated in close dialogue with the parties of the Folketing, in the same way that happened in respect to the political agreement reached on "Denmark in the enlarged Europe" from November 2004 and the resolution adopted by the Folketing on 31 May 2006 regarding the outcome of the Danish break for reflection on the future of the EU.

In the EU, the MFA will support the Government's Globalisation Strategy by contributing to enhancing focus on the "Europe of Results" and on the Lisbon Strategy's approach to addressing the challenges of globalisation. The MFA has a coordinating role within energy and climate change and will strive to ensure not only that the external aspects of the EU's energy efficiency action plan are implemented, but also that the EU assumes a leading role in the international cooperation on climate change. We will also support efforts to strengthen European competitiveness based on knowledge and innovation. In the EU, the MFA's focus will be directed at promoting growth and employment, protection of the environment, better regulation - including easing the burden of administrative procedures imposed on the business community – and consumer protection.

3.5.3. Establishment of partnerships, nationally and internationally, in order to safeguard and promote Danish interests in the best possible way and in this way act as adviser, coordinator and strategic sparring partner on international issues

In its daily work, the MFA makes use of a number of networks, both nationally and internationally. These networks must be further strengthened. In our capacity as the foreign service of the entire Government, we must ensure that the extensive cooperation with the rest of the Central Administration – especially in relation to EU issues – is better targeted. Dialogue and cooperation with other Ministries concerning coordination, consultancy and assistance from Missions will be upgraded. Taking into consideration the allocation of resources and balancing of expectations, the intention is to optimise the efforts to safeguard and promote Danish interests. Work will be done to conclude pilot agreements with some of the Ministries with which we work closest. We will also make broader use of networks in relation to

the general public in Denmark. Internationally, we will prioritise partnerships that allow us to promote Danish viewpoints to an even greater degree. This implies specific alliances regarding, for example, items on the EU's agenda. Priority will also be given to building new networks with countries and other important international actors.

The MFA will work to promote positive cooperative relations with the Faroese Home Rule Government and the Greenland Home Rule Government. In regard to the Faroe Islands, relations to EFTA and the EU will be a key element. In relation to Greenland, we will in particular assist in promoting relations to the USA and the EU. Also matters concerning sustainable utilisation of marine mammals will require close and regular contact.

Climate change is a global issue that will be assigned priority. As a follow-up to the report on "Climate Change and Foreign Policy", we will integrate climate change in a number of foreign and development policy areas. We will establish a monitoring group on climate change and foreign policy, partly comprising external Danish stakeholders. The MFA will continue to strengthen its participation in the international climate change negotiations. In regard to development cooperation, we will co-ordinate closely with development partners and international actors, such as the World Bank and the OECD, in helping developing countries to adapt to the inevitable climate changes.

3.5.4. Active involvement in conflict resolution, stabilisation, rehabilitation, humanitarian and reconstruction efforts in crisis-hit areas

A key challenge in 2007 will be to maintain Denmark's active civil and military involvement in conflict-hit areas. Focus will be on Afghanistan and the conflict regions in the Middle East and Africa. Experience from previous conflicts shows that security and development go hand in hand, and the enhanced integration of civil and military operations in disaster and conflict situations is therefore highly important. In Afghanistan, the lack of capacity of the local administrations and the continued instability in most of the country has prevented the more visible reconstruction that is meant to demonstrate that the present Afghanistan government has control over the whole country. A key challenge in 2007 will thus be to build on the efforts so far in Afghanistan and in particular ensure visible reconstruction and development in the provinces. In the Middle East, the unstable situation in Lebanon will be the focal point of Denmark's efforts, which includes the continued implementation of Security Council

Resolution 1701 (2006). In relation to Africa, Denmark will continue its strong involvement, both in relation to the African Union (AU), the regional organisations and the African countries, especially Sudan, where Denmark is providing support towards implementing the North-South Peace Agreement. The cooperation with the AU and the regional organisations, which aims to strengthen the ability of these organisations to deal with conflicts, is expected to be expanded in 2007. Through the UN Peacebuilding Commission, Denmark also contributes to the peacebuilding efforts in Burundi and Sierra Leone.

3.5.5. Strengthened international rule of law as well as promotion of open, democratic, law-governed societies based on respect for human rights, good governance and stable political and economic development

A major challenge in 2007 will be to ensure the election of a Danish member onto the UN's Human Rights Council and thereafter to promote Danish priorities in the work carried out in the Council and under the UN General Assembly. Membership of the Human Rights Council will provide Denmark a good platform for conducting Danish human rights policy and help ensure effective and systematic use of the UN work in the bilateral development cooperation. In the neighbourhood countries, the challenge will be to consolidate the results of the Danish development interventions in terms of promoting democracy and economic development. The Wider Middle East Initiative will be enhanced and focused around the initiative's three main themes: 1) Good governance and freedom rights, 2) development of knowledge society and education, and 3) gender equality and women's position in society. The efforts to increase focus, knowledge and preparedness in relation to the growth of political Islam will continue. On the broader development policy agenda, a new strategy for good governance will be drawn up in 2007. An effective, transparent and accountable public sector coupled with effective action against corruption in developing countries is crucial for reducing poverty and promoting sustainable economic growth.

3.5.6. Targeted poverty reduction and achievement of the other Millennium Development Goals, with special focus on Africa, through the delivery of effective and focused development assistance within the framework of 0.8% of GNI

The formulation of joint country strategies has typically led to a more appropriate division of labour between donors, yet in several programme countries there continues to be a large

need for improvement in this regard. In 2007, therefore, a key challenge will be to promote this development further. Together with like-minded donors, Denmark will need to lead the way in this process. Difficult decisions will need to be made regarding which focus areas to de-select, with the aim of ensuring fewer, but larger interventions. A preliminary step within the EU sphere that saw the adoption of guidelines for the division of labour could be useful in this respect, but it requires that the final product does not end up simply focusing on the division of labour between EU donors. In 2007, a new Africa Policy is to be drawn up that will entail an increase in Denmark's involvement on the continent. With a 0.8 per cent target for development assistance, the strategy will also entail an intensification of the bilateral programmes in Africa over the next five years. The increase in assistance will be concentrated in the programme countries. In order to ensure more effective assistance, Denmark will strive to ensure that the donors concentrate their initiatives, adapt their assistance better to the recipient country's systems and harmonise internal procedures. In addition, the efforts to encourage new donors, such as China, to become involved in the donor cooperation will constitute a key challenge for Denmark and other donors.

Creating synergy between interventions and thus maximising the results and effects of the initiatives so that as many people as possible are helped out of poverty is a major challenge in development cooperation in general. This applies also in relation to two key focus areas: the fight against HIV/AIDS and the promotion of sexual and reproductive health and rights.

3.5.7. Attainment of the best possible international framework conditions, inter alia through the pursuance of a proactive trade policy

The most important trade policy challenge in 2007 is the Doha Development Round. We in Denmark will strive to support the resumption of the negotiations and actively contribute to ensuring the negotiations lead to a successful conclusion. A multilateral outcome is Denmark's number one trade policy priority. An important supplement in this respect will be the proactive Danish trade policy strategy, which will be finalised in 2007. This strategy will examine ways in which Danish trade policy interests can best be promoted, especially in the new growth markets – for example, via the conclusion of bilateral and regional free trade and investment agreements between the EU and selected countries.

3.5.8. Active utilisation of globalisation's opportunities by increasing the internationalisation of the Danish business community, in particular small and medium-sized enterprises, by strengthening commercial innovation, and by increasing the attraction of foreign investments to Denmark

With the MFA's Globalisation Analysis and action plan for proactive global promotion of Denmark, the ground is laid for enhancing and strengthening governmental export and investment promotion initiatives - for example, through continued sector specialisation and professionalisation of initiatives in the most important export markets as well as through a steadily stronger presence in growth markets outside Western Europe. This reprioritisation has already been an ongoing process for several years.

The challenge consists of giving Danish companies optimal opportunities to exploit globalisation. This is to happen partly via increased strategic sparring with the companies and partly by facilitating the access of Danish competence clusters to foreign business partners, investors and customers. In order to promote this process, new innovation centres will be established in 2007.

In order to ease market access, especially for small and medium-sized enterprises (SMEs), work will continue to be done on developing the Incubator programme, through which companies are able to lease office premises and obtain consultancy support. At present, incubator programmes are available in the USA (Innovation Center Denmark), Japan, India, China and Brazil. In addition, the sector-focusing in the Export Preparation Programme for SMEs is to be increased. The aim here is to strengthen the strategic consultancy support provided to companies and to foster closer linkage between the Export Preparation Programme and the other consultancy support services provided by the Trade Council of Denmark.

Within export promotion, activities in 2007 will centre around promoting two new focus areas: Creative Denmark and The Maritime Denmark. In 2007, Invest in Denmark's sales activities will give priority to knowledge-intensive focus areas: renewable energy, biotech, healthcare equipment, and information and communication technology (ICT). In addition, the investment promotion activities will focus on providing service and follow-up in respect to established foreign investors in Denmark.

3.5.9. Effective support to Danes in distress abroad; a strengthened crisis response capability for assisting Danes abroad in the wake of major natural disasters, terrorist attacks, accidents, political and military crises, etc.; strengthened European and Nordic cooperation regarding such assistance; and strengthened EU- and Nordic visa cooperation which meets the challenges of globalisation

2007 will be a busy year for the MFA's Consular Services Department. Danes travel increasingly more and increasingly on their own to more distant and more risky destinations. Mentally ill people who are not properly able to travel abroad also have an increased need for assistance. In addition, the general public has rising expectations to the types of assistance the MFA should be able to provide when people find themselves in distress abroad. These needs place great demands on the consular service activities at Danish Embassies and Consulates.

As a follow-up on the Globalisation Analysis, the next major challenge in 2007 will be to establish a 24-hour-manned call centre, to where all emergency calls made outside office hours to Danish Embassies and Consulates General can be forwarded. International experience shows that the majority of consular service tasks can be handled centrally, and the call centre will therefore serve to relieve the pressure on the after-hours duty officer system of Missions. A special group of staff with substantial consular service experience will man the call centre. The establishment of the call centre will lead to a significant increase in the number of staff employed in Consular Services. The call centre is planned to be in operation by the end of 2007.

With the aim of further enhancing the assistance provided to Danes abroad, a pilot user survey will be carried out in the service abroad during 2007. Consular Services will also continue efforts to prevent Danes from coming into difficulty abroad. For example, Consular Services will run an information campaign on the need for travel medical insurance and the changes in the coverage rules for the yellow medical insurance card that are due to take effect from 2008.

A further strengthening of the Missions' crisis response capability will also be a key item on the agenda in 2007. Exercise concepts will be developed so that the Missions, in collaboration with local Nordic and EU Missions, can practise responding to different crisis scenarios. Strengthening

crisis response collaboration in the Nordic and EU domain will be a general priority in 2007.

The introduction of the common EU Visa Information System (VIS) will also be one major challenge in 2007. Another major task in the immigration field will be to prepare the ground for implementing and administering immigration tests at Danish Missions for foreigners applying for residence permits in connection with family reunifications or religious preaching. This will be done in collaboration with the Danish Ministry of Refugee, Immigration and Integration Affairs

3.5.10. Strengthened communication efforts, at national and international level. This includes using public diplomacy to promote knowledge abroad about Denmark and about Denmark's competencies, culture and key priorities

The MFA's new Communication Policy for 2007-2009 sets the stage for making the MFA's communication more proactive. Our staff need to become increasingly more competent and skilled at communication and public diplomacy in order to be effective in their efforts to promote Danish interests and values.

The Communication Policy prioritises a more active communication of the MFA's knowledge and expertise to the Danish media and the Danish public. Abroad, we must pursue a far more extensive public diplomacy approach. Furthermore, internal communication has become a high-priority communication task for the MFA. We must develop competencies within change-management communication and crisis-management communication and thus equip ourselves to tackle the communication challenges resulting from frequent changes in our surrounding world. In 2007, all units at home and abroad must for the first time draw up an annual communication activity plan. The aim of this exercise is to strengthen awareness and overview of the communication efforts.

We expect there to be carried out a greater and more focused public diplomacy effort within prioritised areas such as energy and environment, the Danish welfare state, adaptation to globalisation, innovative ability, etc. Lastly, we expect there to be a need for us to contribute to realising the Government's plan for the proactive global promotion of Denmark.

3.5.11. The MFA as a steadily more open, transparent, efficient and competence-building organisation as well as a good workplace that shows consideration for the work-family balance

The MFA's Globalisation Analysis shows that there will be a need for strengthening the Danish presence in the hot spots of globalisation. This will entail, for example, the gradual reprioritisation of resources from Europe to Asia, with particular focus on China and India. It will also entail the opening of Embassies in Latin America, Australia, the Middle East and Africa.

The language and cultural competencies of staff must be enhanced. This will already be relevant for the staff who are to be posted abroad during 2007. It is also the aim to gather the MFA's competence development activities into one single competence development centre. The formulation of an integrated staff and family strategy will also be on the agenda in 2007. In this area, the MFA faces sustained and structural challenges that require a coordinated and long-term approach.

In 2007, the MFA will also focus attention on the multi-year agreement (2006-2009) concerning the MFA's budget framework; an agreement which was reached with the Danish Ministry of Finance in connection with Finance Act 2006. The primary task will be to ensure that the execution of tasks harmonises with the appropriations profile in the agreement.

In 2007, a new IT platform for both the home service and all Missions abroad will be rolled out. The new platform is designed, for example, to contribute to supporting the Globalisation Analysis' recommendation regarding development of globally mobile, flexible and efficient methods of working. All Trade Commissions with posted staff will have access to the joint IT platform in 2007. The video-conferencing concept will be further developed, also as a management tool. Likewise, the MFA's global intranet will be upgraded with the aim of making it the digital hub for knowledge sharing in the entire organisation.

In 2007, the MFA will continue efforts to improve the physical security at Danish Embassies, which regrettably still remain potential targets for terrorism and other violent acts. The work will take its point of departure in, among other things, the Embassies' annual reviews of security measures, needs and procedures.

4. PERFORMANCE REPORTING

The MFA's performance reporting takes place on the basis of the Permanent Secretary's announcement of the strategic objectives from 19 October 2005. The strategy announcement seeks to ensure clear coherence between the Government's political priorities and the targets that are inserted into the MFA's performance contracts for the Missions abroad and the MFA's units in Copenhagen.

The strategic objectives, specific performance targets and success criteria are listed below together with an indication of the level of target achievement ⁸.

In line with previous years' practice, the MFA's target and performance management in 2006 covered both the MFA's outward functions, such as the delivery of services to the general public and companies, and the MFA's departmental functions that involve servicing the Ministers, the Government and the Folketing. This method of reporting promotes balanced management across the MFA's main areas of activity. As a result, the Annual Report covers all aspects of the MFA's administration and service delivery.

A more in-depth review of the MFA's target and performance management concept can be found in the MFA's Efficiency Enhancement Strategy, which is published on the MFA website ⁹.

The performance reporting process is structured around the MFA's eight vision points. The tables presented below indicate whether the respective targets are judged to have been A) achieved, B) partially achieved or C) unachieved. For a number of targets, the success criteria are specified as a percentage achievement of targets at relevant units at home and abroad. The aggregate level of target achievement in these areas is calculated on the basis of the particular Missions' full-year reporting, according to which the relevant units in the home service have carried out an overall assessment. For qualitative targets, the level of target achievement has been calculated on the basis of a qualitative assessment in the relevant units at home, typically supported by input from one or more Missions.

For each vision point, certain important targets as well as unachieved targets are subjected to a brief analysis, in which the level of target achievement is reviewed and examined.

On the MFA website, the MFA has published the MFA's targets for the delivery of services to the general public and companies in 2006. These targets have been part of the MFA's performance contracts and are reported on below.

Vision 1: We must ensure the greatest possible influence and best possible position for Denmark in international cooperation

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by	Success Criteria (A, B, C)	Target Achievement Level
1. Globalisation must benefit everybody.	<p>1. Promote global and regional free trade, among other things through positive results of the Doha Round as well as supplementary regional and bilateral free trade agreements.</p> <p><i>(See detailed remarks about target achievement underneath the chart)</i></p>	1.1 Active Danish trade policy effort in the Doha negotiations and other free trade negotiations with a view to i.a. increased international market opening for Danish enterprises as well as broad political support for the Danish trade policy line in the Danish trade policy environment.	<p>A: Positive final outcome to the Doha Round and the formulation of a new proactive trade policy strategy in which bilateral and regional trade agreements are a key element.</p> <p>B: No final outcome to the Doha Round achieved, but a proactive strategy formulated.</p> <p>C: No final agreement reached regarding the Doha Round and no strategy formulated.</p>	C: The Doha Round was suspended, whilst the formulation of a proactive trade policy strategy was postponed.

8) *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.*

9) *Under Om Os – Vores arbejde med at blive bedre (Danish only).*

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by	Success Criteria (A, B, C)	Target Achievement Level
	<p>2. Contribute to strengthening the global competitiveness of the EU and thereby support the strategy for Denmark as a leading country with respect to knowledge and entrepreneurship.</p>	<p>2.1 Important Danish standpoints reflected in conclusions, declarations and specific legislation, including matters relating to the Internal Market.</p>	<p>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: <80% A's and B's from relevant units at home and abroad.</p>	<p>A: 90% of the underlying targets have been achieved as A's.</p>
	<p>3. The poorest developing countries to get the necessary assistance to benefit from globalisation.</p>	<p>3.1 Specific and targeted follow-up on Danish and international commitments to reduce marginalisation in the globalisation of the poorest countries in Africa, Asia and Latin America, among other things through contributions to the work of the Globalisation Council, increased development assistance, debt relief as well as trade and development.</p>	<p>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: <80% A's and B's from relevant units at home and abroad.</p>	<p>B: 88% of the underlying targets have been achieved as A's, while 6% have been partially achieved as B's.</p>
<p>2. The EU must be made more effective in accordance with citizens' wishes.</p>	<p>1. The break for reflection will lead to consolidation of the EU and a definition of core tasks.</p>	<p>1.1 Danish bids for core tasks to be identified.</p>	<p>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: <80% A's and B's from relevant units at home and abroad.</p>	<p>B: 85% of the units abroad together with the EU Policy Department (EUP) at home feel that the break for reflection has led to greater clarification regarding the EU's core tasks, in the same way that the Danish break for reflection has led to the identification of specific proposals from Danes regarding what the EU's most important task should be in the future.</p>
	<p>2. Implementation of the National Agreement on Danish European policy.</p>	<p>2.1 Danish fingerprints on important European policy priority areas to be reflected in conclusions and declarations cf. the priorities laid down in the National Agreement.</p>	<p>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: <80% A's and B's from relevant units at home and abroad.</p>	<p>B: 85% of the units abroad together with EUP feel that the most important priority areas in the National Agreement on Denmark in the enlarged EU, which was adopted in November 2004, have been sensibly reflected in relevant conclusions and declarations, not least in areas such as energy, consumer protection and environment.</p>

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by	Success Criteria (A, B, C)	Target Achievement Level
	<p>3. New financial perspectives with greater emphasis on investment in the future and reduced rebates for the wealthiest countries.</p>	<p>3.1 Important Danish standpoints reflected in the ongoing negotiation framework as well as final compromise.</p>	<p>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: <80% A's and B's from relevant units at home and abroad.</p>	<p>B: 87% of the units abroad together with EUP feel that the agreement on the new financial perspectives ensures a considerable increase in the resources allocated to research and development, in parallel with the reduction of the UK rebate.</p>
	<p>4. The enlargement process to be subject to sound implementation. Focus on the EU capacity to absorb new members and on complete fulfilment of conditions.</p>	<p>4.1 Danish goals reflected in EU decisions.</p>	<p>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: <80% A's and B's from relevant units at home and abroad.</p>	<p>A: >90% of the underlying targets have been achieved as A's.</p>
<p>5. The global role of the EU to be strengthened. (See detailed remarks about target achievement underneath the chart)</p>		<p>5.1 Demonstration of specific Danish imprints on relevant EU decisions for the purpose of increased cohesion and visibility in EU external relations, including vis-à-vis the USA and Russia, as well as the formulation of policies and implementation of the strategic partnerships vis-à-vis Africa, China and India.</p>	<p>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: <80% A's and B's from relevant units at home and abroad.</p>	<p>A: >90% of the underlying targets have been achieved as A's.</p>

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by	Success Criteria (A, B, C)	Target Achievement Level
3. Security and stability must increase citizens' security and safety.	1. Contribute actively to strengthening international anti-terrorist cooperation and to strengthening the Foreign Service's effort with respect to safeguarding Danish interests.	1.1 Danish fingerprints in multilateral fora, i.a. for the purpose of promoting the implementation of a general UN strategy, as well as assistance extended to third countries in connection with the fight against terrorism.	<p>A: Danish fingerprints and assistance provided.</p> <p>B: Not relevant.</p> <p>C: Danish fingerprints not visible and assistance not provided.</p>	<p>A: Denmark has offered to assist the UN Secretariat in implementing the UN strategy. Denmark has presented a compromise proposal concerning the UN Comprehensive Convention on Terrorism. Due partly to Denmark's request, the Security Council decided to establish a focal point for handling requests for delisting. In connection with the EU-Asia Conference in Copenhagen, Denmark the expansion of ASEM cooperation to include the fight against radicalisation. Within development policy, progress was achieved in the form of developing an analysis tool and launching new interventions.</p>
		1.2 Fulfilment of the priorities for the chairmanship of the UN Counter-Terrorism Committee.	<p>A: The priorities have been fulfilled.</p> <p>B: The priorities have been partially fulfilled.</p> <p>C: The priorities have not been fulfilled.</p>	<p>A: Through establishing new procedures and standardised evaluation tools, the Danish presidency enhanced focus and transparency in the committee's work. The committee adopted guidelines aimed at strengthening its role as a provider of technical assistance. The committee enhanced its collaboration with regional organisations. Lastly, the committee adopted guidelines to ensure the systematic incorporation of human rights aspects in its work.</p>

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by	Success Criteria (A, B, C)	Target Achievement Level
		1.3 Danish Embassies are enabled to contribute more actively to the prevention of terrorism against Denmark and Danish Interests.	A: Embassies are enabled to contribute actively to the prevention of terrorism. B: Embassies are partially enabled to contribute actively to the prevention of terrorism. C: The Embassies are not enabled to contribute actively to the prevention of terrorism.	A: On the basis of dialogue with FE and PET, the MFA has systematically announced goals for the counter-terrorism activities of Embassies. The MFA has contributed to the establishment of the Centre for Terrorism Analysis (CTA) and to the strengthening of the research activities carried out by the Danish Institute for International Studies (DIIS).
	2. Strengthen Denmark's international focus on reforms, human rights and democracy. <i>(See detailed remarks about target achievement underneath the chart)</i>	2.1 Denmark contributes actively to successful establishment of UN Human Rights Council and launches effective campaign for the purpose of representation on the Council.	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: <80% A's and B's from relevant units at home and abroad.	A: 100% of the underlying targets have been achieved as A's. The Human Rights Council by UNGA Resolution 251/60 of 15 March 2006 according to guidelines that reflect Danish viewpoints. The Danish candidature was launched in October 2006.
		2.2 New Danish funds for the action in Ukraine, the Caucasus and Russia within the framework of a strengthened neighbourhood programme.	A: New funds set aside in the Finance Act. B: Not relevant. C: No new funds.	A: New funds were allocated for the action in Finance Act 2006.
		2.3 The establishment of cooperation projects under the Wider Middle East Initiative with respect to human rights, the media sector and civil society building, as agreed with partners in the countries affected.	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: <80% A's and B's from relevant units at home and abroad.	C: 70% of the underlying targets have been fully or partially achieved. In general, Danish Missions in the Middle East and North America made huge efforts to promote the implementation of the Wider Middle East Initiative and the vast majority of the planned initiatives were implemented. However, several cooperation projects were delayed or not launched during 2006 due to the Cartoon Crisis.

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by	Success Criteria (A, B, C)	Target Achievement Level
	<p>3. Reform of NATO will lead to better use of resources and focus on core functions and today's threats.</p> <p><i>(See detailed remarks about target achievement underneath the chart)</i></p>	<p>3.1 NATO summit in 2006 focuses on transformation and reform.</p>	<p>A: Danish fingerprints reflected in the declaration from the NATO summit.</p> <p>B: Not relevant.</p> <p>C: Danish fingerprints not visible in the declaration from the NATO summit.</p>	<p>A: Danish interests concerning the coordination of civil-military as well as the reform/transformation were incorporated in the summit declaration. The Council decisions on increased co-financing of NATO secondments and on more equitable burden-sharing concerning NATO operations.</p>
	<p>4. Iraqi forces will assume responsibility for own security as soon as possible and the political process will result in a democratic Iraq, where all sections of the population are involved, and reconstruction progresses.</p>	<p>4.1 Denmark contributes to the general training effort regarding Iraqi security forces.</p>	<p>A: Denmark has contributed to the general training effort.</p> <p>B: Not relevant.</p> <p>C: Denmark has not contributed to the general training effort.</p>	<p>A: Danish battalion used 25% of its capacity for training Iraqi security forces. Significant Danish contributions were made to NATO's training mission in Iraq. Denmark also occupies two positions in the Multinational Force's military training unit in Baghdad.</p>
		<p>4.2 Through the Security Council and other relevant fora, Denmark contributes to keeping the political process on track and bringing it to its conclusion.</p>	<p>A: Denmark has contributed to the political process.</p> <p>B: Not relevant.</p> <p>C: Denmark has not contributed to the political process.</p>	<p>A: Denmark contributed in the Security Council, in the EU Council of Ministers (foreign ministers) and in the subordinate working groups as well as bilaterally at meetings and discussions with, for example, Iraqi leaders and leaders from the region to keeping the political process on track. Denmark has placed emphasis on reconciliation and inclusive political processes. These diplomatic activities have been supplemented by project initiatives, such as study trips for Iraqi women, parliamentarians, etc. in order to give them an insight into the Danish democratic model.</p>

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by	Success Criteria (A, B, C)	Target Achievement Level
		4.3 Danish support for reconstruction efforts in Southern Iraq is implemented to the benefit of the living conditions of the Iraqis.	A: Danish support provided towards implementing planned activities. B: Not relevant. C: Danish support not provided.	A: The activities have been implemented more or less as planned, despite the difficult operational conditions.
	5. Growing government control of the security situation in all parts of Afghanistan leads to showdown with local warlords and the Taliban and increased security and development.	5.1 Danish forces assist the Afghani government with maintaining and extending security to all parts of Afghanistan through international security forces, including through the military-civilian rebuilding teams.	A: Danish support provided towards maintaining and extending security. B: Not relevant. C: Danish support not provided.	A: Danish support given for the widening of the NATO-led international security force to cover the whole of Afghanistan. Motion B 64 to dispatch further troop contributions to southern Afghanistan was adopted on 12 January 2006. Three civilian development advisers were dispatched with the task of supporting the civil-military coordination process.
		5.2 Danish support for the rebuilding effort in Afghanistan is 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: <80% A's and B's from relevant units at home and abroad.	B: 80% of the underlying targets have been achieved as A's, while 13% have been achieved as B's.
	6. Continued active Danish participation in conflict management and prevention.	6.1 Security Council decisions show that Denmark has taken the initiative regarding several conflicts.	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: <80% A's and B's from relevant units at home and abroad.	B: 84% of the underlying targets have been achieved as A's. Denmark contributed actively to conflict resolution in several cases on the Security Council's agenda, including Sudan, Liberia and Lebanon.

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by	Success Criteria (A, B, C)	Target Achievement Level
		<p>6.2Denmark has contributed actively to the operationalisation of UN Peacebuilding Commission.</p>	<p>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: <80% A's and B's from relevant units at home and abroad.</p>	<p>B: 84% of the underlying targets have been achieved as A's. In 2006, Denmark was a member of the Peacebuilding Commission and played a role in ensuring that the Commission's work got off to a good start. This applied, for example, to the work concerning Sierra Leone and Burundi. In 2006, Denmark also made a contribution of DKK 50 million to a Peacebuilding Fund, whose task is partly to support the Commission's work.</p>
		<p>6.3Danish military contributions to international peace and stability-creating operations.</p>	<p>A: Denmark has contributed actively. B: Not relevant. C: Denmark has not contributed.</p>	<p>A: Substantial military contributions made to Kosovo (KFOR), Afghanistan (ISAF), Iraq (MNF) and Lebanon (UNIFIL). A number of smaller contributions made to UN peacekeeping operations. According to the Danish Defence Agreement 2005-2009, 1,200 troops were to be deployed to international military operations in 2006. This target figure was met.</p>
		<p>6.4Danish support for the reconstruction effort in Sudan.</p>	<p>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: <80% A's and B's from relevant units at home and abroad.</p>	<p>A: More than 90% of the underlying targets have been achieved as A's. An integrated Danish emergency relief and reconstruction programme of DKK 500 million to Sudan is under preparation.</p>

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by	Success Criteria (A, B, C)	Target Achievement Level
		6.5 EU, NATO and UN decisions show cross-organisational cooperation, for example with respect to civil/military coordination, at institutional level and in terms of specific efforts.	<p>A: Willingness to cooperate reflected in relevant declarations and decisions.</p> <p>B: Not relevant</p> <p>C: Willingness to cooperate not reflected.</p>	<p>A: NATO's willingness to cooperate with the EU and the UN is clearly reflected in the summit declaration from Riga. An EU decision is taken to channel funds to Afghanistan through NATO-led Provincial Reconstruction Teams (PRTs).</p>
	7. No further proliferation of WMD. Iran and North Korea will halt nuclear weapons programmes.	7.1 Identifiable Danish policy in support of this.	<p>A: Identifiable Danish policy in support of this.</p> <p>B: Not relevant.</p> <p>C: No identifiable policy in support of this.</p>	<p>A: Denmark has participated actively in negotiations on measures against Iran's and North Korea's nuclear programmes and, among other things, has voted for UNSCR 1696 and 1737. Denmark has participated in all PSI-OEG (Proliferation Security Initiative – Operational Experts Group) meetings, conducted a PSI exercise with Poland and Russia, and revised PSI manuals.</p>
	(See detailed remarks about target achievement underneath the chart)			
		7.2 The Danish chairmanship contributes to more countries joining/complying with the Missile Technology Control Regime (MTCR).	<p>A: Relevant activities launched to promote stronger support for and compliance with the MTCR.</p> <p>B: Not relevant.</p> <p>C: Relevant activities to promote stronger support for and compliance with the MTCR not launched.</p>	<p>A: A number of successful outreach activities in respect to countries outside the MTCR have been implemented. A well-planned and well-executed MTCR plenary meeting took place with high media coverage.</p>
	8. Strengthened Danish crisis preparedness for emergency humanitarian assistance.	8.1 Development of module-based preparedness to swiftly and effectively supply emergency humanitarian assistance, initiated in cooperation with the EU and the UN.	<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: <80% A's and B's from relevant units at home and abroad.</p>	<p>A: 100% of the underlying targets have been achieved as A's.</p>

Re 1.1

In July 2006, the Director-General of the WTO suspended the Doha Round negotiations in order to give the member nations the opportunity to seek more flexibility in their negotiation mandates. As a result, the deadline for the finalisation of the proactive trade policy strategy was postponed in anticipation of a possible resumption of the Doha Round.

Re 2.5

In 2006, the EU showed a greater willingness and capacity to take action and to speak with one voice on foreign policy matters. The EU has therefore become more active in its efforts to promote international peace, security and stability as well as in its efforts to tackle some of the challenges of globalisation, such as cross-border crime and migration as well as global environmental and climate change issues.

Furthermore, the issue of energy supply security has been placed high on the EU's agenda.

Denmark has a clear interest in the EU defending and promoting common foreign policy interests in relation to other international actors, such as the USA, Russia and China, and being active in efforts to tackle global challenges. In 2006, therefore, Denmark continued its endeavours to strengthen the EU's global role and the Common Foreign and Defence Policy. Denmark has, for example, endeavoured to ensure that the EU adopted a common stance on the Middle East and Sudan, and through an energy proposal presented in autumn 2006 Denmark has played a role in shaping a common EU energy policy.

Re 3.2

Denmark has been actively involved in the establishment of the UN's Human Rights Council, which replaced the UN Commission on Human Rights in June 2006. The first three council sessions have led to, among other things, the adoption of a draft declaration on the rights of indigenous peoples, the adoption of a draft convention on enforced or involuntary disappearances, and the start of work on drafting an additional protocol on economic, social and cultural rights.

Strengthening respect for international law was a main priority during the Danish membership of the UN Security Council. On 22 June 2006, the UN Security Council, acting on a Danish initiative, turned the spotlight on this subject for the first time. This was done through a thematic debate, which Minister for Foreign Affairs Per Stig Møller moderated as President of the UN Security Council.

Re 3.3

In 2006, prolonged Danish pressure resulted in the civil and military coordination aspect being given prominence in the declaration from the NATO summit in Riga – both on a general level and as part of the references made to NATO operations. The sustained pressure, the subject's obvious relevance for NATO missions and the prominent place in the summit declaration have won Denmark recognition among the other allied nations.

Re 3.7

Admission of new members into the MTCR is being blocked as a result of linkage with issues outside the MTCR domain. The Danish MTCR presidency's outreach activities have, however, contributed to increasing awareness and use of the MTCR Guidelines and the Equipment, Software and Technology Annex. The UN Security Council has obligated all countries to use these instruments in connection with the ban on export of missiles and missile technology to North Korea and Iran, and during its membership Denmark has informed about changes to the Equipment, Software and Technology Annex. In response to an approach by the MTCR presidency, the Security Council 1540 Committee has invited the MTCR to brief the committee. These developments make the MTCR Guidelines and the Equipment, Software and Technology Annex the de facto international standard.

Vision 2: We must assist Danes in distress abroad quickly and efficiently

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by: (A, B, C)	Success Criteria	Target Achievement Level
1. Provide professional service to all who are in need.	1. Appropriate assistance depending on the conditions and circumstances in the country (illness, accident, imprisonment, abduction, etc.). <i>(See detailed remarks about target achievement underneath the chart)</i>	1.1 Targets for response times to be set out in the Missions' performance contracts and adjusted to the conditions in the country. To be measured as an average of the Missions' overall target achievement.	A: 96-100% of cases have been dealt with within the specified time-frame. B: 41-95% ditto. C: <41%. ditto.	A: More than 96% of cases were dealt with within the specified time-frame.

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by: (A, B, C)	Success Criteria	Target Achievement Level	
<p>2. Ensure that both the Ministry of Foreign Affairs and the bilateral Missions have established a crisis preparedness.</p>	<p>1. The Contingency Planning Unit of the Ministry of Foreign Affairs, which i.a. is in charge of maintenance of call centre, hotline, database, technical equipment and facilities, will ensure that relevant preparedness staff in the home service and service abroad are trained and participate in exercises on an ongoing basis.</p>	<p>1.1 Courses implemented for task force teams to be dispatched and deployed.</p> <p>1.2 Concept established for training and exercises in the service abroad.</p>	<p>A: Relevant courses run during the year.</p> <p>C: No courses run.</p> <p>A: Concept established.</p> <p>C: Concept not established.</p>	<p>A: Relevant courses run.</p> <p>C: The concept for training has been fully developed and integrated into relevant courses. The concept for exercises in the service abroad is still under development and will be tested in the first quarter of 2007.</p>	
	<p>2. All bilateral Missions to have a crisis preparedness adjusted to the situation in the country.</p>	<p>2.1 Preparedness plan drawn up according to the guidelines of the Ministry of Foreign Affairs.</p>	<p>A: Preparedness plan drawn up.</p> <p>C: No preparedness plan drawn up.</p>	<p>C: Four bilateral Missions have not yet drawn up their crisis preparedness plan. This will happen in the first quarter 2007.</p>	
	<p><i>(See detailed remarks about target achievement underneath the chart)</i></p>				
	<p>3. Strengthened cooperation with Nordic and EU Member States etc. in the country.</p>	<p>3.1 The enhanced cooperation appears from the Mission's preparedness plan.</p>	<p>A: Cooperation established.</p> <p>C: No substantial cooperation. established.</p>	<p>A: All Missions have taken the initiative to establish cooperation with Nordic and EU countries etc. with a local presence..</p>	
<p>3. Contribute to ensuring that travellers can be well informed before travelling</p>	<p>4. All bilateral Missions to be equipped with and to be at all times capable of using satellite communications equipment.</p>	<p>4.1 The Mission has tested the equipment every third month.</p>	<p>A: Equipment tested every third month.</p> <p>B: Equipment tested 4 times within a 1-year period, but with a transgression of a single quarterly deadline.</p> <p>C: Instances not covered by points A and B.</p>	<p>B: All relevant Missions have received satellite communication equipment. Not all Missions have tested the equipment regularly.</p>	
	<p><i>(See detailed remarks about target achievement underneath the chart)</i></p>				
<p>3. Contribute to ensuring that travellers can be well informed before travelling</p>	<p>1. Travel advice notices on the website of the Ministry of Foreign Affairs for the most frequently visited countries where the security situation may not be altogether stable.</p>	<p>1.1 Travel advice notices must be updated at least every three months and no later than 12 hours after an event that affects the security situation in the country.</p>	<p>A: Maximum 3 deadlines overrun.</p> <p>B: 4-10 deadlines overrun.</p> <p>C: Instances that do not fall into A and B.</p>	<p>A: The deadlines have been met in all cases.</p>	

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by: (A, B, C)	Success Criteria	Target Achievement Level
4. Ensure the right balance between service and compliance with mandatory control requirements when issuing visas.	1. At least one unannounced inspection of visa practice each year at Missions authorised to issue visas.	1.1 To be measured by the number of Missions that have met the target. The inspection to be conducted by the Head of Mission or another senior member of staff not involved in visa processing on a daily basis. A report regarding the first unannounced inspection must be presented by 1 July.	A: Full compliance with inspection and reporting requirements. C: Lack of compliance with inspection and reporting requirements	C: With the exception of two Missions, all Missions have conducted an unannounced inspection of visa practice. A number of Missions did not conduct an inspection of visa practice until after 1 July 2006.

In general, the targets set for consular service tasks have been very ambitious. In regard to targets 2.2. and 4.1., it has only been possible to score 'fully achieved' or 'unachieved', and the requirements for full achievement have been extremely tough. More detailed remarks are presented below.

Re 2.1.

Consular services is an area characterised by a large degree of unpredictability with respect to the nature and scope of the tasks. 2006 was very much characterised by crises abroad that affected a considerable number of Danes. The Cartoon Crisis and the evacuation from Lebanon come foremost to mind, but the terrorist attacks in, for example, Egypt, Turkey and Thailand could also be mentioned. Both the Cartoon Crisis and the evacuation from Lebanon resulted in great challenges and pressure on the resources of the MFA, both at home and abroad.

The International Operative Task-Force, which was established in the wake of the tsunami disaster in Asia, operated optimally during the evacuation from Lebanon. The good cooperation between the Danish authorities at home and abroad was a major reason why Denmark was able to evacuate its citizens more quickly than other countries.

Re 2.2.

Both the Lebanon crisis and the Cartoon Crisis showed how important it is to have a well-functioning crisis response capability. In 2006, Consular Services developed a concept for emergency preparedness training in the service abroad. The development of concepts for conducting crisis response exercises in the service abroad was delayed due to pressure on resources needed to cope with the Cartoon Crisis and the Lebanon evacuation. The concepts are in the process of being

developed and will be tested during the first quarter of 2007. All relevant Missions were issued with satellite communication equipment in 2006 and have been instructed to test the equipment regularly. In 2006, this instruction was followed by all Missions. For this reason, this requirement has been tightened in 2007, so that Missions must now keep a logbook of the tests carried out.

Re 2.4.

The number of visa applications processed at Danish Missions continues to rise. The MFA assigns great importance to the inspections that Missions are required to carry out of their visa practice, and the rules and procedures in this area have been constantly tightened. In 2006, a target was laid down that all Missions authorised to issue visas were to undergo at least one annual unannounced inspection of their visa practice. This was to be conducted by the respective Head of Mission and the results reported to the MFA before 1 July 2006. Two Missions failed to carry out such an inspection during 2006. A number of Missions did not conduct the first inspection before the specified deadline. In 2006, visa inspection procedures will be tightened further. For approximately half of the Missions in the countries outside the scope of the Schengen cooperation, it is now demanded that two annual unannounced visa inspections be carried out each year and before the specified deadlines.

In 2006, Danish Embassies and Consulates General dealt with 3,536 cases related to providing assistance to Danes in distress abroad (excl. those affected by the Lebanon evacuation). This is supplemented by a considerable number of cases – especially assistance to Danish citizens in distress – dealt with by the approximately 450 Danish Honorary Consulates.

Table: A large number of consular services were performed in 2006

	2001	2002	2003	2004	2005	2006
Visa applications	94,104	74,099	69,700	74,020	75,500	84,429
Residence permit applications	20,279	14,510	13,291	13,580	13,686	16,361
Family law and other civil law cases	3,177	1,517	1,307	1,277	3,730	4,167
Passports and driving licences	10,704	10,742	11,997	12,777	14,518	13,549
Authentications, certificates, etc. in the service abroad	6,171	5,573	5,289	5,612	7,460	8,929
Authentications in the home service	27,830	27,109	24,857	30,156	31,349	32,883

Vision 3: We must be the partner preferred by enterprises in international trade and investment activities

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by	Success Criteria (A, B, C)	Target Achievement Level
1. Increased internationalisation of Danish enterprises. <i>(See detailed remarks about target achievement underneath the chart)</i>	1. Further increase in exports: DKK 2.6-3 billion.	1.1 Increase in exports, DKK billion.	A: DKK 2.6-3.0 billion in increased exports. B: DKK 2.0-2.6 billion ditto. C: <DKK 2.0 billion ditto.	A: 3,5 ¹⁰
	2. Strengthen the basis for decision regarding international commercial activities: 60-65 per cent of enterprises indicate positive utility value of DTC charge free services.	2.1 Utility value of information communication.	A: 60-65% of enterprises indicate positive utility value. B: 55-59 pct. ditto. C: <55 pct. ditto.	B: 59% ¹⁰
	3. Strengthen enterprises' competitive power: basic goal.	3.1 Internationalisation rate.		
2. Best possible international framework conditions for the Danish business community. <i>(See detailed remarks about target achievement underneath the chart)</i>	1. Maintain an effective emergency preparedness for the business community: 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.	1.1 Response time.	A: Crisis solved or action plan formulated within 24 hours. B: Ditto within 72 hours. C: Ditto later than 72 hours.	A: Emergency preparedness capability activated within 24 hours.
	2. Dismantle trade barriers for individual enterprises: 2-3.	2.1 Number of problems solved.	A: 2 problems solved. B: 1 problem solved. C: No problems solved..	A: 2 problems solved.
	3. Political guidance: 10.	3.1 Number of cases.	A: 10+ cases with political guidance. B: 6-9 cases ditto. C: <6 cases ditto.	A: 10.

¹⁰⁾ The result for 2005 is provided, where the measurement was made in 2006.

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by	Success Criteria (A, B, C)	Target Achievement Level
3. Strengthened commercial innovation.	1. Implementation of 3-5 innovation projects.	1.1 Number of projects.	A: 3 innovation projects implemented B: 2 ditto. C: <2 ditto.	A: 3 projects implemented.
4. More foreign investment to Denmark. <i>(See detailed remarks about target achievement underneath the chart)</i>	1. Render assistance to attract investment to Denmark: 550 created jobs.	1.1 Number of jobs.	A: >625 jobs created. B: 500-625 ditto. C: <500 ditto.	A: 991 – of which 460 created in West Denmark.
	2. Investment in selected knowledge-intensive sectors: basic goal.	2.1 Goal for knowledge-intensive investment.		New indicator developed in 2006 and will be taken into use in 2007.
5. Strengthened global opportunities for entrepreneurs as well as small and medium-sized enterprises. <i>(See detailed remarks about target achievement underneath the chart)</i>	1. Make SMEs export ready: 250 enterprises assisted.	1.1 Number of enterprises assisted (ready-for-export programme).	A: 250+. enterprises assisted. B: 200-249 ditto. C: <200 ditto.	A: 263.
	2. Assist SMEs in specific internationalisation activities: 2000-2500 tasks performed.	2.1 Number of tasks performed.	A: 2,500 tasks performed. B: 2,000-2,499 ditto. C: <2,000 ditto.	A: 3426.
	3. Assist SMEs in specific internationalisation activities: 2000-2500 tasks performed >12	3.1 Average size per task measured in hours.	A: >16 hours. B: 12-16 hours. C: <12 hours.	A: 19.17.

Re 1.1 and 1.2

In the period 2002-2006, annual measurements were carried out of the Trade Council of Denmark's socio-economic value of the year before. The five measurement surveys were conducted using the same method and are directly comparable. The measurements are an expression of the assessment of enterprises of the Trade Council's direct minimum effect on export turnover. The 2006 measurement for the activity in 2005 showed a direct minimum effect of Trade Council activities in 2004 to the value of DKK 3.5 billion (purchased services), which is the highest recorded result among the measurement surveys conducted.

As a supplement to the measurement of the chargeable services, the Trade Council has conducted surveys in 2005 and 2006 of the utility value of the general business services (non-chargeable services). In total, 59 per cent of customers indicated a positive utility value of Trade Council general business services in their international decisions. The result is lower than the baseline target in 2006 (which was 63 per cent), but the difference is so marginal that it prevents any interpretation.

Based on knowledge acquired from five years of measurement surveys, it can be stated with a fair degree of certainty that the Trade Council's direct and measurable export effect typically lies in the interval between DKK 2.5 and DKK 3.5 billion annually, and that around 60 per cent of users of non-chargeable services perceive a positive utility value in relation to their internationalisation.

Re 2.1-2.3

In connection with the emergency preparedness for the agricultural and food products sector, regular meetings were held in the permanently established Emergency Preparedness Team in 2006. When crisis situations arose, extraordinary meetings were also held in this team with the aim of formulating an action plan to tackle and avoid problems. In 2006, two crisis, or crisis-like, situations arose that were dealt with within the framework of the emergency preparedness capability: avian flu and the Russian threats to introduce a general ban on the import of animal products from the EU.

Re 4.1

In 2006, Invest in Denmark (IDK) achieved its strategic targets for the number of jobs created and for the number of jobs created in West Denmark. The target was set at 625

jobs, yet the efforts in regard to export promotion in different parts of the world led to the creation and maintenance of 991 foreign investment-related jobs in Denmark. These 991 jobs were created via 37 successful investment projects. The results show a considerable progress in relation to 2005.

A significant reason why 2006 was a record year was that the MFA initiated cooperation with seven west-Danish counties on investment promotion in Western Denmark. The aim of the cooperation was to create or maintain 75 knowledge-intensive jobs in Western Denmark. However, the cooperation led to the creation or maintenance of six times as many jobs, namely 460.

Re 4.2

In June 2006, an innovation centre was established in Silicon Valley, USA – Innovation Center Denmark. The innovation centre is designed to enhance innovation and competitiveness in Denmark by securing Danish companies and research organisations access to foreign capital, networks, knowledge, technology and markets. Silicon Valley is one of the world's leading innovative regions with strong competencies particularly within the areas of information and communication technology (ICT), life science, energy and environment. Innovation Center Denmark was set up by the MFA/Trade Council of Denmark in collaboration

with the Danish Ministry of Science, Technology and Innovation.

Re 5.1-5.3

The number of small and medium-sized enterprises (SMEs) that have received assistance through programmes lies above the targets laid down. In 2006, The Trade Council of Denmark set a target of serving 2,500-3,000 SME customers (i.e. businesses with a turnover of less than DKK 50 million and a workforce of below 50). In 2006, the Trade Council delivered services to a total of 3,426 SME customers.

In 2006, the target for the average size of task measured in hours was more than 16 hours. The result was an average of 19.17 hours. This shows that the Trade Council has succeeded in entering into and increasing specific long-term consultancy packages for the internationalisation activities of SMEs.

In 2006, the target for export preparation was 250 enterprises. The result was 263 enterprises, which were made ready for export activities through the Trade Council's Export Preparation Programme.

Vision 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

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documented by	Success Criteria (A, B, C)	Target Achievement Level
1. Combat poverty through the fulfilment of the Millennium Development Goals (MDGs).	1. Implementation of Denmark's effort in accordance with the Government's plan for the development policy priorities 2006-2010: "Globalisation – Progress Through Partnership".	1.1 The efforts of the Government's plan have been initiated, including increased Danish development assistance to Africa, HIV/AIDS, the environment, water and sanitation as well as the development of trade and industry.	A: >90% A's from relevant units at B: >80% A's and B's from relevant units at home and abroad . C: <80% A's and B's from relevant units at home and abroad.	B: 50% of the underlying targets were achieved as A's while 35% were achieved as B's. 15% of targets were unachieved.
	2. Denmark will increase development assistance for Africa. <i>(See detailed remarks about target achievement underneath the chart)</i>	2.1 Cooperation initiated with a new programme country in Africa.	A: New cooperation initiated. B: Not relevant. C: New cooperation not initiated..	A: With the opening of the Embassy in Mali, a long-term partnership for poverty reduction, gender equality and business development was launched.

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by	Success Criteria (A, B, C)	Target Achievement Level
	<p>3. Foster economic growth in developing countries as a contribution to achieving the Millennium Development Goals (MDGs).</p>	<p>3.1 New business sector programme initiated in Africa.</p>	<p>A: >90% A's from relevant units at home and abroad. B: >80% A's and B's from relevant units C: <80% A's and B's from relevant units at home and abroad.</p>	<p>B: 78% of the underlying targets were achieved as A's, while 22% were achieved as B's.</p>
<p>4. Equal access to fundamental rights for women and men, promotion of sexual and reproductive health and rights as well as intensified fight against HIV/AIDS.</p> <p><i>(See detailed remarks about target achievement underneath the chart)</i></p>		<p>4.1 Denmark makes an effort for international policy documents to reflect support for key elements of the Danish strategy for the fight against HIV/AIDS in the developing countries, and a number of specific efforts from the HIV/AIDS strategy have been launched.</p>	<p>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: <80% A's and B's from relevant units at home and abroad.</p>	<p>A: 91% of the underlying targets were achieved as A's</p>
		<p>4.2 New strategy drawn up for the Danish action in the area of population/sexual and reproductive health and rights with focus on the gender equality aspect and the correlation with HIV/AIDS.</p>	<p>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: <80% A's and B's from relevant units at home and abroad.</p>	<p>A: 100% of the underlying targets were achieved as A's.</p>
	<p>5. Strengthening of the role of the EU regarding poverty reduction.</p>	<p>5.1 Danish priorities regarding poverty reduction and improved efficiency of the development assistance are reflected in the wording of a new general declaration on the EU development assistance and the Partnership assistance.</p>	<p>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: <80% A's and B's from relevant units at home and abroad.</p>	<p>A: 100% of the underlying targets were achieved as A's.</p>
<p>2. Increase the effectiveness and quality of development assistance.</p>	<p>1. Greater alignment of Danish bilateral assistance to developing countries' national systems and poverty reduction strategies as well as greater harmonisation of bilateral action.</p>	<p>1.1 Six Performance Reviews document that there has been further progress regarding the application of national indicators in the programmes supported by Denmark since the first Performance Review was conducted.</p>	<p>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: <80% A's and B's from relevant units at home and abroad.</p>	<p>A: 95% of the underlying targets were achieved as A's, while 5% were achieved as B's.</p> <p><i>(Reported as a single item for 1.1 and 1.2)</i></p>

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by	Success Criteria (A, B, C)	Target Achievement Level
		<p>1.2 Follow-up on the Paris Declaration of March 2005 – Indicators made measurable and are monitored. Increased use of joint performance reviews. Work for joint donor strategies in at least two programme countries. New initiatives launched for the purpose of ensuring that the country programmes become more focused.</p>	<p>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: <80% A's and B's from relevant units at home and abroad.</p>	See above.
	<p>2. Strengthening of multilateral organisations' efficiency in their contributions to the implementation of the Millennium Development Goals (MDGs).</p>	<p>2.1 An assessment of four multilateral organisations' performance-based management tools shows that the organisations in the programme implementation focus strongly on the MDGs.</p>	<p>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: <80% A's and B's from relevant units at home and abroad.</p>	<p>B: 64% of the underlying targets were achieved as A's, while 27% were achieved as B's. 9% of targets were unachieved.</p>
<p>3. Improve the living conditions for refugees and internally displaced persons.</p>	<p>1. The Danish regions-of-origin effort to be intensified in cooperation with Danish and international actors in accordance with the Government Platform.</p>	<p>1.1 Regions-of-origin efforts are implemented in refugee generating flashpoints (Horn of Africa, central and southern Africa, Afghanistan, the Caucasus and the West Balkans).</p>	<p>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: <80% A's and B's from relevant units at home and abroad..</p>	<p>B: 88% of the underlying targets were achieved as A's, while 12% of targets were achieved as B's.</p>
<p>4. Strengthen international cooperation regarding sustainable development and environment.</p>	<p>1. Implementation of Denmark's efforts in line with the Strategy for Denmark's Environmental Assistance to Developing Countries 2004-2008 and the Action Plan for Denmark's International Follow-up to the Johannesburg Summit and the Climate and Development Action Programme.</p>	<p>1.1 Measures have been taken to follow up on the recommendations of the DIIS report on integration of environmental considerations in the bilateral assistance after 1999.</p>	<p>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: <80% A's and B's from relevant units at home and abroad..</p>	<p>B: 83% of the underlying targets were achieved as A's, while 17% of targets were achieved as B's. (Reported as a single item for 1.1 and 1.2)</p>
	<p>(See detailed remarks about target achievement underneath the chart)</p>	<p>1.2 Pilot projects have been initiated for climate proofing and /or national climate screening of a total of five countries.</p>	<p>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: <80% A's and B's from relevant units at home and abroad.</p>	See above.

Re 1.2

In 2006, a new programme of cooperation began with Mali, which became the 10th Danish programme country in Africa. At the same time, the first Danish Embassy ever in Bamako was opened. In November 2006, the Minister for Development Cooperation visited Mali in order to open the Embassy and to launch the long-term partnership for poverty reduction, gender equality and business development. In full accordance with the Danish Government's announcements regarding the provision of more assistance to Africa, Denmark will allocate DKK 800 million to activities in Mali over the next five years.

Re 1.4

In 2006, the strategy for Denmark's support to the fight against HIV/AIDS in developing countries was followed up with a number of activities. In connection with the launch of the Government's development policy priorities for 2007-2011, it was announced that support towards fighting HIV/AIDS in Africa would be doubled – from DKK 500 million to DKK 1 billion annually. During the UN Special Session, the Minister for Development Cooperation emphasised the necessity that the international efforts to combat HIV/AIDS take their point of departure in the recognition that women are hit harder by the epidemic than men. The need for stepping up efforts for the benefit of women ended up being included as a core element of the final declaration from the meeting.

In May 2006, the Minister for Development Cooperation launched a new population strategy ("The Promotion of Sexual and Reproductive Health and Rights – Strategy for Denmark's Support"). The strategy has been well received by both Danish and international actors, who have also contributed to its formulation. The strategy places emphasis on the rights-based approach and focuses on strengthening gender equality and coherence in HIV/AIDS strategies and interventions.

Re 4.1

In 2006, the MFA stepped up its participation in the international climate change negotiations in order to promote the Danish Government's goal of reaching an ambitious international climate change agreement when the Kyoto Protocol's first obligation period expires in 2012. Within the sphere of development cooperation, the MFA has widened its activities in the form of helping developing countries to adapt to the inevitable changes in climate. The work has been carried out as a follow-up to Danida's Climate Action Programme from August 2005. Support has also been given to climate change adaptation in developing countries through the Global Environment Facility and the two climate funds under the UN Framework Convention on Climate Change. Lastly, in 2006 the MFA was involved in implementing climate change projects in developing countries within the framework of the Kyoto Protocol's Clean Development Mechanism (CDM).

Vision 5: We must provide highly-valued advice and cooperation on international issues

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documented by	Success Criteria (A, B, C)	Target Achievement Level
1. The Ministry of Foreign Affairs must provide professional and targeted advice and EU coordination.	1. Satisfaction in Central Administration with the contributions to and consultancy in EU coordination as well as other advice provided by the Ministry of Foreign Affairs, including the Embassies.	1.1 Annual evaluation meeting with relevant Ministries. (Target: 85 per cent satisfaction among Ministries).	<p>A: Evaluation meeting shows satisfaction among at least 85% of the Ministries.</p> <p>B: Evaluation meeting shows satisfaction among at least 70% of the Ministries.</p> <p>C: Evaluation meeting shows satisfaction among at least 70% of the Ministries.</p>	A: Discussions in connection with the annual meeting with relevant line Ministries showed considerable satisfaction with the cooperation. There was agreement to look for continued development, partly with the aim of strengthening the proactive efforts to promote Danish viewpoints.

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by	Success Criteria (A, B, C)	Target Achievement Level
2. The Ministry of Foreign Affairs must be a valued cooperation partner for Greenland and the Faroe Islands.	1. Satisfaction among the parties to the Unity of the Realm with the efforts of the Ministry of Foreign Affairs. <i>(See detailed remarks about target achievement underneath the chart)</i>	1.1 Quality assessment based on the minutes from the Permanent Secretary's annual meeting with the Faroe Islands and Greenland.	A: Full satisfaction. B: Partial satisfaction. C: No satisfaction.	A: The meetings showed that there is satisfaction with the cooperation.
3. The Ministry of Foreign Affairs must raise awareness of the risk of outbreaks of international pandemics (Avian Influenza etc.).	1. The Ministry of Foreign Affairs contributes to the Government's overall handling of any outbreaks of international pandemics as well as to effective international cooperation on prevention and countermeasures.	1.1 That the Ministry of Foreign Affairs is, at any time, prepared for outbreaks of international pandemics and takes relevant initiatives to strengthen international cooperation.	A: By setting up a special Task Force, the MFA contributes to ensuring national coordination and coordination between relevant Danish authorities and the Danish Missions in relation to EU and international measures on the basis of a well-functioning and efficient internal coordination system that involves the entire MFA and ensures a swift, precise and coordinated response tailored to the situation. C: Lack of coordination of the different units' involvement and incoherent external actions.	A: The MFA's Task Force actively involves all relevant MFA units. The level of activity has been balanced in relation to the current status of disease threats. The Task Force has undertaken responsibility for disseminating information/knowledge within the Ministry and with external partners. External partners generally express satisfaction with the service abroad's reporting activity. The Task Force has been aware of the need for coordination of the Danish actions internationally, including in the EU. Consideration is being given to the idea of strengthening dialogue with the line Ministries and other external partners.
	2. The crisis preparedness measures of the Ministry of Foreign Affairs and relevant Missions, which were set up in 2005, will be adjusted to the situation on an ongoing basis.	2.1 That the crisis preparedness measures are adjusted to the situation on an ongoing basis.	See also Vision 2.2 on emergency preparedness.	

Re 2.1

Each year, high-level officials from the MFA participate in talks with high-level officials from the Faroe Islands and Greenland. Foreign policy is a matter that concerns the entire Unity of the Realm. The MFA places great importance on ensuring that the Faroe Islands and Greenland perceive that their interests are safeguarded and promoted in the best possible way. Foreign policy is administered with due regard for the two enabling acts relevant in this area and in accordance with the declarations of principle concerning the involvement of the home rule governments in foreign and security policy. In two cases (East Greenland-Svalbard and Faroe Islands-Iceland), final continental shelf boundary agreements were

signed in June 2006. Negotiations regarding other continental shelf boundary agreements will continue in 2007.

Denmark, Greenland and the USA met in May in the Joint Committee. US Senator McCain visited Greenland in August. The cooperation between the three parties will also be given strong priority in 2007. In 2006, a new fisheries agreement and a new partnership under the EU's Overseas Lands and Territories (OLT) arrangement were successfully negotiated. In 2006, Greenland's opportunities for hunting and utilising products from seals and whales also came under focus.

Vision 6: We must be an open and active communicator of Danish foreign policy views and values at home and abroad

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by	Success Criteria (A, B, C)	Target Achievement Level
1. Communication must be promoted and integrated as a natural element of the performance of tasks.	1. Activities in the communication action plans must be implemented.. <i>(See detailed remarks about target achievement underneath the chart)</i>	1.1 Internal reviews of the action plans to be implemented.	A: Reviews show general progress in the activity areas. B: Reviews show some progress. C: Reviews show no progress.	A: General progress has been made in the activity areas, cf. external evaluation of MFA communication 2003-2006.
	2. Higher priority must be placed on the communication of Danish foreign and development policy to the general public in Denmark. <i>(See detailed remarks about target achievement underneath the chart)</i>	2.1 Action plans to be drawn up for communication efforts in key areas.	A: The activities in the action plans are implemented. B: Not relevant C: Activities not implemented.	A: The activities in the action plans (North Group, South Group and Trade Council) have been implemented to a very large degree.
	3. The Embassies must become more visible and raise the profile of Denmark to a greater extent, and they must contribute to communicating Danish standpoints on specific matters to the media and the population in the country of residence i.a. for the purpose of public diplomacy. <i>(See detailed remarks about target achievement underneath the chart)</i>	3.1 Focus on Denmark in foreign media.	A: Monitoring of the media is initiated. B: Not relevant. C: Monitoring of the media not initiated.	A: During the Cartoon Crisis, the entire MFA delivered an enormous communication and public diplomacy effort. Extensive monitoring of the media was initiated during the Cartoon Crisis. In addition, the Missions have generally become more aware of there being an increased focus on Denmark in foreign media.

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by	Success Criteria (A, B, C)	Target Achievement Level
		3.2 Increased use of the Missions' websites in foreign/local languages.	A: Increase in the number of visitors to websites by 50%. B: Increase in the number of visitors to websites by 20%. C: Increase in the number of visitors to websites by 10%.	C: The total number of users of Mission websites has risen by approx. 10% to 142,250 users.
		3.3 Increased coordination of cultural events with the promotion of Danish interests.	A: Implementation of at least two events. B: Implementation of one event. C: No events implemented.	A: In connection with the reburial of Empress Dagmar, visual art shows, concerts and an exhibition about Dagmar and Denmark contributed to promoting Denmark as a cultural national and modern society The state visit to Athens was the setting for a successful cultural collaboration with local partners on, among other things, slideshow and design. The visit highlighted the good bilateral relations between Greenland and Greece. With its exhibition "FLOWmarket", Danish Design Center won 1st prize for best booth at the International Contemporary Furniture Fair (ICFF) in New York"

Re 1.1

In 2006, a new communication policy was formulated, Communication Policy 2007-2009, which is designed to enhance the MFA's external communication in both the home service and the service abroad. In 2006, the MFA's website, www.um.dk, for the third successive year won the competition, Top of the Web and was thus once again voted the best ministerial website by the National IT and Telecom Agency.

Re 1.2

The MFA wishes to demonstrate openness and transparency by communicating more expertise to both media and the general public in Denmark. Emphasis is placed on continuing efforts to strengthen relations with the media. During

the Cartoon Crisis and the Lebanon evacuation, the media were given, among other things, numerous briefings and interviews, as well as access to the MFA crisis centres. In regard to the general public, we have, for example, held lectures and open-house events, had visits by groups and participated in conferences. In relation to disseminating knowledge about development assistance, there was considerable demand for the publication "Turen går til en skæv verden" (Travel Guide to a Less Uneven World), with approximately 100,000 distributed copies.

Re 1.3

The Government places emphasis on information, dialogue and forming alliances with the outside world regarding Denmark and Danish values as well as Danish strongholds

and competencies. This is a priority set out in the Government's Globalisation Strategy and in the Welfare Agreement (November 2006); a priority which has been translated into the Action Plan for the Proactive Global Promotion of Denmark, which was published in January 2007. In this regard these efforts are becoming an increasing part of the daily work carried out at the MFA and the Missions. The MFA's Globalisation Analysis contained a number of recommendations aimed at enhancing external communication, including making public diplomacy a new central activity area.

During the Cartoon Crisis, many of the MFA's posted staff had extensive contact with local media – often very independently due to the scale of the crisis. Also the Lebanon evacuation placed major demands upon the interaction of MFA staff with the media. The Danish Lebanon evacuation was viewed as a positive public diplomacy effort many places in the world. Within the EU sphere, the MFA launched a media campaign to promote the Government's EU energy proposal, which succeeded in getting the Danish messages through in a number of EU agenda-setting media. Lastly, in collaboration with the Danish Arts Agency, the MFA organised cultural exchange activities and events, for example in connection with the reburial of the Empress Dagmar in St. Petersburg and during the state visit to Athens.

Vision 7: We must enjoy wide respect as a competent, efficient, outward-looking and service-oriented enterprise

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by	Success Criteria (A, B, C)	Target Achievement Level
1. Efficient financial management and use of resources.	1. Compliance with the budget framework.	1.1 Quantitative enumeration.	<p>A: 96-100% of units have kept within their budget framework</p> <p>B: 81-95% of units have kept within their budget framework</p> <p>C: <80% of units have kept within their budget framework.</p>	<p>B: The MFA as a whole kept within the budget framework in 2006. However, with respect to individual Missions, 8 out of 89 exceeded the announced framework without obtaining prior approval. This figure corresponds to 9%. The target is therefore only partially achieved.</p>
	2. No reprimands from the National Audit Office of Denmark.	2.1 Assessment of the National Audit Office of Denmark in the Report on the Audit of the State Accounts for 2005.	<p>A: The assessment is satisfactory.</p> <p>C: The assessment is not satisfactory or not completely satisfactory.</p>	<p>A: On 16 November 2006, the national auditors presented their remarks on the National Audit Office's report on the Audit of the State Accounts for 2005. Overall, the assessment of the accounting procedures followed within the MFA's areas of activity was positive.</p>

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by	Success Criteria (A, B, C)	Target Achievement Level
2. The establishment of a new global transmission network to all permanent Danish Missions abroad with posted staff.	1. Implementation of the solution for the selected supplier of a network with greater capacity (bandwidth) and flexibility than the present network.	1.1 That the Ministry of Foreign Affairs as of 1 November 2006 has established a new, improved network.	A: 96-100% of Missions are linked up to the new network. B: 81-95% of Missions are linked up to the new network. C: <80% of Missions are linked up to the new network.	A: In 2006, 96-100% of Embassies succeeded in transferring over from the old Globalkom network to the new Globalwan network, which besides a price reduction also provided significantly greater bandwidth and newer technology. In relation to the Globalwan contract, the Trade Commission will not be linked up to the network until the first half of 2007.
4. Foster an understanding in society of the Ministry of Foreign Affairs as a competent, efficient, out-ward-looking and service-oriented enterprise.	1. Increase knowledge of the activity of the Ministry of Foreign Affairs.	1.1 Knowledge and opinion polls show increased public knowledge of the enterprise.	A: Polls shows increased level of public knowledge. B: Unchanged level of knowledge. C: Decreased level of knowledge.	A: The general public's knowledge of Danida increased. No public awareness survey was carried out on the MFA in general.
		1.2 Increased use of um.dk and other MFA Internet sites	A: 10% increase in the average number of users per month than in 2005. B: 5% ditto. C: Same average number of users per month as in 2005.	A: The number of um.dk users rose by 29% in 2006 . Special websites have been developed at um.dk in connection with the Cartoon Crisis and the Lebanon evacuation. They had 124,530 and 22,811 unique visitors, respectively. The MFA website, um.dk, scored maximum points and was voted Top of the Web.
		1.3 The level of knowledge of the Danish Trade Council (DE) among those responsible for exports.	A: 70% of those responsible for exports know of DE. B: 60-69% ditto. C: <60% ditto..	B: 67%.
		1.4 Activities for the dissemination of knowledge of Consular Services.	A: Activities at travel fairs, website campaign and PR campaign. B: Activities at travel fairs. C: No activities.	A: A PR campaign was prepared in 2006 – due to be implemented in the second quarter of 2007. The MFA participated in relevant activity and travel fairs.

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by	Success Criteria (A, B, C)	Target Achievement Level
		1.5 Number of students (University/Business School) who visit the Ministry of Foreign Affairs.	A: >100 visitors annually. B: <100 ditto. C: No visitors.	A: The number of visitors from universities far exceeded 100, both at the Ministry in Copenhagen and the Missions abroad.
5. To ensure and maintain a high level of activity and quality for the Danish Trade Council.	1. Own earnings: 25 per cent	1.1 Earnings compared to expenses.	A: 25%+. B: 22-25%. C: <22%.	A: 25.6%.
6. To ensure a high level of satisfaction among the customers of the Danish Trade Council.	1. Customer satisfaction: 95 per cent. ...of this: highly satisfied: 55 per cent.	1.1 Trade Council measurement.	A: Satisfaction level at 95%+, of whom 55% very satisfied. B: Satisfaction level at 80-94%+, of whom 45-54% very satisfied. C: Satisfaction level at 80%+, of whom <45% very satisfied.	A: 96%. A: 60%.

Re 1.1.

Of 89 Missions, 81 kept within the announced budget frameworks for 2006, whereas the operations of eight Missions resulted in budget overruns without prior approval. For six of these eight Missions, a failure to meet earnings targets was the primary cause of the over-expenditure.

Re 5.1.

Total earnings in 2006 amounted to DKK 96.3 million, of which 80 per cent stemmed from Embassies and Consulates General and 20 per cent from Trade Commissions. Earnings therefore exceeded the target laid down in the Finance Act by DKK 2.1 million. In relation to 2005, the earnings increase was 14 per cent. When adjustments are made for the Cartoon Crisis, which gave rise to earnings difficulties at a number of Embassies in Muslim countries, we can observe

that a total of nine country units failed to meet the pre-set earnings targets. For all of these country units, concrete measures have been taken to redress the earnings difficulties.

Re 6.1.

In 2006, a total of 96 per cent of Trade Council of Denmark customers were satisfied or very satisfied with the specific chargeable services that the Trade Council delivered at home and abroad. This means that the year's target was achieved. Furthermore, there was an improvement of 1 per cent point in comparison with 2005.

In 2006, a total of 60 per cent of companies were very satisfied with the Trade Council's chargeable service delivery. This lies above the target of 55 per cent. The response rate of these customer surveys is 32 per cent.

Vision 8: We must be an attractive, dynamic place of work that ensures a high degree of staff satisfaction and targeted competence development.

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by	Success Criteria (A, B, C)	Target Achievement Level
1. Greater staff satisfaction. <i>(See detailed remarks about target achievement underneath the chart)</i>	1. Greater satisfaction with employment in the Ministry of Foreign Affairs, including more staff who are very satisfied – in all personnel groups and with respect to both genders.	1.1 The number of staff who are very satisfied or satisfied with their employment in the Ministry of Foreign Affairs has increased to 80 per cent.	<i>Overall satisfaction</i> A: >80% satisfied or very satisfied. B: >75% satisfied or very satisfied. C: <75% satisfied or very satisfied.	A: 87% satisfied or very satisfied with their employment in the MFA.
		1.2 The number of very satisfied staff totals 30 per cent.	<i>Very satisfied</i> A: 30% B: 25% C: <25%	B: 27% very satisfied, which is an increase of 2 percentage points in relation to 2005.
	2. Greater staff satisfaction among locally engaged staff.	2.1 The number of locally engaged staff who are very satisfied with being employed at their Mission has increased to 25 per cent.	A: 25% B: 20% C: <20%	B: 23% very satisfied..
	3. Considerable satisfaction with the follow-up of the units on the 2005 Staff Satisfaction Survey.	3.1 A total of 75 per cent of staff are satisfied with the unit's follow-up on the 2005 Staff Satisfaction Survey.	A: 75% B: 60% C: 40%	C: 41% Satisfied with the follow-up in their unit.
	4. A higher response rate.	4.1 A total response rate of 80 per cent.	A: 80% B: 75% C: 60%	A: 87%.
	5. The set up of a Joint Consultation Committee at all Missions.	5.1 Quantitative enumeration.	A: 90% B: 80% C: 50%	A: 90%
2. Targeted competence development.	1. Specific follow-up on individual development plans.	1.1 Staff development interviews are carried out and individual development plans are drawn up for all members of staff.	A: Staff development interviews carried out for all staff. B: Not relevant. C: Staff development interviews not carried out for all staff.	C: Staff development interviews conducted for approx. 80% of all staff as of 1 April 2006.
		1.2 The proportion of staff who are satisfied with the follow-up on the staff development interviews totals 75 per cent in the 2006 Staff Satisfaction Survey.	A: 75% B: 60% C: 40%	C: 51% (31% state that are neither satisfied nor dissatisfied).

Strategic Objectives 2006	Specific Goals	Target Achievement – measured/documentated by	Success Criteria (A, B, C)	Target Achievement Level
3. Management development of all Heads at home and abroad.	1. Global, regional and local activities for all managerial levels adjusted to relevance for the target group, individually and collectively.	1.1 All Heads in the Service to be offered consultation, coaching, training, management inspiration and tools.	<p>A: 80% of the target group have participated in obligatory management development activities and 100% of requests have been met.</p> <p>B: 60% of the target group have participated in obligatory management development activities and 80% of requests have been met.</p> <p>C: 40% of the target group have participated in obligatory management development activities and 60% of requests have been met.</p>	<p>A: 100% of the target group for obligatory activities participated and 98% of requests were met.</p> <p>Professionalisation of the MFA's managers at head of department level and above continued to be a systematic priority area in 2006. A number of relevant and focused activities were launched despite the heavy pressure on the organisation.</p>

Re 1.1. - 1.4

According to the external consultant who conducted the survey, the result is extremely impressive for such a diverse and dispersed organisation as the MFA. We have succeeded in maintaining a high level of satisfaction among all groups in both the home service and the service abroad, whilst a far greater number of staff have participated in the survey.

Re 2.1.

According to the external consultant, it would appear that the lack of satisfaction with the follow-up on the staff development interviews can primarily be attributed to the insufficient visibility of follow-up. Steps will be taken to address this on an ongoing basis. The holding of staff development interviews is incorporated as a separate target in the performance contracts of units for 2007.

5. KEY FINANCIAL INFORMATION

The MFA has adopted the following accounting policies:

- In conformity with the multi-year agreement with the Ministry of Finance, all properties were valued at market price according to a valuation carried out in 2005. No revaluations are made regularly in relation to market developments.
- Only assets that fall under the operation and maintenance sphere are included.
- Depreciation of ICT equipment as a rule follows the guidelines laid down by the Danish Agency for Governmental Management. However, on the basis of a technical assessment, certain of the MFA's ICT equipment items are determined to have a lifespan of 6-10 years and thus a longer depreciation period. The reason is that the MFA uses special equipment for encryption and that replacing the ICT equipment in the service abroad is a very expensive undertaking and for this reason is undertaken less frequently than is the norm in Denmark.
- Security equipment is entered in the accounts as "furniture (building components)" with a 10-year depreciation period. However, on the basis of a technical assessment, certain security components are determined to have a lifespan of 15/20/30 years and thus a longer depreciation period¹¹.
- In November 2006, the MFA's accounts were divided into two bookkeeping units, i.e. a bookkeeping unit for operation/maintenance and a bookkeeping unit for the grants sphere. The operations/maintenance accounts comprise Finance Act sections 06.11.01 (Danish Foreign Service), 06.11.03 (Capital Accounts) and 06.11.05 (Consular Revenues). Joint bank and cash balances, etc. in the service abroad are allocated according to a distribution key.
- The MFA has introduced a de minimis figure of DKK 3,000 for purchases that are depreciated fully in the purchase year, but which were previously activated as "bundled assets" (ICT, AV and communications equipment).

11) *This solution – chosen in consultation with external consultants – should be seen in the light of the fact that security equipment is composed of many different parts, which in most cases are supplied to the Missions all in one package.*

5.1. Profit and Loss Account

Table 5. Profit and loss account (DKK million)

Note	Profit and loss account (cost principles)	Accounts 2006	Internal budget 2007
	Ordinary operating income		
1	Sale of good and services	-163.7	
	Subsidies for own operations	0.0	
	Other operating income	-17.6	
	Fees/charges	-44.7	
	Ordinary operating income, total	226.0	224.2
	Ordinary operating costs		
	Change in inventory	0.0	
	Consumption costs		
	Rent	223.0	
	Other consumption costs	340.7	
	Consumption costs, total	563.7	
2a	Personnel costs		
	Salaries and wages	548.1	
	Pension	76.1	
	Reimbursement of pay	-45.1	
2b	Other personnel costs	18.8	
	Personnel costs, total	597.9	
	Other ordinary operating costs	543.4	
3	Depreciation and amortisation	81.2	
	Ordinary operating costs, total	1,786.2	1,767.8
	Result of ordinary operations	1,560.2	1,543.6
	Other operating items		
	Other operating income	-2.2	-2.2
	Other operating costs	9.2	9.2
	Result before financial items	1,567.2	1,550.6
	Financial items		
	Financial income	-2.9	0
	Financial costs	3.0	86.0
	Results before extraordinary items	1,567.3	1,636.6
	Extraordinary items		
	Extraordinary income	-13.1	
	Extraordinary costs	17.3	
4	Extraordinary items, total	4.2	4.2
	Year-end profit/loss	1,571.5	1,640.8

Notes to the profit and loss account, including a summary of staff turnover, appear in Annex 1.

5.3. Conversion Table

Table 7. Conversion table between the profit/loss statement and the year's net expenditure

Omregningstabel		1,000 kr,
Year-end profit/loss		1,571,548
Depreciations (minus)		-81,200
Amortisations (minus)		
Changes in provisions (minus)		
Acquisitions (plus)		113,299
Inventory adjustment (plus/minus)		
Projects in progress / Development projects under implementation (plus)		32,367
Adjustment of personnel costs (holiday pay payable and overtime pay payable) (plus/minus)		1,358
Accrual basis of accounting (plus/minus)		1,002
Loss on debtors (minus)		
Correction for difference between sales price and loss/profit on sales of assets (plus/minus)		-2,177
Year-end net expenditure		1,636,197
Balance		64,649
Balance in percentage		3,95%

The balance of DKK 64.6 million corresponds to 3.95 per cent of the expenditure-based accounts.

5.4. Appropriations Accounts

Table 8. Appropriations accounts for Section 06.11.01. Danish Foreign Service (incl. the MFA Language Centre) as well as Section 06.11.05. Consular Revenues (DKK million)

	Accounts		Accounts		Difference	Internal budget 2007
	2005	Internal budget 2006	(expenditure-based) 2006			
Expenditure	1,717.1	1,757.8	1,826.6	(68.8)	1,865.0	
Income	228.2	204.7	242.3	37.6	224.2	
Gross profit	1,448.9	1,553.1	1,584.4	(31.3)	1,640.8	
Appropriations, net	1,439.1	1,423.6	1,523.0	(99.4)	1,580.1	
Profit	(49.8)	(129.5)	(61.4)	68.1	(60.7)	

Note: The figures exclude Section 06.11.03. Foreign Service Buildings. The Finance Act account will close in 2007.

The overall operating expenditure in 2006 increased by around DKK 110 million in relation to the accounts for 2005 measured in current prices. The increase should be seen in the context that the MFA had extraordinary expenditure items in 2006 for the Cartoon Crisis (approx. DKK 23 million) and the Lebanon evacuation (approx. DKK 26 million). In addition, the MFA had extraordinary costs in connection with the launch of the first phases of a common European visa information system (approx. DKK 12 million) as well as increased costs in the service abroad as a result of rising inflation in 2006 in the countries where the MFA is represented.

In the Supplementary Appropriations Act (TB06), the MFA was compensated for these additional costs by the allocation of additional appropriations.

In 2007, the MFA budgeted for an additional expenditure of around DKK 60 million, partly for increased maintenance work in the service abroad and also for bridge-financing of costs towards salaries and other operations until the already planned adjustments in the MFA in 2006 fully come into effect in 2008. cf. section 3,2.

5.5 Appropriations Settlements

Table 9. Appropriations settlements (DKK million)

	Appropriations 2006	Accounts 2006	Year surplus / deficit	Opening balance 2006	Anticipated surplus unrealisedr	Closing balance 2006
Capital - expenditure	32,8	52,8	(20,0)	39,4	(19,4)	Kontoen bortfalder
Operations and maintenance - payroll	577,4	595,7	(18,3)	28,8		10,5
- other opera- tions and maintenance	945,6	988,7	(43,1)	129,5	(28,6)	57,8
Total	1,523,0	1,584,4	(61,4)	158,3		68,3

*The unrealised carry-forward surplus of DKK 28,8 million concerns the VIS project, etc,
Of the remaining carry-forward surplus of DKK 68,3 million, DKK 20,8 million concerns reserved appropriations*

The unrealised carry-forward surplus of DKK 28.6 million concerns the implementation of the Visa Information System (VIS), which from 2007, pursuant to the State Accounting Reform, is financed by depreciations and return. Of the remaining carry-forward surplus of DKK 68.3 million. DKK 20.8 million concerns reserved appropriations.

Table 10, Accumulated profit/loss for the Danish Foreign Service. Section 06.11.01 (incl. the MFA Language Centre) and Section 06.11.05. Consular Revenues (DKK million)

	Year-end 2003	Year-end 2004	Year-end 2005	Year profit/ loss 2006	Closing balancer	Year-end 2006
Operations	192,4	246,1	158,3	(61,4)	(28,6)	68,3

6. MANAGEMENT REPORT

The MFA's Annual Report 2006 is presented in accordance with the provisions of The Budget and Accounting Procedures Act (Regnskabsbekendtgørelsen).

The Annual Report covers the accounting principle explanations for Section 6. The Ministry of Foreign Affairs of Denmark (excl. Section 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 2006.

We regard the adopted accounting policy to be appropriate, on the grounds that the Annual Report 2006 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, 12 April 2007



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



Vibeke Rovsing Lauritzen
*Head of Finance
Ministry of Foreign Affairs of Denmark*

ANNEX 1 NOTES TO THE PROFIT/LOSS ACCOUNT AND BALANCE

I. Notes to the profit/loss account

Note 1 Sale of goods and services

	DKK
Rent revenues	(4,901,530)
Course revenues	(17,907,532)
Diverse reimbursements	(2,185,971)
Publications. books.etc.	(2,012,353)
Sale of furniture	(995,108)
Export promotion revenues	(72,956,380)
Advertising revenues	(1,426,091)
Meeting costs. Eigtveds Pakhus	(1,653,390)
Internal governmental transfer revenues (primarily special attachés)	(58,361,655)
Diverse sales revenues	(1,304,516)
Total	(163,704,527)

Note 2a Staff costs

	2003	2004	2005	2006 R-year	2007 B-year
Full-time equivalents	1,398	1,313	1,313	1,336	1,317
Entries	27	65	73	66	-
Exits	115	98	71	81	-

Note: "Total number" is calculated according to Central Government's definitions of full-time equivalents, while "Entries/Exits" is based on the number of persons converted into full-time members of staff who have been recruited or have left during the year. The figures for entries and exits exclude trade commissioners, special attaches, project staff, IPC and DCCD staff, flexible labour market staff, and students. If these groups were included, the entries and exits in 2006 would be 101 and 132, respectively, compared to an entry/exit figure of 131 and 112, respectively, in 2005.

The staff costs account shows that the number of full-time equivalents fell by 62 full-time equivalents from 2003 to 2006. However, there was an increase of 23 full-time equivalents from 2005 to 2006. The fall in the number of full-time equivalents in the previous years reflected a targeted effort to strike a balance between full-time equivalent levels

and the payroll appropriations. In 2006, there was a rise in the number of full-time equivalents, partly as a result of Denmark's membership of the UN Security Council and the Danish presidency of the Missile Technology Control Regime (MTCR).

Note 2b Other staff costs

	DKK.
Pension and support, etc.	1,848,062
Retirement benefit plan for public servants	1,809,045
Overtime	15,174,035
Total	18,831,142

Note 3 Depreciation and amortisation

	DKK.
Tangible fixed assets	75,189,090
Intangible fixed assets	6,010,888
Total	81,199,978

Note 4 Extraordinary income and expenditure

	kr.
Diverse	639,210
Compensation demands regarding Lebanon evacuation	(3,385,485)
Lebanon evacuation	12,937,450
VAT refunds (abroad) etc.	(6,850,822)
VAT case re. construction project in Maputo	2,659,815
Spiritech – agreement on previously written-off claims	(1,154,027)
Stockholm – payment re. social security contributions	(616,576)
Total	4,229,566

Note: The figures in brackets are revenues.

II. Notes to the balance

Note 5

No remarks to this note item.

Note 6

Revaluations are not carried out regularly in relation to market developments.

Note 7

No remarks to this note item.

Note 8

In 2006, a single non-payment case resulted in a relatively heavy loss (approx. DKK 0.5 million – Intermark A/S) under the area of operations and maintenance. No further provisions have been made besides the observed loss.

Note 9

The liquidity allocation is an estimated figure regarding operations and maintenance, as the MFA was not subject to rules and regulations regarding independent liquidity in 2006.

Note 10

In the opening balance, the MFA has made a provision of DKK 50 million for renovation of rental properties in the home service and the service abroad. Movements in the annual provision are recorded either as operating costs or operating revenues. In 2006, therefore, approx. a further DKK 352.000 was charged as an operating cost set aside for renovation of rental properties.

Note 11

The MFA has taken out a mortgage loan on two properties – in Berlin (annuity loan) and The Hague.

Note 12

In general, the significant changes from 2005 and 2006 can be explained by the technical division of the accounts into two bookkeeping units. In 2005, the balance contained mixed items for operations/maintenance and grants, respectively, whereas at the end of 2006 the accounts for operations/maintenance and grants were separated. This has partly resulted in the need to register major inter-organisational balance items both as receivables and payables under operations/maintenance and grants, respectively. Furthermore, the balance regarding the omnibus account for creditors is significantly larger at the end of 2005 than in 2006 in the operations statement, simply because creditors as of 31 December 2006 were broken down into operations/maintenance and grants, respectively, whereas this was not the case in 2005.

After the balance date

- Regarding travels made in connection with meetings of the Council of the European Union, the final settlement will not be made until the following financial year.
- The MFA has set aside DKK 50 million towards the renovation of rented premises (for more than 500 tenancies/leases abroad and at Asiatic Plads). The cost will be financed by the ongoing operating appropriations. After discussions with the Ministry of Finance in April 2006, this provision will be transferred to liabilities and maintained annually.

III. The MFA's capital accounts

Note 5 Intangible fixed assets (DKK million)

	Completed development projects	Acquired concessions. patents. licences. etcv	Total
Cost price	36.0	3.3	39.3
Additions	29.2		29.2
Disposals			0
Cost price as of 31.12.2006	65.1	3.3	68.5
Accumulated depreciation	-29.1	-0.1	-29.2
Accumulated amortisation			0
Accumulated depreciation and amortisation as of 31.12. 2006	-29.1	-0.1	-29.2
Financial value as of 31.12.2006	36.0	3.2	39.3
Year depreciation	-5.9	-0.1	-6.0
Year amortisation			
Year depreciation and amortisation	-5.9	-0.1	-6.0
Depreciation period/year	0/50/20	0/70	

Development projects under implementation

Opening balance as of 01.01. 2006	10.2
Addition	36.3
Depreciation	
Transferred to completed development projects	-29.2
Cost price as of 31.12.2006	17.3

Note 6 Tangible capital assets (DKK million)

	Land. space and buildings	Plant and machinery	Transport equipment	Furniture and ICT equipment	Total
Cost price	1,734.5	34.4	35.7	240.1	2,044.7
Additions	11.2	1.4	10.5	61.0	84.1
Disposals			-7.0		-7.0
Cost price as of 31.12.2006	1,745.7	35.8	39.2	301.1	2,121.8
Accumulated depreciation	-55.8	-20.9	-18.6	-178.3	-273.6
Accumulated amortisation					
Accumulated depreciation and amortisation as of 31.12. 2006	-55.8	-20.9	-18.6	-178.3	-273.6
Financial value as of 31.12.2006	1,689.9	15.0	20.6	122.8	1,848.2
Year depreciation	-27.9	-3.1	-5.4	-38.8	-75.2
Year amortisation					
Year depreciation and amortisation	-27.9	-3.1	-5.4	-38.8	-75.2
Depreciation period/year	0/20/50	10	5/8	3/5/10	

Note 6 (continued)

Projects in progress financed by own capital	
Opening balance as of 01.01. 2006	5.0
Addition	30.4
Depreciation	
Transferred to completed tangible assets	5.0
Cost price as of 31.12.2006	30.4

Note 9/10 Equity

Equity	
Opening balance as of 01.01.06	
Primary capital	-2,161.9
Movements during the year	
Liquidity allocation	-1,583.9
Carried-forward deficit/surplus	
Year-end profit/loss	1,571.5
Equity 31.12.06	-2,174.3

IV. Appropriations settlements and accumulated profit/loss

Table 1 presents the appropriations accounts (DKK million) and the accounting principle explanations for accounts not presented in the rest of the Annual Report, including Annex 2.

Table 1 Appropriations settlements for accounts not presented elsewhere in the Annual Report

Main account	Appropriations 2006	Accounts 2006	Year surplus	Anticipated surplus unrealised	Closing balance 2006
06.11.03. MFA buildings	32.8	52.8	-20.0		Account closed from 2007
06.11.06. Interest revenues from diverse receivables	56.2	7.3	48.9		n/a
06.11.23. The Guarantee Fund for Investments in Central and Eastern Europe	0.2	0.8	-0.6		Account closed from 2007
06.11.25. The Guarantee Fund for Investments in Developing Countries	2.2	1.4	0.8		Account closed from 2007

Accounting principle explanations relating to Table 1:

Re Section 06.11.03 MFA buildings

The expenditure increase primarily relates to the renovation work carried out on the Embassy building in Washington and the Embassy in Lusaka, cf. Document/File 179 15/6 2005 and Document 180 15/6 2005. The expenditure increase is financed by the expenditure decrease from 2005.

A revenue sum of DKK 980,000 relates to a capital asset for 2005 for which an adjustment was not made until 2006.

Re Section 06.11.06 Interest revenues from diverse receivables

Interest revenue from diverse receivables deviates considerably from year to year and is difficult to budget, partly because large sums of revenue can be secured late in the

year. In general, however, a falling tendency is observable. In 2003, the interest revenue was DKK 79.8 million, whereas in 2004 and 2005 interest revenue was DKK 47.4 million and DKK 35.3 million, respectively.

The falling tendency is primarily due to the tightening of procedures concerning the disbursement of grants. Furthermore, the interest revenues in 2006 were particularly low, due to the fact that the UNDP by mistake paid the same interest amount back to the MFA in 2005 twice (for several years), which is why the MFA in 2006 repaid DKK 6.5 million to the UNDP. The Danish Ministry of Finance was notified of this in connection with Framework Report 2, and a proposal has been made to reduce the income appropriations on the Budget for Fiscal Year 2008 (FFLO8).

**Re Section 06.11.23 The Guarantee Fund for
Investments in Central and
Eastern Europe**

The increased income is due to the receipt of more premium income than expected at the time of drafting the 2006 Budget Proposals. The increased income relates to policy terminations.

The Danish Ministry of Finance has been notified of an anticipated increase in income in connection with Framework Report 2.

**Re Section 06.11.25 The Guarantee Fund for
Investments in Developing
Countries**

The lower income is due to less premium income than expected at the time of drafting the 2006 Budget Proposals. The lower income concerns policy terminations. The Danish Ministry of Finance has been notified of an anticipated decrease in income in connection with Framework Report 2.

Table 2 Accumulated profit/loss (for accounts with surplus transferances)

Main account	End 2003	End 2004	End 2005	Result 2006	End 2006
06.11.03 MFA buildings	22.3	38.1	39.4	-20	Account closed
06.11.15 Non-statutory grants for international purposes	n/a	n/a	n/a	0.2	0.2
06.11.19 Bilateral neighbourhood programme with special focus on the Baltic Region	2.0	68.5	8.5	61.7	70.2
06.11.27 Climate projects in developing countries	n/a	45.2	0.0	0.7	0.7
06.32.01 Developing countries in Africa	n/a	-6.6	-17.3	24.5	7.1
06.32.02 Developing countries in Asia	n/a	-1.4	-3.6	10.8	3.9
06.32.04 Personnel assistance	n/a	0.4	4.6	-4	0.5
06.32.05 Private Sector Programme, etc	n/a	-1.9	2.2	5.1	3.0
06.32.06 Mixed Credits	n/a	-0.1	-0.9	1.3	0.4
06.32.07 Loan assistance	n/a	-1.4	-0.3	0.4	0.1
06.32.08 Bilateral assistance to regional areas and regions of origin	n/a	75.0	3.7	-8.6	0.9
06.32.10 Transitional assistance to the Western Balkans	n/a	0.0	0.0	2.7	2.7
06.33.01 Assistance through private organisations (NGOs)	n/a	0.2	-1.6	10.7	9.1
06.34.01 Special environmental assistance	n/a	150.7	30.8	-22.9	7.9
06.35.01 Research and information activities in Denmark	n/a	13.8	4.8	-5.0	-0.2
06.35.02 International development research	n/a	0.0	0.1	-0.5	0
06.36.01 The UN Development Programme (UNDP)	n/a	0.1	-1.7	8.3	6.6
06.36.02 The UN children's Fund (UNICEF)	n/a	0.4	-0.5	0.5	0
06.36.03 HIV/AIDS, Population and Health Programmes	n/a	0.0	0.0	0.0	0
06.36.04 UN Agricultural, Food and Nutrition Programmes	n/a	0.0	-0.2	0.2	0
06.36.05 Global Environmental Programmes	n/a	0.0	0.2	-0.2	0
06.36.06 UN, other assistance programmes	n/a	0.5	-1.2	36.4	35.2
06.37.01 The World Bank Group	n/a	0.1	-1.0	1.1	0.1
06.37.02 Regional development banks	n/a	0.9	7.8	-7.8	0
06.37.03 Regional development funds and other funds	n/a	0.0	-0.1	0.1	0
06.37.04 Assistance through the European Union (EU)	n/a	0.0	1.7	-1.7	0
06.38.01 Multilateral regional and reconstruction assistance	n/a	0.9	-6.6	6.8	0.2
06.38.02 Stability and security oriented efforts	n/a	0.0	-0.1	0.1	0
06.38.03 Various multilateral contributions	n/a	-0.7	5.4	-0.4	5
06.39.01 Contributions to humanitarian organisations under the UN system	n/a	0.4	0.0	0.0	0
06.39.02 Extraordinary humanitarian contributions and International Humanitarian Service	n/a	19.1	-0.3	22.8	22.5
06.41.02 Trade commissioners (net appropriations)	8.9	14.6	12.7	-4.2	8.5
06.41.03 Special export promotion grants	11.4	5.6	1.9	-1.1	0.8

ANNEX 2 ACCOUNTS AND ACCOUNTING PRINCIPLE EXPLANATIONS

I. Commercial activities

Table 1 Accumulated profit/loss for Section 06.11.01.90 MFA Language Centre

DKK million	End 2003	End 2004	End 2005	End 2006
MFA Language Centre	3.8	3.5	3.6	0.0

In 2006, the MFA Language Centre in 1996 was transformed into a profit-making unit. It offers both collective and individualised language training. The Language Centre offers language training to employees from ministries, authorities and private enterprises, also in connection with intercultural understanding, for example before taking up postings abroad. Translation and other language services are also offered.

The Language Centre's financial statement for income and expenditure concerning operations showed a surplus of DKK 1.2 million in 2006. The surplus has been carried forward to the MFA's ordinary operations in the same way as the accumulated surplus for 2005.

II. Fee-financed activities

The MFA has two fee charge systems: one for the MFA's consular services – which primarily consists of providing assistance to Danes who find themselves in difficulty abroad¹ – and one for the MFA's consultancy services and other forms of assistance designed to support the export activities, internationalisation and other commercial activities abroad of Danish businesses. .

Table 2 Fee charge systems

DKK million	2003	2004	2005	Year profit/loss 2005
Revenues for consular services. Section 06.11.05.				
Consular revenues (net result)	(1.7)	1.1	6.5	6.6
Net revenues from export promotion consultancy	57.9	61.3	70.4	77.4

The year's profit/loss for the MFA's consular services shows a revenue increase of approx. DKK 6.6 million. The large fluctuations regarding the results from year to year stems from the fact that the assistance – and thus the revenues – in the consular services field are 100% demand-driven.

The year's profit for the MFA's export promotion consultancy, etc. in 2006 is DKK 77.4 million.

1) See the scope of the MFA's consular services in Table 4 of the Annual Report

II. The MFA's grant schemes and statutory schemes

Table 3 MFA Grant Accounts (DKK million) – Budget Framework 1

Scheme	2006				2007			Total Dis-posable budget	
	Opening Balance	Appropriations	Dis-posable budget	Accounts	Profit / Loss	Closing Balance	Opening Balance		Appropriations
06.11.15. Non-statutory grants for international purposes and institutions	0.0	16.9	16.9	16.7	0.2	0.2	0.2	10.4	10.6
06.11.19. Bilateral Neighbourhood Programme with special focus on the Baltic Region	8.5	188.5	197.0	126.8	61.7	70.2	70.2	192.2	262.4
06.11.27. Climate projects in developing countries	0.0	95.2	95.2	94.5	0.7	0.7	0.7	95.2	95.9
06.21.01. Nordic Council of Ministers		140.6	140.6	144.5	-3.9	0.0	0.0	143.1	143.1
06.22.01. Peacekeeping operations under the UN, etc..		38.8	38.8	32.7	6.1	0.0	0.0	39.5	39.5
06.22.03. Other organisations		196.9	196.9	200.8	-3.9		0.0	199.3	199.3
06.22.05. The European Investment Bank		0.0	0.0	2.7	-2.7		0.0	0.0	0.0
06.41.02. Trade Commissioners (net appropriations)	12.7	42.0	54.7	44.2	-2.2	10.5	10.5	46.3	56.8
06.41.03. Special export promotion grants	1.9	44.4	46.3	45.5	-1.1	0.8	0.8		0.8

Re Section 06.11.01 The Danish Foreign Service

See remarks to Table 1, page 8.

Re Section 06.11.05 Consular Revenues

In 2006, there were additional revenues of DKK 6.6 million. The revenues in the consular field are demand-driven. See also remarks under section 2 of this annex.

Re Section 06.11.19 The Bilateral Neighbourhood Programme

In 2006, financial commitments were granted for a total of DKK 61.7 million less than the appropriations for the year. The expenditure decrease occurred for two reasons: 1) In 2006, there were carry backs from previously granted commitments for a total of DKK 27.4 million, of which DKK 24.2 million was not translated into new commitments; and 2) a planned financial commitment of DKK 37.5 million to Bosnia-Herzegovina could not be granted due to political resistance in one of Bosnia-Herzegovina's two regions, Republica Srpska.

Re Section 06.21.01 The Nordic Council of Ministers

In 2006, the expenditure increase is primarily due to a rise of 2.9 per cent as a result of exchange rate and price regulations in the total budget.

The budgeting of Denmark's contributions to the Nordic Council of Ministers' budget for 2006 was made on the premise of a total budget of DKK 815.9 million in 2005-prices. After the budgeting period, the actual budget of the Nordic Council of Ministers is adopted and thereafter regulated in relation to exchange rates and inflation. In 2006, the budget was DKK 839.6 million. According to the adopted distribution key, Denmark is required to pay 22.5 per cent of the budget.

The contribution is regulated also as a result of a payment scheme for higher education as well as for any surplus in previous years.

Consequently, Denmark's total payment contribution to the Nordic Council of Ministers was DKK 144.5 million.

Re Section 06.22.01 Peacekeeping Operations under UN auspices

In 2006, financial commitments were granted for DKK 36.4 million less than the total appropriation of DKK 327.3 million for 2006. The expenditure decrease is primarily due to the fact that the negotiations regarding a new contribution scale for the UN's regular budget and the UN's peacekeeping operations for the period 2007-2009 were not finalised in October 2006 as planned, but were first completed at the end of December 2006. This meant, for example, that the UN did not have the authority to collect financial contributions for the UN's peacekeeping operations for 2007 during the last three months of the Danish financial year for 2006, as was originally expected.

Re Section 06.22.03 Other organisations

The expenditure increase is primarily due to increased financial contributions to the UN.

Re Section 06.22.05 The European Central Bank

Payment is made to the European Central Bank (EIB) of guarantees for non-rendered repayments on the part of the borrower of EIB loans for activities in ACP countries (developing countries in Africa, the Caribbean and the Pacific) and in regard to any repayments to Denmark by the EIB in which guarantees are provided that the borrower has repaid loans to the EIB. The obligation follows from guarantee contracts reached between Denmark and the EIB in connection with development cooperation between ACP countries and the EU under the Lomé Conventions and the Cotonou Agreement.

At the beginning of the year, payments that are to be rendered on demand from the EIB cannot be precisely evaluated. The size of the payment depends on the observed shortfall in repayments on the part of the borrower. Furthermore, it is not possible to prepare a precise budgeting of the scope of any repayments that the borrower would have needed to render. In the Finance Act for 2006, an estimated amount of DKK 4.2 million was therefore inserted both for payments and for repayments. Both amounts have varied over the years and have normally been regulated over the Supplementary Appropriations Act where possible.

The amounts paid out on demand from the EIB in 2006 amounted to approx. DKK 2.7 million² for the coverage of outstanding amounts on loan in Zimbabwe and the Ivory Coast. The figure covers the outstanding amounts divided into eight collection instalments from the EIB. This explains the difference of DKK 1.5 million. In 2006, there were no

repayments from the EIB, which explains the difference of approx. DKK 4.2 million from the estimated amount of DKK 4.2 million with respect to revenues.

Re Section 06.41.02 Trade Commissioners

The expenditure increase on the appropriation to Trade Commissioners in 2006 to the amount of DKK 2.1 million was financed by surplus funds. The surplus was partly used to establish an innovation centre in Silicon Valley – Innovation Center Denmark – and to co-finance a project for investment promotion for West Denmark

Re Section 06.41.03.10 Special export promotion grants: activities for small and medium-sized enterprises, innovative growth enterprises and entrepreneurs

In 2006, there was a changed activity level in relation to the predicted activity level (e.g. as stated in FLO7). In 2006, the SME strategy was revised, which saw, for example, a rise in the number of hours provided per Export Start package from 25 hours to 35 hours. This meant that it was not possible to implement the same number of Export Start packages under the appropriation. The revised central activity information is 769 Export Start packages for 2006 and 548 for 2007. FFL08 will be adjusted accordingly.

Re Section 06.41.03.20 Special export promotion grants: export promotion grants

The expenditure decrease of DKK 0.7 million stems from the fact that a number of final accounts received in December for projects triggered cancellations which, owing to the late time of submission, could not be replaced by new commitments of grants for joint export promotions before the end of the financial year.

Re Section 06.41.03.30 Special export promotion grants: special export promotion, Denmark.dk

Despite the discontinuation of appropriations, the Internet portal was kept open in 2006. At the beginning of 2006, the account contained approx. DKK 1.9 million, of which DKK 1.8 million was used for the continuation of the portal in 2006, while the remaining DKK 0.1 million is to be used in 2007.

2) Conversion carried out using the payment-based current rates of exchange during the year.

IV. MFA Grant Schemes under Section 06.31.-06.39 Development assistance to developing countries

Table 4 Grant Accounts for the MFA's Development Assistance (DKK million) – Budget Framework 2

Activity Area	2006					2007			Total Dis-posable budget
	Opening Balance	Appropriations & supp. appropriation	Accounts	Profit/Loss	Closing Balance	Opening Balance	Appropriations		
06.31.79 Reserves							100.0		
06.32.01 Developing countries in Africa	-17.3	2,155.9	2,131.4	24.5	7.2	7.2	2,455.7	2,462.9	
06.32.02 Developing countries in Asia and Latin America	-6.9	1,322.6	1,311.8	10.8	3.9	3.9	932.0	935.9	
06.32.04 Personnel assistance	4.6	136.3	140.4	-4.1	0.5	0.5	269.2	269.7	
06.32.05 Private Sector Programme, etc.	-2.1	241.5	236.4	5.1	3.0	3.0	230.0	233.0	
06.32.06 Mixed Credits	-0.9	300.9	299.6	1.3	0.4	0.4	350.0	350.4	
06.32.07 Loan assistance	-0.3	674.2	673.8	0.4	0.1	0.1	725.8	725.9	
06.32.08 Bilateral assistance to regional areas and regions of origin	9.5	563.8	572.4	-8.6	0.9	0.9	428.0	428.9	
06.32.10 Transitional assistance to the Western Balkans	0.0	0.0	-2.7	2.7	2.7	2.7	0.0	2.7	
06.33.01 Assistance through private organisations (NGOs)	-1.6	857.6	846.9	10.7	9.1	9.1	932.5	941.6	
06.34.01 Special environmental assistance	30.8	432.2	455.1	-22.9	7.9	7.9	480.5	488.4	
06.35.01 Research and information activities in Denmark	5.0	162.6	167.6	-5.0	0.0	0.0	240.7	240.7	
Bilateral assistance, total	20.8	6,847.6	6,832.7	14.8	35.6	35.6	7,044.4	7,080.1	
06.35.02 International development research	0.1	49.9	50.0	0.1	0.0	0.0	50.0	50.0	
06.36.01 The UN Development Programme (UNDP)	-1.7	492.3	494.0	-1.7	-3.4	-3.4	416.0	412.6	
06.36.02 The UN Children's Fund (UNICEF)	-0.5	235.9	235.4	0.5	0.0	0.0	207.2	207.2	
06.36.03 HIV/AIDS, Population and Health Programmes	0.0	509.0	509.0	0.0	0.0	0.0	770.0	770.0	
06.36.04 UN Agricultural, Food and Nutrition Programmes	-0.2	180.2	180.0	0.2	0.0	0.0	180.0	180.0	
06.36.05 Global Environmental Programmes	0.2	455.3	455.5	-0.2	0.0	0.0	181.0	181.0	
06.36.06 UN, other assistance programmes	-1.2	327.3	290.9	36.4	35.2	35.2	226.8	262.0	
06.37.01 The World Bank Group	-1.0	446.9	455.7	102	0.2	0.2	525.0	525.2	
06.37.02 Regional development banks	7.8	15.7	23.5	-7.8	0.0	0.0	0.0	0.0	
06.37.03 Regional development funds and other funds	-0.1	205.2	205.1	0.1	0.0	0.0	312.0	312.0	
06.37.04 Assistance through the European Union (EU)	1.7	422.7	424.4	-1.7	0.0	0.0	462.0	462.0	
06.38.01 Multilateral regional and reconstruction assistance	-6.6	40.1	33.3	6.8	0.2	0.2	50.0	50.2	
06.38.02 Stability and security oriented efforts	-0.1	65.5	65.5	0.1	0.0	0.0	105.0	105.0	
06.38.03 Various multilateral contributions	5.4	72.9	73.3	-0.4	5.0	5.0	123.5	128.5	
06.39.01 Contributions to humanitarian organisations under the UN system	0.0	262.0	262.0	0.0	0.0	0.0	320.0	320.0	
06.39.02 Extraordinary humanitarian contributions and International Humanitarian Service	0.3	778.6	755.8	22.8	22.5	22.5	794.0	816.5	
Multilateral assistance, total	3.4	4,559.6	4,503.3	56.3	59.7	59.7	4,722.5	4,782.2	
Development assistance, total	24.2	11,407.2	11,336.0	71.1	24.9	95.3	11,866.9	11,862.3	

Re Section 06.32.01 Developing countries in Africa

Appropriations Finance Act	Supplementary Appropriations 2006	Appropriations Total	Accounts	Deviation	
2,087.9	68.0	2,155.9	2,131.4	24.5	1.1%

In 2006, financial commitments were granted for DKK 24.5 million less than the total appropriation of DKK 2,156 million. This is primarily due to a negative carry-forward balance of DKK 17.4 million at the beginning of 2006. In addition, the planned expansion of two small projects in Benin and Niger costing DKK 2.7 million and DKK 1.1 million, respectively, was delayed. A total of DKK 7.1 million is transferred to 2007.

Re Section 06.32.02 Developing countries in Asia and Latin America

Appropriations Finance Act	Supplementary Appropriations 2006	Appropriations Total	Accounts	Deviation	
1,287.0	35.6	1,322.6	1,311.8	10.8	0.8%

In 2006, financial commitments were granted for DKK 10.8 million less than the total appropriation of DKK 1,323 million for 2006. This is primarily due to a negative carry-forward balance of DKK 6.9 million at the beginning of the year. Furthermore, a number of small projects in Bolivia, Nicaragua and Nepal for different reasons were not implemented in 2006 as originally planned. A total of DKK 3.9 million is transferred to 2007.

Re Section 06.32.04 Personnel assistance

Appropriations Finance Act	Supplementary Appropriations 2006	Appropriations Total	Accounts	Deviation	
185.7	-49.4	136.3	140.4	-4.1	-3.0%

In 2006, financial commitments were granted for DKK 4.1 million more than the total appropriations of DKK 136.3 million for 2006. This was primarily due to a carry-forward balance of DKK 4.6 million at the beginning of 2006

Re Section 06.32.05 Private Sector Programme, etc.

Appropriations Finance Act	Supplementary Appropriations 2006	Appropriations Total	Accounts	Deviation	
230.0	11.5	241.5	236.4	5.1	2.1%

In 2006, financial commitments were granted for DKK 5.1 million less than the total appropriation of DKK 241.5 million for 2006. This was due to a negative carry-forward balance of DKK 2.1 million at the beginning of 2006. Furthermore, a larger number of commitments were cancelled than expected in connection with the adoption of the Supplementary Appropriations Act. The total opening balance at the beginning of 2007 is DKK 2.98 million.

Re Section 06.33.01 Assistance through private organisations (NGOs)

Appropriations Finance Act	Supplementary Appropriations 2006	Appropriations Total	Accounts	Deviation	
895.5	-37.9	857.6	846.9	10.7	1.2%

In 2006, financial commitments were granted for DKK 10.7 million less than the total appropriation of DKK 857.6 million. This is partly due to a negative carry-forward balance of DKK 1.6 million at the beginning of 2006. Furthermore, more commitments than expected were cancelled than expected after the adoption of the Supplementary Appropriations Act. The total opening balance at the beginning of 2007 is DKK 9.1 million.

Re Section 06.34.01 Special environmental assistance

Appropriations Finance Act	Supplementary Appropriations 2006	Appropriations Total	Accounts	Deviation	
480.5	-48.3	432.2	455.1	-22.9	-5.3%

The difference between the appropriations for the year and accounts is due to a carry-forward balance of DKK 30.8 million at the beginning of 2006. In total, the opening balance at the beginning of 2007 is DKK 7.9 million for new

activities in accordance with the existing appropriations rules.

Re Section 06.35.01 Research and information activities in Denmark, etc.

Appropriations Finance Act	Supplementary Appropriations 2006	Appropriations Total	Accounts	Deviation	
197.8	-35.2	162.6	167.6	-5.0	-3.1%

In 2006, financial commitments were granted for DKK 5.0 million more than the total appropriation of DKK 162.6 million for 2006. This is primarily due to a carry-forward balance of DKK 4,993 million at the beginning of 2006. The expenditure increase on the account is due to an adjustment at the end of 2006 of a registration which was included by mistake in the initial adjustment made in January 2006.

Re Section 06.36.06 UN, other assistance programmes

Appropriations Finance Act	Supplementary Appropriations 2006	Appropriations Total	Accounts	Deviation	
223.3	104.0	327.3	290.9	36.4	11.1%

In 2006, financial commitments were granted for DKK 36.4 million less than the total appropriation of DKK 327.3 for 2006. This was due to the fact that the negotiations on a new contribution scale for the UN's regular budget and the UN's peacekeeping operations for the period 2007-2009 had not been completed in October 2006 as planned, but instead were not completed until the end of December 2006. This meant that the UN did not have the authority to collect financial contributions for UN peacekeeping operations for 2007 during the last three months of the Danish financial year 2006, as originally expected. There was a negative carry-forward balance of DKK 1.7 million at the beginning of 2006, and a surplus of DKK 35.2 million has been transferred to 2007.

Re Section 06.37.02 Regional development banks

Appropriations Finance Act	Supplementary Appropriations 2006	Appropriations Total	Accounts	Deviation	
18.0	-2.3	15.7	23.5	-7.8	-49.7%

2006, financial commitments were granted for DKK 7.8 million more than the total appropriation of DKK 15.7 million for 2006. The reason for this is a carry-forward balance of DKK 7.8 million at the beginning of 2006.

Re Section 06.38.01 Multilateral regional and reconstruction assistance

Appropriations Finance Act	Supplementary Appropriations 2006	Appropriations Total	Accounts	Deviation	
80.0	-39.9	40.1	33.3	6.8	17.0%

In 2006, financial commitments were granted for DKK 6.8 million less than the total appropriation of DKK 40.1 million for 2006. This is due to a negative carry-forward balance of DKK 6.6 million at the beginning of 2006.

Re Section 06.39.02 Extraordinary humanitarian contributions and International Humanitarian Service

Appropriations Finance Act	Supplementary Appropriations 2006	Appropriations Total	Accounts	Deviation	
679.0	99.6	778.6	755.8	22.8	2.9%

In 2006, financial commitments were granted for DKK 22.8 million less than the total appropriation of DKK 778.6 million for 2006. Parts of the appropriations were used for suddenly occurring humanitarian disasters. The deviation is primarily due to the fact that no serious humanitarian disasters took place after the adoption of the Supplementary Appropriations Act to an extent that resulted in use of the entire appropriation. A surplus of DKK 22.5 million was carried forward to the opening balance at the beginning of 2007.

Table 5 Accumulated profit/loss (for accounts with surplus transfer access)

Main account	End 2003	End 2004	End 2005	Result 2006	End 2006
06.32.01 Developing countries in Africa	n/a	6.6	-17.3	24.5	7.1
06.32.02 Developing countries in Asia and Latin America	n/a	-1.4	-3.6	10.8	3.9
06.32.04 Personnel assistance	n/a	0.4	4.6	-4	0.5
06.32.05 Private Sector Programme, etc.	n/a	-1.9	2.2	5.1	3.0
06.32.06 Mixed Credits	n/a	-0.1	-0.9	1.3	0.4
06.32.07 Loan assistance	n/a	-1.4	-0.3	0.4	0.1
06.32.08 Bilateral assistance to regional areas and regions of origin	n/a	75.0	3.7	-8.6	0.9
06.32.10 Transitional assistance to the Western Balkans	n/a	0.0	0.0	2.7	2.7
06.33.01 Assistance through private organisations (NGOs)	n/a	0.2	-1.6	10.7	9.1
06.34.01 Special environmental assistance	n/a	150.7	30.8	-22.9	7.9
06.35.01 Research and information activities in Denmark	n/a	13.8	4.8	-5.0	-0.2
06.35.02 International development research	n/a	0.0	0.1	-0.5	0
06.36.01 The UN Development Programme (UNDP))	n/a	0.1	-1.7	8.3	6.6
06.36.02 The UN children's Fund (UNICEF)	n/a	0.4	-0.5	0.5	0
06.36.03 HIV/AIDS, Population and Health Programmes	n/a	0.0	0.0	0.0	0
06.36.04 UN Agricultural, Food and Nutrition Programmes	n/a	0.0	-0.2	0.2	0
06.36.05 Global Environmental Programmes	n/a	0.0	0.2	-0.2	0
06.36.06 UN, other assistance programmes	n/a	0.5	-1.2	36.4	35.2
06.37.01 The World Bank Group	n/a	0.1	-1.0	1.1	0.1
06.37.02 Regional development banks	n/a	0.9	7.8	-7.8	0
06.37.03 Regional development funds and other funds	n/a	0.0	-0.1	0.1	0
06.37.04 Assistance through the European Union (EU)	n/a	0.0	1.7	-1.7	0
06.38.01 Multilateral regional and reconstruction assistance	n/a	0.9	-6.6	6.8	0.2
06.38.02 Stability and security oriented efforts	n/a	0.0	-0.1	0.1	0
06.38.03 Various multilateral contributions	n/a	-0.7	5.4	-0.4	5
06.39.01 Contributions to humanitarian organisations under the UN system	n/a	0.4	0.0	0.0	0
06.39.02 Extraordinary humanitarian contributions and International Humanitarian Service	n/a	19.1	-0.3	22.8	22.5

ANNEX 3 THE MFA'S STRATEGIC PRIORITIES AND OVERARCHING GOALS IN 2007

The overarching goals for 2007 are based on the MFA's four main functions (general foreign and security policy; development assistance; export and investment promotion; and consular services) as well as cross-cutting tasks - and not the eight vision points, as was previously the case. The reason is that a division according to main function will enable better

linkage with resource allocation and the time-logging system, UMtid. As many of the action plan's overarching goals will need to be achieved through multi-faceted efforts across the four main functions, it makes no sense to establish a rigid division according to main function.

Strategic Priorities 2007-2009	Overarching Goals 2007
<p>1. An active international effort to fight terrorism and curb the proliferation of weapons of mass destruction.</p>	<p>A. Contribute to strengthening global cooperation against terrorism and proliferation of weapons of mass destruction, including the implementation of assistance-related efforts in this area, and to enhancing the MFA's efforts to protect Danish interests.</p> <p>B. Make a Danish contribution to the broad transformation of NATO, which will be an issue up to the summit in 2008.</p> <p>C. Continued efforts to develop the EU-USA relationship, partly with focus on the conflicts in the Middle East and Iran.</p>
<p>2. An effective and integrated effort to safeguard and promote Danish interests in the EU, with special focus on finding a solution concerning the EU Constitutional Treaty.</p>	<p>A. Contribute to ensuring that the EU's 'pause for reflection' leads to greater clarification of the Constitutional Treaty and the EU's future in accordance with Danish priorities in EU policy.</p> <p>B. Support the Government's globalisation efforts by helping to ensure that EU cooperation focuses on the "Achieving Europe" strategy and globalisation's challenges, including via the Lisbon Process..</p>
<p>3. IKKE OVERSAT</p>	<p>A. Satisfaction in the Central Administration with the MFA's assistance and advisory services, including EU coordination.</p> <p>B. Contribute to ensuring satisfaction among parties to the Unity of the Realm with the cooperation.</p> <p>C. Strengthen partnerships and alliances, especially with the USA, central European partners and selected partners in the south as well as through an actively innovative and agenda-setting involvement in resolving global issues, including in multilateral organisations.</p> <p>D. Work to strengthen the global efforts to combat climate change.</p>
<p>4. Active involvement in conflict resolution, stabilisation, rehabilitation, humanitarian and reconstruction efforts in crisis-hit areas.</p>	<p>A. Ensure continued active Danish participation in conflict prevention, conflict management and reconstruction efforts, with particular geographical focus on Africa and the Middle East, and at the same time ensure coherence between security and development as well as between civilian and military operations.</p> <p>B. Contribute to ensuring the Afghan government's control over all parts of Afghanistan, and to ensuring that the political process leads to a democratic development which includes all population groups, and to ensuring targeted Danish reconstruction efforts.</p> <p>C. Contribute to ensuring that Iraqi forces assume responsibility for the country's security as quickly as possible; that the political process leads to a democratic Iraq, which includes all population groups; and that the Danish reconstruction efforts are consolidated and finalised.</p>

Strategic Priorities 2007-2009

Overarching Goals 2007

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>5. Strengthened international rule of law as well as promotion of open, democratic, law-governed societies based on respect for human rights, good governance and stable political and economic development.</p> | <p>A. Promote democracy and human rights, for example through ensuring the establishment of an effective Human Rights Council, and promote strengthened dialogue and development cooperation with the Arab world – e.g. through the Wider Middle East Initiative -and the EU's eastern neighbours.</p> <p>B. Strengthen focus on, and collecting knowledge about political Islam and building a preparedness to respond to its growth.</p> <p>C. Contribute to creating effective, transparent and responsible public administration as well as fostering anti-corruption in Danish programme countries.</p> |
| <p>6. Targeted poverty reduction and achievement of the other Millennium Development Goals, with special focus on Africa, through the delivery of effective and focused development assistance within the framework of o.8% of GNI.</p> | <p>A. Focus and improve the effectiveness of the development assistance by, for example, engaging in specific initiatives with other donors regarding increased division of labour.</p> <p>B. Focus on Africa by maintaining and supporting the continent's responsibility of ownership for its own development.</p> <p>C. IKKE OVERSAT.</p> |
| <p>7. Attainment of the best possible international framework conditions, inter alia through the pursuance of a proactive trade policy.</p> | <p>A. Promote global and regional free trade, inter alia through securing a positive outcome of the Doha Round, through securing supplementary regional and bilateral trade agreements, and through offering better market access conditions and transition arrangements for the poorest developing countries.</p> <p>B. Serve Danish companies in the best possible way by eliminating specific trade barriers, providing targeted political business consultancy for Danish companies, and maintaining an effective commercial crisis standby capacity..</p> |
| <p>8. Active utilization of globalisation's opportunities by increasing the internationalisation of the Danish business community, in particular small and medium-sized enterprises, by strengthening commercial innovation, and by increasing the attraction of foreign investments to Denmark.</p> | <p>A. Contribute to increasing the exports and competitiveness of Danish companies, particularly in high-growth economies, for example in Asia, and to implement innovation projects.</p> <p>B. Advise small and medium-sized enterprises (SMEs) on specific internationalisation activities, especially long-term projects, and assisting SMEs in preparing themselves for export activities.</p> <p>C. Assist in attracting investments to Denmark, especially within selected knowledge-intensive sectors.</p> <p>D. Increase efforts to cooperate concerning environmental and energy-related technology, for example through the business instruments offered within development cooperation..</p> |
| <p>9. Effective support to Danes in distress abroad; a strengthened crisis response capability for assisting Danes abroad in the wake of major natural disasters, terrorist attacks, accidents, political and military crises, etc.; strengthened European and Nordic cooperation regarding such assistance; and strengthened EU- and Nordic visa cooperation which meets the challenges of globalisation.</p> | <p>A. Provide appropriate assistance, depending on the conditions at the location (illness, accidents, imprisonments, abductions, etc.).</p> <p>B. Strengthen the crisis response capability of the Missions, inter alia through a central formulation and launch of a training exercise concept.</p> <p>C. Establish the Visa Information System (VIS) in accordance with the EU's plans and priorities.</p> |
| <p>10. Strengthened communication efforts, at national and international level. This includes using public diplomacy to promote knowledge abroad about Denmark and about Denmark's competences, culture and key priorities.</p> | <p>A. Draw up and implement the first annual activity plan for the unit's communication and public diplomacy activities</p> <p>B. Implement the recommendations from the Government's plan to promote Denmark proactively on a global scale.</p> |

11. The MFA as a steadily more open, transparent, efficient and competence-building organisation as well as a good workplace that shows consideration for the work-family balance.

- A.** Ensure effective follow-up on the MFA's globalisation analysis with broad inclusion both at home and abroad, and in this regard promote targeted development and utilisation of staff competences to tackle globalisation's special challenges and opportunities.
 - B.** Ensure alignment with the MFA's multi-year budget agreements, which includes identifying areas that can be assigned lower priority.
 - C.** Maintain high operational stability and security, with an effective widespread adoption and use of new IT systems that support digital and mobile working methods globally.
 - D.** Adapt the security of the Missions.
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ANNEX 4 LIST OF ANNUAL REPORTS, ETC WITHIN THE MFA SPHERE AND FOR RELATED INSTITUTIONS

(incl. expected date of publication if not already published)

Beretning til Folketinget om udviklingen i EU i 2006
(Report to the Folketing (Danish Parliament)
on developments in the EU in 2006)
(www.um.dk – early May 2007).

**Skriftlig redegørelse til Folketinget om Europarådets
virksomhed og Danmarks deltagelse heri (...)**
(Report to the Folketing on the activities of the Council
of Europe and Denmark's participation)
(www.um.dk – May 2007).

**Danmark Globalt – Danmarks Eksportråd 2005/2006 –
årsberetning**
(Denmark Globally - Trade Council of Denmark
2005/2006 – Annual Report)
([www.um.dk/da/menu/Eksportraadgivning/
OmDanmarksEksportraad/BestyrelseOgUdvalg/Aarsberetning/
?WBCMODE=PresentationUnpublishedI](http://www.um.dk/da/menu/Eksportraadgivning/OmDanmarksEksportraad/BestyrelseOgUdvalg/Aarsberetning/?WBCMODE=PresentationUnpublishedI)).

**Halvårlig orientering til Folketingets Europaudvalg
om WTO, 1. halvår 2006**
(Half-Yearly Report on the WTO to the Folketing's
European Affairs Committee)
([www.um.dk/da/menu/Udenrigspolitik/Handelspolitik/?wbc_
purpose=Basic&WBCMODE=Pre](http://www.um.dk/da/menu/Udenrigspolitik/Handelspolitik/?wbc_purpose=Basic&WBCMODE=Pre)).

Årsberetning for Investeringsfonden for Østlande 2006
(The Investment Fund for Central and Eastern Europe –
Annual Report 2006)
(www.ioe.dk – April 2007).

Danidas årsberetning 2006
(Danida Annual Report 2006)
(www.um.dk/danida/danidaberetning – June 2007).

**Årsrapport for Center for Kultursamarbejde med
Udviklingslandene 2006**
(The Centre for Cultural Cooperation with Developing
Countries 2006)
(www.cku.dk – July 2007).

**DBL – Institute for Health Research and Development –
Annual Report 2006**
(www.dblnet.dk – May 2007).

Årsberetning for Danida Fellowship Center 2006
(The Danish Fellowship Centre – Annual Report 2006)
(www.dfcentre.com – May/June 2007).

**Årsberetning for Industrialiseringsfonden for
Udviklingslandene 2006**
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In 2006, the MFA was challenged to the limits. In the first few months of the year, the Cartoon Crisis developed into one of the greatest challenges since the Second World War, and the MFA's staff demonstrated that they were capable of handling professionally the many complex issues that arose from hour to hour. In particular, the ability to deliver results and collaborate across the integrated service were the key factors underpinning the successful response.

This ability to adapt as an organisation was once again put to the test when the Lebanon Crisis broke out in the middle of the summer holiday period, and it became evident that we would need to carry out one of the largest ever evacuations of Danish citizens. The MFA's crisis response capability, comprising, among other things, an emergency response team and an emergency back-up team of volunteer staff, handled the coordination in Copenhagen and Lebanon. They organised the practical aspects of the evacuation and managed the situation extremely efficiently during the hectic days in July.

Both the Cartoon Crisis and the Lebanon Crisis dramatically illustrated the challenges that the Danish Foreign Service will need to be ready to deal with in a globalised world. Seen in this light, the decision to conduct an analysis of how globalisation is changing the international framework conditions for the Danish Foreign Service therefore comes into an importance all of its own. The analysis was carried out by a temporary project task-force with the close involvement of all MFA staff, resulting in a report entitled "Den grænseløse verden – Udenrigsministeriet og globalisering"* , which was adopted by the Government and published in October 2006.

The Globalisation Analysis presents a number of specific recommendations for how the MFA can adapt its operations so as to exploit the new challenges and opportunities. Whilst the basis for effectively safeguarding and promoting Danish interests is solid, the analysis shows that the MFA must hone its instruments and competencies. It will be necessary to gradually reprioritise resources from Europe to Asia, with the opening of several new Embassies in globalisation hot spots. The cooperation with partners in Denmark and other countries must also be strengthened, and especially the close cooperation with other Ministries must be further developed. Strengthened language and cultural competencies as well as a more coherent staff and family policy are also items on the agenda.

In connection with the Finance Act negotiations, the MFA was allocated extra funds designated to implementing some of the recommendations of the Globalisation Analysis. The other recommendations will need to be implemented by means of internal streamlining and reprioritisations. This will take place in parallel with the ongoing adjustment of the MFA's operating appropriations in line with other ministerial areas. This requires stronger focus on the use of resources. Partly with this in mind, the MFA in 2006 focused on optimising use of the target and performance management system, which was introduced throughout the organisation in 2005. This focus applies also to the use of time-logging.

* This report is available in Danish only. However, an executive summary of the report is available in English, entitled "Diplomacy in a Boundless World – Ministry of Foreign Affairs of Denmark. Executive Summary".



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