

MINISTRY OF FOREIGN AFFAIRS OF DENMARK



# ANNUAL REPORT 2008



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The Danish Foreign Service also came under focus in 2008. Whilst the framework of Danish foreign and development policy is constantly changing, the active Danish foreign policy continues to be pursued, with the aim of promoting peace, freedom and democracy based on our fundamental values. Consequently, we endeavoured also to make a positive Danish contribution to the resolution of several of the world's conflicts.

Conflicts in Africa and the Middle East as well as the war in Georgia, where we again witnessed military conflict in Europe, and Kosovo's independence emphasised the need for a strengthened EU with efficient decision-making procedures, which is the aim of the Lisbon Treaty. Although the Irish 'No' vote delayed this process, it nevertheless proved possible to reach agreement in the EU on a plan for the Irish ratification without the need for a renegotiation or renewed ratification in the other Member States. And partly on the basis of DIIS' reports, a debate was initiated on the Danish EU opt-outs.

The negative aspects of globalisation struck Denmark, where we experienced a terrorist attack on the Danish Embassy in Islamabad, in which two of the Embassy's staff were killed. Shortly afterwards, we lost a security adviser during the terrorist attack on the Hotel Marriott in Islamabad. In Afghanistan, where civilian advisers work alongside Danish troops, 12 Danish soldiers were killed in 2008.

With the presentation of a new strategy for the overall Danish efforts in Afghanistan, the Government specifically desired to strengthen the efforts by further integrating the political, military and developmental activities in such a way as to support the progress being made in the country in the best possible way. The broad backing in the Folketing (Danish Parliament) for the efforts has won international recognition. The same can be said of our active efforts to combat piracy.

Effective and high-quality development assistance constitutes a key element in the efforts to promote Danish values and interests. In 2008, Denmark continued to put words into action in the fight to achieve the UN Millennium Development Goals. The Government increased the already high level of development assistance and maintained the efforts to promote increased effectiveness of international development aid. With the campaign, "MDG3 Global Call to Action", Denmark won great accolade for its efforts to promote women's rights and opportunities. There was also great international awareness of the Africa Commission's work, which is chaired by the Prime Minister and which develops new, community-centred approaches to developing the continent.

In 2008, climate and energy-related issues were also an integral part of the foreign policy dialogue with the world's countries, in the development policy activities and in the Ministry of Foreign Affairs' public diplomacy efforts. Climate change represents one of the greatest challenges of this age to both global prosperity and security. In 2009, Copenhagen will host the UN Climate Change Conference (COP15), and President Barack Obama's initial statements provide further basis for being optimistic about a positive outcome.

The international financial crisis and the effects on the economy characterised the last part of 2008. The Trade Council of Denmark, however, was able to enhance its presence in new growth markets and target its advice and consultancy support. According to TCD customers, at least DKK 3.6 billion of their new turnover could be directly attributed to assistance provided by TCD. Similarly, the Ministry of Foreign Affairs provided assistance to a large number of Danish citizens abroad in 2008. In particular, the earthquake in China, the disturbances in Kenya, and the autumn demonstrations in Bangkok kept us extra busy.

2008 was thus also a year where we and the Danish Foreign Service undertook many important tasks for Denmark, of which only a few are mentioned in this foreword.

# DENMARK'S MISSIONS

## March 2009

### ■ EMBASSIES (78)

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

### ■ MULTILATERAL MISSIONS (7)

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

### ■ MISSION OFFICES (5)

Khartoum Phnom Penh  
Niamey Ramallah

### ■ CONSULATES GENERAL (8)

Flensburg Hongkong  
Guangzhou Milan  
Hamburg New York  
São Paulo  
Shanghai

### ■ TRADE COMMISSIONS WITH CONSULAR SERVICES DEPARTMENTS (8)

Chicago Munich Taipei  
Dubai Saint Petersburg Toronto  
Istanbul Sydney

### ■ OTHER TRADE COMMISSIONS (11)

Almaty Barcelona Los Angeles  
Atlanta Bratislava\* Zagreb\*  
Auckland Chongqing Yekaterinburg  
Bangalore Ljubljana\*

### ○ INNOVATION CENTRES (3)

Munich\* Silicon Valley  
Shanghai

\*) Located at the Embassy

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Herewith is presented the Annual Report of the Ministry of Foreign Affairs of Denmark (MFA) for 2008.

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. It should be noted, however, that the Danish Centre for International Studies and Human Rights (DCISM) publishes a separate annual report.

In regard to the MFA's Annual Report, we have, however, established a practice whereby we report 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 2008 – and in order to document the governance that has laid the foundation for their achievement.

The Annual Report has been prepared in accordance with the *Guidelines for Writing Annual Reports (Vejledning om udarbejdelse af årsrapport)*, published by the Agency for Governmental Management (Økonomistyrelsen). It is divided into four sections: a report, performance reporting, financial reporting and an annex section. Further information about the MFA's activities can be found on the MFA's website at [www.um.dk](http://www.um.dk).

The Annual Report solely reports on the strategic goals 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, etc. 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 6.9 contains a list of annual reports, etc. published within the MFA's sphere and for related institutions.

Questions concerning the MFA's Annual Report can be addressed to the MFA's Finance Department at [OKO@um.dk](mailto:OKO@um.dk)

## 2. REPORT

The Annual Report is submitted for three main accounts:

- Section 06.11.01. The Danish Foreign Service
- Section 06.11.04. The Government's Joint Expenditure Related to the UN Climate Change Conference (COP15)
- Section 06.11.05. Income from Consular Services

### 2.1. Presentation of the Ministry of Foreign Affairs of Denmark

#### 2.1.1. 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).<sup>1</sup>

The MFA is an integrated service, whereby all international tasks are gathered in one single integrated structure. This means a single-stringed approach is adopted in regard to the safeguarding and promotion of Denmark's international interests, whether it be in the realm of foreign and security policy, EU policy, development policy, trade policy, support given to promoting the internationalisation of Danish companies, assistance to Danes in distress abroad or public diplomacy. The organisational structure makes it possible to deliver solid responses to international and global challenges

across operational areas, without organisational or administrative obstacles.

In the globalised world, other ministerial areas are gaining increasing importance as independent international operators within their own operational fields. By virtue of the MFA's integrated approach, close collaboration with the other government Ministries and physical presence abroad, it is possible to promote 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 world.<sup>2</sup>

The MFA has a key role to play in relation to the new challenges posed by globalisation. This role is described in the Government's Globalisation Strategy – "Progress, Innovation and Cohesion" (April 2006) and the MFA's Globalisation Analysis (October 2006). Since 2006, the MFA has taken further steps to ensure that Denmark is well represented in the hot spots of globalisation.

As part of the Government's Globalisation Strategy, the MFA launched a large-scale analysis designed to present comprehensive proposals regarding areas in which the MFA needs to adapt. The result was the MFA's Globalisation Analysis, "Den grænseløse verden – Udenrigsministeriet og globalisering"<sup>3</sup> (October 2006). Since its publication, a number of initiatives have been implemented to follow up on the recommendations set out in the analysis, including the establishment of a 24/7 Operations Centre within the consular services sphere, the establishment of new Embassies in a number of globalisation hot spots as well as the enhancement of public diplomacy. In spring 2008, an internal working group was set up to think further along the lines of the Globalisation Analysis and formulate specific contributions regarding ways in which the MFA's work could continue to be adapted to meet the challenges and opportunities posed by globalisation. The working group subsequently prepared a total of six discussion papers on, among other things, the challenges of globalisation, organisational culture, public diplomacy, difficult postings, human

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

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 representatives attached to the Danish Embassy in London and Reykjavik.*

3) *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".*

resources and the structure of the MFA. As a follow-up on the working group's recommendations, it has been decided to reorganise the structure of the home service, in which the present division into North and South is to be abolished and replaced by a centre structure. Further changes include, for example, a new orientation of the MFA's approach to staff development. The organisational changes are expected to be implemented during 2009.

In December 2009, Denmark is to act as host to the UN Climate Change Conference (COP15). The objective of COP15 is to conclude a mutually binding global climate agreement on the reduction of greenhouse gas emissions comprising as many countries as possible. In connection with hosting the conference, the MFA plays a central role. The MFA is required, among other things, to undertake tasks and responsibilities relating to both communication as well as the logistics of running the conference, which 12,000-15,000 official delegates are expected to attend, including government ministers, officials, NGOs and media representatives. The MFA will also undertake tasks in relation to the negotiation track as well as business-related tasks.

The attack on the Danish Embassy in Islamabad on 2 June 2008 showed that Denmark, and particularly the Danish Missions abroad, found themselves in a new and serious security situation. The Embassies have become declared targets for terrorist attack, and there have been a number of examples of specific threats that have been averted. There is now a need to enhance the security of the Danish Missions abroad. In August 2008, the Government set up an inter-ministerial working group, which has carried out a security assessment of the Danish Missions. The implementation of the working group's recommendations has begun (March 2009).

### 2.1.2. Organisation

The MFA comprises the Ministry in Copenhagen and Embassies, Consulates General and Trade Commissions abroad, as well as Missions at the most important international organisations. Added to this are a large number of Honorary Consulates.

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 pro-

moting coordination, efficiency and synergy in the day-to-day work.

The global location of Missions is the hallmark of the MFA and provides the basis for enabling the MFA to safeguard and promote Denmark's international interests. With in-depth knowledge of local conditions and the right networks, the Missions contribute to ensuring the quality and validity of the flow of information that serves as the basis for shaping Danish policy and a number of other policy aspects in Denmark. The visibility and networks of the Missions also provide an opportunity to influence the opinions and internal decision-making processes among the local authorities and decision-makers when political decisions of relevance to Danish interests are to be made.

In recent years, the communication between the Missions and the MFA in Copenhagen has undergone technological innovation, in which use of the internet and video-conferencing has become the daily norm. This both strengthens and confirms the relevance of the integrated service.

The principle regarding an integrated service is applied in the relationship to the international activities of other Ministries, whereby Danish Missions constitute a platform abroad for the Government and the Central Administration. This can be seen, for example, in the staff composition of the Missions, where around 22 per cent of the posted junior diplomats are special attachés from other Ministries.<sup>4</sup>

The number, size and location of the Danish Missions are reviewed and prioritised on an ongoing basis according to Denmark's foreign policy interests and priorities. More information about the Missions can be found on the MFA website at [www.um.dk](http://www.um.dk).<sup>5</sup>

In Copenhagen, the MFA is organised into the North Group, the South Group, the Trade Council of Denmark, Consular Services, Public Diplomacy and the Administration and Services Secretariat.

This organisational structure will be replaced by a centre structure during 2009 (cf. above). More information about the MFA's organisational set-up in Copenhagen can be found on the MFA website.<sup>6</sup>

4) *As of 18 March 2009*

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

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



## 2.2 The operational results in 2008

According to the “*Guidelines for Writing Annual Reports*” (*Vejledning om udarbejdelse af årsrapport*), 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 announcement of the MFA’s Action Plan. The strategic priorities for 2008 and their operationalisation into goals were announced to MFA staff in summer 2007. The goals are designed to ensure the delivery of real effects, products and services of benefit to the Government, other public authorities, citizens and enterprises in Denmark. The goals are specified in concrete detail in one-year performance contracts between the MFA’s Senior Management and all Heads of Unit at home and abroad.

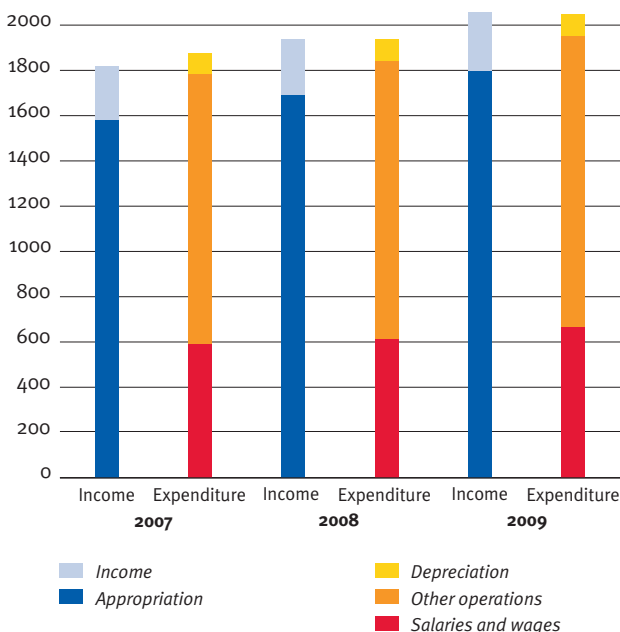
Chapter 3 of the Annual Report reports on the aggregate level of achievement regarding all goals set out in the announcement for 2008.

## 2.3. The financial results in 2008

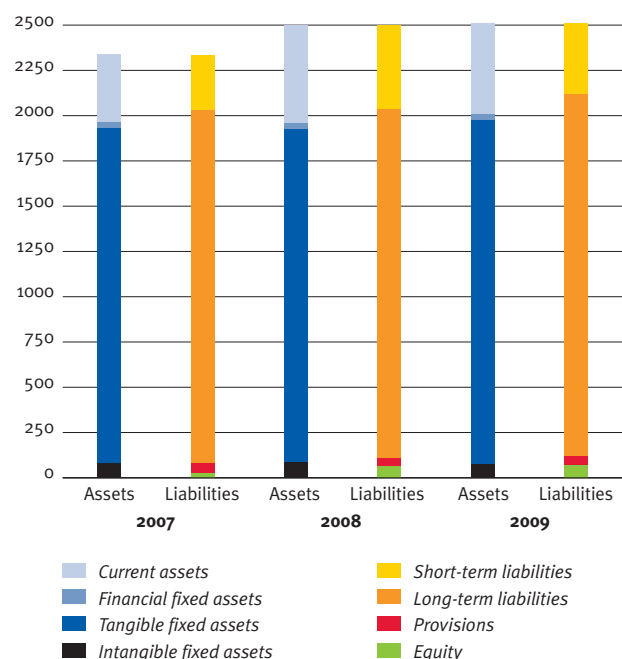
The MFA’s operating result in 2008 shows a planned expenditure decrease of DKK 30.5 million after an adjusted provision concerning reserved appropriations totalling DKK 107.5 million in 2009 and after equalisation of a negative carry-forward surplus of DKK 8.1 million from 2007. A substantial part of the provision concerns reserved appropriations for the UN Climate Change Conference 2009 (COP15) and are therefore attributable to Section 06.11.04 The Government’s Joint Expenditure Related to the UN Climate Change Conference (COP15).

The net expenditure effect of the adjustment of the above-mentioned provision amounts to DKK 76.9 million, as the first provision of DKK 30.6 million concerning reserved appropriations for 2008 has at the same time been booked as income. The MFA’s total payroll expenditure in 2008 amounted to DKK 620.6 million, which is DKK 3.7 million

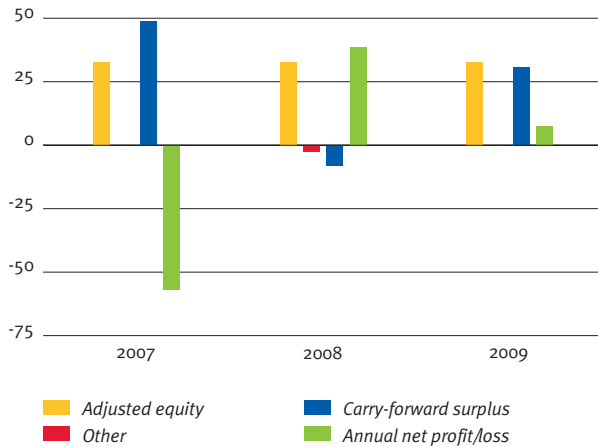
**FIGURE 1**  
Income and expenditure 2007-09  
(DKK millions)



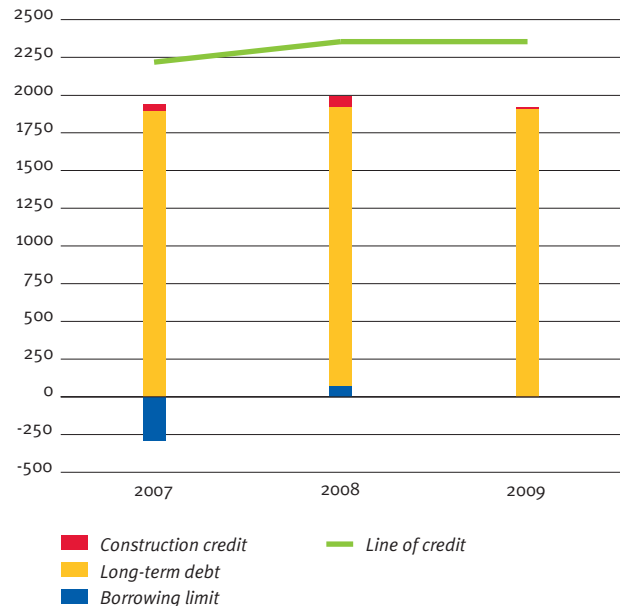
**FIGURE 2**  
The MFA’s balance sheet 2007-09  
(DKK millions)



**FIGURE 3**  
The MFA's year-end equity 2007-09  
(DKK millions)



**FIGURE 4**  
The MFA's borrowing limit and SKB-debt 2007-09  
(DKK millions)



less than the MFA's payroll ceiling on the Finance Act for 2008. In 2008, the MFA, in the same as other Ministries, was subject to the compulsory saving scheme.

The MFA's income and expenditure for the period 2007-09 are illustrated in Figure 1.

The MFA's balance sheet for 2008 is illustrated in Figure 2. It shows, among other things, that the expenditure decrease in 2008 was a contributing factor to the increase in equity. In addition, an increase can be seen in the short-term liabilities, which can partly be attributed to deferred income. In general, however, there are relatively few large deferrals in the individual balance sheet items from 2007 to 2008.

As a result of the expenditure decrease in 2008, the MFA's carry-forward surplus at the beginning of 2009 amounted to DKK 30.5 million, corresponding to approx. 1.5 per cent of the MFA's gross expenditure appropriation in 2009. The MFA's equity is illustrated in Figure 3.

Developments in relation to the MFA's borrowing limit and SKB-debt (debt to the National Concern Payment System) are illustrated in Figure 4. The figures show that the utilisation ratio of the borrowing limit at the end of the year was 84.6 per cent.

The borrowing limit was not exceeded during 2008.

## 2.4. Administered expenditure and income

An overall picture of the grant schemes and statutory appropriations under the MFA's operating appropriations is presented below in Table 1.

**Table 1. Grant schemes and statutory appropriations in 2008 (DKK millions)**

Account	Type of appropriation	Carry-forward balance	Appropriation	Total appropriations	Accounts	Result	Carry-forward balance
§ 06.11.15	Non-statutory grants for international purposes and institutions	2.0	13.8	15.8	11.5	4.3	4.3
§ 06.11.19	Bilateral Neighbourhood Programme	15.3	186.8	202.1	202.8	-0.7	-0.7
§ 06.21.01	Nordic Council of Ministers	-	146.5	146.5	135.0	11.5	
§ 06.22.01	Peacekeeping operations under the UN	-	70.4	70.4	85.0	-14.6	
§ 06.22.03	Other organisations	-	232.1	232.1	206.2	25.9	
§ 06.22.05	The European Investment Bank, expenditure	-	4.4	4.4	2.1	2.3	
§ 06.22.05	The European Investment Bank, income	-	4.4	4.4	0.0	4.4	
§ 06.41.02	Trade Commissioners (net) <sup>1</sup>	17.6	47.8	65.4	43.4	22.0	22.0
§ 06.41.03	Special export promotion grants	0.6	44.1	44.7	43.9	0.8	0.8

1) A special appropriation provision applies to the account, whereupon additional income can be used to increase the expenditure appropriation.

## 2.5. Financial key figures

See Annex 6.8

## 2.6. Expectations to the coming years

### 2.6.1 The budget framework and its significance for the coming years

The Foreign Service's base appropriations in 2009 are generally determined by a multi-year agreement (2006-2009) that the MFA concluded with the Ministry of Finance in connection with Finance Act 2006. In addition, the Foreign Service in 2008 and 2009 has been allocated earmarked appropriations for a number of purposes.

In relation to 2008, the budget framework for 2009 is particularly characterised by an increased number of tasks: first and foremost, the holding of the UN Climate Change Conference (COP15) in Copenhagen, as well as the follow-up on the recommendations of a cross-ministerial working group on tightened security at Danish Missions. Added to this is the increased level of Danish development assistance that has taken place in line with the Government's goal of gradually increasing development assistance over the years from 0.8 per cent of GNI. In addition, it should be noted that in 2009 funds have been prioritised for strengthening Danish contributions to modern international security, including efforts related to counter-terrorism and radicalisation, efforts against piracy as well as tribunals and criminal courts.

The financial crisis might have an adverse effect on the Foreign Service's activities and income derived from the sale of individual export promotion services, and this area of activity will therefore be more closely monitored in 2009.

### **2.6.2. The operational requirements and their effect on task performance and prioritisation**

In 2008, the Ministry of Foreign Affairs carried out a reform of the existing target and performance management system, with effect from 2009. With the reform, the number of goals has been reduced, which contributes to strengthening the strategic focus. With a point of departure in the Government Platform and the Globalisation Analysis, six strategic goals have been set out. These goals are realised by the Units in a limited number of self-formulated tasks and performance objectives as well as success criteria and reflect the contribution of the Units to the MFA's overall fulfilment of the Government Platform. Within the fields of investment and export promotion as well as consular services, a number of centrally announced goals have been laid down.

#### **Strategic Goal 1: A competitive visible and active Denmark in a globalised world**

Denmark faces several important challenges in the coming period. In 2009, effort will be made to ensure the completion of the multilateral negotiations concerning WTO/DDA (Doha Development Round), not least in the light of the economic crisis. In addition, the dismantling of trade barriers will remain a focus area for the MFA, including activities relating to the monitoring of bilateral and regional free trade agreements and the dissemination of their content.

In the export promotion field in 2009, effort will be focused on providing consultancy support about the consequences of the financial crisis, including assisting enterprises in finding new market opportunities. In specific terms, focus in 2009 will be placed on exploiting the special market opportunities that will be created within the environmental, energy and climate sphere in conjunction with Denmark's hosting of the UN Climate Change Conference in December 2009. Similarly, the public diplomacy efforts will especially focus on utilising the attention surrounding the climate change conference to promote the climate agenda as well as Danish strongholds and cutting-edge expertise in the field.

Consultancy support to small and medium-sized enterprises will remain a cross-cutting priority area. Similarly, work will continue to be carried out at the Innovation Centres to enhance the access of Danish enterprises and research institutions to new knowledge, technology, networks and capital. In the investment promotion field, the outreaching efforts in relation to knowledge-intensive foreign potential investors and the after-care activities that focus on maintaining existing investments in Denmark will be strengthened.

The good cooperative relations on foreign policy issues with the Faroese Homeland Rule Government and the Greenland Homeland Rule Government will continued to be assigned high priority. Denmark's presidency of the Arctic Council must be undertaken in close dialogue with these two governments and will be an important task.

The regional strategies for Asia, Latin America and Africa, as well as an expected analysis document for the Middle East and North Africa will form the point of departure for a continued broad foreign policy work and require a major, targeted effort by the MFA as a whole and the Missions in these regions in particular.

#### **Strategic Goal 2: International security and stability**

A close transatlantic partnership is the key element of effective international cooperation on security and stability. In 2009, it will be an important task for the MFA to develop the cooperation with the new American Administration, both bilaterally and through a constructive European involvement.

Denmark must continue to make an active contribution to strengthening the cooperation in NATO and in the EU common foreign and security policy, including in relation to crisis management tasks. In the UN, Denmark will push for reforms that can enhance the global framework for promoting peace and security.

Denmark's active involvement in conflict-affected areas and in fragile states will be a core element of the MFA's work in the coming year. Focus will be on integrated efforts. The objective is that enhanced and integrated political, military and civilian efforts in Afghanistan improve the security situation and the reconstruction process, and in so doing con-

tribute to regional and global security. Coordinated efforts will be prioritised in order to promote stability and development in Africa, including in Sudan, Somalia and Zimbabwe. There will also be focus on building up the capacity in regional organisations to tackle and resolve own conflicts. Particular attention will be focused on the conflict regions in the Middle East, particularly in Iraq, Lebanon and the Palestinian Self-Governing Areas, where Denmark has, among other things, a substantial development-related involvement. The Wider Middle East Initiative – Partnership for Progress and Reform – aims to promote Danish network building in the Arab world by, for example, supporting dialogue activities and reform processes. In general, the MFA will employ a multi-stringed approach to strengthening Denmark's position in the Muslim world. The efforts in Nepal involving flexible use of different instruments for promoting peace and development will remain a priority.

The regions of origin will also be in focus. The continued stabilisation of the Western Balkans is an important goal. In Kosovo, a successful effort by the EU and NATO has created peace and stability, but there continues to be a need for an active engagement in order to consolidate the positive results achieved. Another important challenge will be the EU's and Denmark's relations with Russia and the common neighbours to the east. Denmark's presidency of the Baltic Sea Council in 2009 will serve as a good platform for enhancing the Danish profile in the region.

The fight against the threat posed by international terrorism will continue to be a key task that requires the use of a wide range of MFA instruments and close cooperation with other authorities. In 2009, there will be a need for a special focus on the new security situation in which Denmark and our Missions find themselves. This will be accompanied by intensified efforts to combat piracy.

In the field of disarmament and non-proliferation, Denmark will endeavour to play an active role, among other things as a member of the IAEA Board of Governors. Denmark will continue to pursue the results/consensus-oriented approach in relation to the concrete proliferation risks, including North Korea and Iran.

### Strategic Goal 3: Denmark at the heart of Europe

A number of important events in 2009 will play a major role in determining the MFA's efforts and activities to maintain Denmark at the heart of EU cooperation. A clarification of the EU treatment framework in the wake of the Irish 'No' vote will be a crucial challenge. In December 2008, the EU Heads of State and Government declared themselves ready to utilise the provision within the Lisbon Treaty to maintain the principle of one commissioner per Member State as well as accommodate Irish concerns through drawing up the necessary legal guarantees. The MFA will assign high priority to the work on following up on the declaration. Furthermore, the elections to the European Parliament in June 2009 and the appointment of a new Commission and Commission President during 2009 constitute important framework conditions for the work on safeguarding and promoting Danish interests in the EU and will be given high priority. Added to this will be the increased involvement of the Folketing (Danish Parliament) in the work of the European Court of Justice.

In 2009, the MFA will continue to devote focus to safeguarding and promoting Danish interests in the EU in a comprehensive and effective manner. These efforts will take their point of departure in the EU policy agreement reached in February 2008 and focus on achieving solid results benefiting citizens and enterprises. The management of the economic and financial crisis will be placed high on the EU agenda and have great importance for the continuation of the Lisbon Strategy for Jobs and Growth. Defending the fundamental principles in the EU's core policies will pose a special challenge. Denmark will engage in efforts to convince its European partners that the present economic downturn should be a springboard for pursuing a forward-looking European agenda.

The climate and energy agenda will continue to characterise the efforts in the EU domain in 2009. The MFA will focus particular attention on ensuring a strong EU contribution to COP15. The broader energy policy agenda, including energy security and efficiency, will be prioritised. The MFA will also focus on developments within the EU's justice and internal affairs as well as the EU's globalisation agenda, with focus on, for example, research and development, consumer protection and the creation of more and better jobs. Lastly, the issue of enlargement will continue to be an important priority for the MFA in 2009. This applies both to the accession negotiations with Croatia and Turkey and the process of rapprochement between the EU and the countries in the Western Balkans.

#### **Strategic Goal 4: A freer, fairer, more economically and environmentally sustainable world**

In 2009, the development policy will also focus attention on the efforts to achieve the UN Millennium Development Goals. The financial crisis will pose a special challenge to developing countries and will also have a major impact on the nature of the development work throughout 2009, including within the active policy pursued by Denmark in relation to the UN reform process and the World Bank Group. The development policy priorities will focus on gender equality, climate and environment, as well as development aid effectiveness, including documenting and disseminating the results of these activities and efforts. The public announcement of the Africa Commission's recommendations in May 2009 will provide a further indication of the focus on Africa and business development within development assistance. An updated version of the Strategy for Danish Humanitarian Action is expected in the first half of 2009.

In 2009, the efforts to strengthen the international rule of order will also be a key foreign policy priority, which will be partly pursued through an increased focus on the legal framework for the cooperation regarding the Arctic Ocean and the Arctic region in general. Within human rights, efforts will be made to establish an independent and effective system for monitoring compliance of governments with their human rights obligations which sees firm and consistent action taken in response to human rights violations and by actively promoting Danish key priorities.

A comprehensive Danish strategy for the work within the human rights field will be drawn up in 2009. The strategy will be supplemented by a strategy for the work on promoting democracy and human rights within the framework of the development policy. There will thus be a solid, strategic foundation in place for the work on safeguarding and promoting human rights.

In 2009, COP15 in Copenhagen in December will present a unique challenge. The Foreign Service's global network must be used at all levels and in different ways to contribute to ensuring that an ambitious global climate agreement is adopted. The MFA is particularly responsible for the areas of logistics, communication and business-oriented activities and participates actively in laying the strategy for the negotiations in collaboration with other Ministries.

#### **Strategic Goal 5: The citizens' Foreign Service**

In the efforts to deliver the best possible assistance to Danes who find themselves in distress abroad, especially in crisis situations, the cooperation between the Missions and the Global 24/7 Operations Centre in the MFA will be further developed in 2009. Attention will be also focused on further developing the emergency preparedness and response capability of the Missions. In this context, several of the Danish Missions will organise or participate in local crisis response exercises, including in the EU and/or Nordic domain. In 2009, the MFA's Contingency Planning Unit will also organise crisis response exercises at selected Embassies. Denmark will also engage in efforts to further develop the Nordic and EU crisis response cooperation at the Missions.

In 2009, several new initiatives will be launched within the consular services field that will have high priority both at home and abroad. Among other things, a biometric passport (photo and fingerprint) will be introduced. The rolling-out process has been postponed until 2010, but the preparations will begin in 2009. In the visa processing sphere, the rolling-out of the second phase of the Visa Information System will be initiated, which entails, among other things, requirements regarding the registration of fingerprints and photos at the Missions. In addition, there will be continued focus on improving the efficiency of visa processing procedures, including an investigation into the possibility of using visa outsourcing at several Missions in the light of the results of the pilot projects carried out in New Delhi and Moscow. Lastly, service targets will be introduced for visa processing procedures at selected Missions in order to accommodate external demands regarding processing times.

## Strategic Goal 6: A flexible and well managed global network for the entire Government

In 2009, the MFA will continue the work on following up on the recommendations of the Globalisation Analysis. Special effort will be made to tighten the focus of the extensive cooperation with the rest of the Central Administration apparatus and continue the efforts to achieve the MFA's goal of being the entire Government's Foreign Service. The strengthened dialogue, the reconciliation of mutual expectations and the cooperation with the other Ministries and public authorities regarding coordination, advisory support and assistance from the Missions must be continued.

An important challenge is to consolidate the measures that have been put in place to underpin a strong global network. This entails that the MFA must maintain itself as an attractive, globally oriented organisation. In this regard, the formulation and implementation of a comprehensive staff and family strategy is a crucial element. Emphasis should be placed on ensuring work-life balance and on improving the flexibility and global mobility of staff and their families. Considerable energy and effort will be devoted to developing a personnel policy for Heads of Unit, thus ensuring that the MFA at the management level, both in the MFA and at the Missions, is equipped to tackle the challenges of globalisation. Lastly, the work being carried to enhance the integration of the local staff will continue.

Using the MFA Competence Centre as the training provider, extra focus will be placed on developing the competences of MFA staff, both at home and abroad, including local staff. The point of departure is a new competence strategy for all staff which, among other things, entails that all staff groups in the future are to undergo proper basic education and training programmes. In addition, local and regional course activities will be launched in 2009 as a supplement to the course activities run in Copenhagen. The work being carried to create new, effective forms of cooperation in the entire Foreign Service that are well suited to tackling cross-cutting thematic or regional challenges will continue.

The security of the staff employed in the Foreign Service, including local staff, will be a key item on the agenda in 2009. The threat of terrorism very much dominates the picture, but the continued efforts to strengthen the security in the Foreign Service concern not just the most exposed

Missions in the hotspots of the world. The danger of civil unrest and criminality also form part of the overall risk assessment, the aim of which is to contribute to tailoring new security measures to our specific needs. In recognition of the changing and more complex threat picture, a joint approach to security will be adopted throughout the Foreign Service in the future, from *Asiatisk Plads* to the Embassies and Trade Commissions. The joint security strategy will comprise a wide range of different security measures, such as strengthening physical security, procuring armoured cars and secure communications equipment, but also providing better preparation, competence development and psychological support for staff and their families as well as local staff.

Within the financial administration sphere, the challenge is to manage the transfer of tasks and staff within the accounting and payroll administration to the new governmental Finance Service Centre (ØSC). At the same time, the opportunities to simplify and improve the efficiency of the performance of financial administration tasks in the service abroad will be pursued. In particular, the opportunities for establishing regional administrative centres, where simplifications, quality and strong expertise are the centre of focus, will be tested.

In the IT field, a well-coordinated further development of user-friendly technical systems to support work procedures throughout the MFA will be a special priority area. Similarly, attempt will be made to create solutions that support mobile work forms. Likewise, there will be a great focus on IT security, partly out of regard for the threat level and partly because the increased use of mobile work platforms makes the MFA's general IT environment more vulnerable. The enhancement of video-conferencing and "live communication" facilities will also receive priority. The work will be carried out within the framework of the MFA's IT strategy from 2008.

The efforts to promote the appointment of Danes in international organisations was continually strengthened in 2007-2008. These efforts will continue in 2009, with emphasis on promoting the appointment of Danes to positions in a number of international organisations, including the EU and the UN.

Lastly, the implementation of the MFA's new centre structure will be a major and challenging task in 2009.

## 3. PERFORMANCE REPORTING

### 3.1. Functions and resources

This section follows up on the functions of the Ministry of Foreign Affairs. The purpose of the section is to describe the total production of the MFA and compare it with the consumption of resources. The first part of the section presents the resource consumption for each of the MFA's individual functions. In the second part, a report is given of all reserved appropriations.

#### 3.1.1. Functions and resources: a schematic overview

The table below shows the resource consumption for the entire MFA distributed between all the functions of the Ministry. The distribution of functions has been done in accordance with Table 5 of the Finance Act, *Functions and Performance*. The information covers all the operations/maintenance of the MFA, excluding commercial activities.

One or more overarching strategic priorities is attached to each of the functions, cf. the MFA's Performance Reporting, section 3.2.1 for descriptions of the individual priorities. Each priority may concern a number of different functions. For example, priority 5, "Active involvement in conflict resolution, stabilisation, rehabilitation, humanitarian and reconstruction efforts in crisis-hit areas" involves initiatives within general foreign policy and development policy.

**Table 2 Outline of the MFA's economy under Section 06.11.01, Section 06.11.04 and Section 06.11.05 (DKK million)**

Function	Overarching Strategic Priorities	Appropriations			Proportion of year profit	Distribution per cent
		booked as income	Additional income	Expenditure		
General foreign policy	1, 2, 3, 5, 6, 11, 12	526.1	115.3	634.8	6.6	6%
Administration of development policy	3, 4, 5, 6, 7	720.3	-	714.7	5.6	5%
Export and investment promotion etc.	3, 4, 8, 9	296.9	77.8	359.8	15.0	13%
Consular services	10	199.0	-	175.9	23.1	20%
MFA Competence Centre	12	14.9	-	24.7	-9.8	-8%
Government's joint expenditure related to the UN Climate Change Conference (COP15)	4, 11	84.4	-	12.7	71.7	61%
Fee-financed activities, Consular service fees		-55.0	60.0	-	5.0	4%
<b>Total</b>		<b>1,786.6</b>	<b>253.1</b>	<b>1,922.7</b>	<b>117.1</b>	<b>100</b>

#### 3.1.2. Report on reserved appropriations

In connection with the completion of the accounts for 2008, the MFA reserved a number of appropriations for specific purposes in the years ahead. These are specified in more detail in Table 3 below.



**Table 3** Reserved appropriations for specific purposes under Section 06.11.01 and Section 06.11.04 (DKK million)

Purpose	Reserved Year	Reserved Appropriation/ Opening Balance	Year Expenditure	Reserve Closing Balance	Expected Expiry
Extraordinary maintenance	2008	0.8	0.8	0.0	2008
Enhanced promotion of DK	2008	10.7	10.7	0.0	2008
Visa Information System – VIS (special appropriation)	2008	2.7	2.7	0.0	2008
Establishment of emergency preparedness and response capability	2008	1.0	1.0	0.0	2008
Language and cultural competences	2008	1.1	1.1	0.0	2008
Strengthened Embassies' network	2008	12.1	12.1	0.0	2008
Anti-terrorism security	2008	2.2	2.2	0.0	2008
<b>Total reserves, as of 01.01.2008</b>		<b>30,6</b>	<b>30,6</b>	<b>0,0</b>	
Enhanced promotion of DK	2009	22.8	9.5	13.4	2009
Embassy security	2009	18.0	8.3	9.7	2009
COP15	2009	84.4	12.7	84.4	2009
<b>Total reserves and special appropriations, 2008-2009</b>		<b>125.2</b>	<b>30.5</b>	<b>107.5</b>	

Note: Rounding off procedures can cause discrepancies between the individual figures and the totals.

### Remarks to the individual reserves

- For the period 2008-2011, as an extension to the previously allocated extraordinary framework for 2005-2007, DKK 26 million per annum was set aside for investment and maintenance expenditures for a special programme to increase the security of the Foreign Service's Missions against acts of terrorism, massed forced entries and other forms of violent assault, cf. Finance Act 2008. The programme, which will receive increased funding in 2009, is being implemented on the basis of a professional evaluation of the security needs of the individual Missions. DKK 9.7 million of the funds for 2008 were made available but had not been used at the beginning of 2009.
- The MFA has been allocated funds in the period 2007-2010 for strengthening public diplomacy and promoting export and investment in connection with an agreement between the Government (the Liberal Party and the Conservative Party) and the Social Democratic Party, the Danish People's Party and the Social Liberal Party concerning the Action Plan for the Global Marketing of Denmark. See Document 126 of 24 May 2007 and Finance Act 2008 for a more detailed statement of the objectives concerning the allocations and appropriations for the individual years. Of a total appropriation of DKK 22.8 million in 2008, DKK 13.3 million had not been used at the beginning of 2009, of which DKK 7.8 million was non-used funds for export and investment promotion and DKK 5.5 million involved public diplomacy activities.
- The MFA was allocated DKK 65 million for Section 06.11.04 The Government's Joint Expenditure Related to the UN Climate Change Conference (COP15), operating appropriations, cf. Document 58 of 11 December 2008. An additional amount of DKK 19.4 million was allocated to the account for COP15 through the Supplementary Appropriations Act 2008, after which the total appropriation to the Government's joint expenditure for COP15 in 2008 amounted to DKK 84.4 million. For reasons of accounting procedures, DKK 12.7 million of this total was withheld for expenses. However, a reserve of DKK 84.4 million was recorded in the accounts under Section 06.11.04 in connection with the end of the financial year. This amount equals the total appropriation for the account in 2008, although the reserve should have reflected the decrease in expenditure of DKK 71.7 million. This will be adjusted for in connection with the appropriation settlement for 2009.

## 3.2. Goals and performance

With a point of departure in the Government Platform, the MFA laid down 11 overall strategic priorities in 2006 that apply for the period 2007-2009. The priorities constitute the strategic framework for the entire Foreign Service's activities, in which the three-year strategy period ensures a certain planning horizon. For 2008, the framework was supplemented by an extra priority concerning the global efforts to combat climate change.<sup>6</sup>

The MFA's performance reporting is conducted on the basis of the MFA's Action Plan from 2007. The strategy announcement seeks to ensure clear coherence between the Government's political priorities and the goals and objectives that are inserted into the MFA's performance contracts for the Missions abroad and the MFA Units in Copenhagen.

The MFA's performance management in 2008 encompasses both the MFA's outward functions, such as the delivery of services to the general public and to companies, and the MFA's departmental functions that involve servicing the Ministers, the Government and the Folketing (Danish Parliament). This method of reporting promotes balanced management across the MFA's main areas of activity.

The performance reporting for 2008 is formatted around the MFA's 12 strategic priorities, for which 35 overarching goals have been formulated. With a point of departure in these goals, the Units have formulated individual performance objectives and success criteria in those areas where they have been naturally able to contribute. After in-depth dialogue between the MFA and the respective Missions/Units, these objectives have then been incorporated into a performance contract. In this way, direct linkage is established between the Government's political priorities and the reality within which the particular Mission or Unit finds itself. Within the spheres of export and investment promotion, consular services and public diplomacy, centrally determined performance objectives have been established for how the individual Missions are to contribute to the overall level of goal attainment.

### 3.2.1. Goals and performance: a schematic overview

The table below provides a summary in schematic form of goal attainment within the 12 strategic priorities, while a more detailed presentation of goal attainment for each overarching goal is given in section 3.2.2

6) Priority 4 was added in 2008.

The aggregated level of goal attainment is measured on the basis of the particular Missions' and Units' full-year reporting, of which the relevant Units in the home service have conducted an overall assessment. Where the overarching goal has been realised, an 'A' is given; a 'B' is given for goals that have been partially achieved; while a 'C' is given for goals that have not been achieved. The same procedure has been used for the Missions' and Units' reporting on reaching their performance objectives.<sup>7</sup> The number of Missions and Units that have contributed towards achieving the performance objectives under the overarching goals varies because, as mentioned, individual performance contracts have been formulated for each Mission and Unit.<sup>8</sup> In Appendix 6.2, Table 10, the total report on goal attainment is shown for each of the overarching goals, including a specification of the number of Missions and Units that have contributed to the goal attainment.

In formulating the performance objectives for the individual Missions and Units, emphasis was placed on ensuring the possibility for measuring the level of goal attainment. The basis for the dialogue with the individual Units in this regard has been a recommendation that the performance objectives should be assessed quantitatively. However, in many cases this has not proved to be possible. A number of the overarching goals of the MFA will therefore typically be operationalised in more qualitative goals. For example, performance objectives under the overarching goal "Contribute to finding a solution in the process concerning the EU's treaty framework in accordance with Danish priorities in EU policy" could be better expressed – and thereby seen as more management relevant – if the established success crite-

- 7) *The level of goal attainment for the Missions and Units is consolidated according to the following model: An 'A' is given for an overarching goal when > 80% of the Missions' and Units' performance objectives have received a classification of 'A'. 'B' is given when > 80% of the performance objectives have been set as either 'A' or 'B'. A 'C' is given when ≤ 80% of the performance objectives have been classified as either 'A' or a 'B'. However, for priorities 8 and 9, the Trade Council of Denmark (TCD) has conducted a special assessment and analysis regarding the achievement of performance objectives for the purpose of establishing the attainment levels for the overarching goals.*
- 8) *Due to special circumstance in 2008, it must be noted that the following Missions have been exempted from contributing to the total report on goal attainment: Islamabad, Kabul, Algiers, St. Petersburg and Kuwait.*

ria were based on more qualitative parameters. In such cases, emphasis is placed on ensuring that the performance objectives that are established meet the criteria of measurability. Measurability means that goals which cannot be quantified, but which are otherwise management relevant, are included in performance contracts as long as it can be established how goal attainment is to be assessed.

Strategic Priority	Number of Overarching Goals	Goal Attainment A= Goal Attained B= Goal Partially Attained C= Goal not Attained
1. An active international effort to fight terrorism and curb the proliferation of weapons of mass destruction.	1	A
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.	2	A, A
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.	5	A, A, A, A, A
4. Work to strengthen global efforts to combat climate change.	3	A, B, A
5. Active involvement in conflict resolution, stabilisation, rehabilitation, humanitarian and reconstruction efforts in crisis-hit areas.	2	A, A
6. 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.	4	A, B, A, B
7. Targeted poverty reduction and achievement of the 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.	3	B, B, B
8. Attainment of the best possible international framework conditions, inter alia through the pursuance of a proactive trade policy.	2	A, A
9. 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.	3	A, A, A
10. 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.	4	A, B, A, A
11. Strengthened communication efforts, at national and international levels. This includes using public diplomacy to promote knowledge abroad about Denmark and about Denmark's competences, culture and key priorities.	2	A, A
12. 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.	4	B, A, A, B

As can be seen in the overview, the goals within all of the priorities were assessed as having been either attained or partially attained (A or B), with a significant majority of fully-attained goals. None of the overarching goals were assessed as having not been attained (C). The MFA's overall level of goal attainment for 2008 is, therefore, assessed as being satisfactory.

### 3.2.2. Goals and performance: in-depth analyses and assessments

The aggregated level of goal attainment for each overarching goal, based on the Units' and Missions' responses regarding achievement of performance objectives, is provided in the following section. This is followed by an overall assessment of and elaboration on goal attainment based on concrete analyses of the reported results performed by the relevant Units, including details describing which challenges have been involved in achieving full goal attainment in a given area.

#### Priority 1: An active international effort to fight terrorism and curb the proliferation of weapons of mass destruction

Overarching Goal	Goal Attainment – Analysis/Assessment
a. Contribute to strengthening global cooperation against terrorism and the proliferation of weapons of mass destruction, including the implementation of assistance-related efforts in this area and efforts relating to the protection of the individual's legal rights, and to enhancing the MFA's efforts to protect Danish interests.	A. In 2008, both in the home service and the service abroad, comprehensive and multi-faceted work was done to strengthen the global cooperation to combat terrorism and curb the proliferation of weapons of mass destruction. The activities ranged from extensive reporting activities, holding conferences, preparing and conducting specific assistance efforts and the concrete handling of terrorist attacks. In addition, comprehensive efforts were made in regard to international organisations and to the UN and the EU in particular, including efforts aimed at promoting Danish views regarding the rule of law.

#### Priority 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

Overarching Goal	Goal Attainment – Analysis/Assessment
a. Contribute to finding a solution in the process concerning the EU's treaty framework in accordance with Danish priorities in EU policy.	A. Denmark ratified the Treaty of Lisbon in 2008 after extensive debate to which the MFA contributed by, for example, providing answers to the greatest number of questions that the Folketing (Danish Parliament) has ever asked in connection with the ratification of an international treaty. The 'No' vote to the Irish referendum 12 June 2008 has meant that the overall ratification of the Treaty within the EU has not been completed as yet. The activities included ongoing analyses of the significance of solution proposals in terms of Danish EU priorities to be of use, for instance, by the Prime Minister and the Minister for Foreign Affairs during European Council summits.
b. Support the Government's globalisation efforts by helping to ensure a forward-looking agenda for EU cooperation is adopted that focuses on the "Achieving Europe" strategy and globalisation's challenges, including via the Lisbon Process and the midterm review of the budget.	A. In 2008, the MFA worked determinedly to promote a forward-looking agenda for EU cooperation with a focus on creating concrete results in answer to the challenges of globalisation. In collaboration with the rest of the Central Administration, the Ministry placed special focus on managing the economic and financial crisis, the Lisbon Process, the midterm review of the budget, the EU's Climate and Energy Package, energy supply security, the objective regarding an internal market for knowledge, development within the EU's legal and internal matters and reform of the Common Agricultural Policy.

**Priority 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**

Overarching Goals	Goal Attainment – Analysis/Assessment
<p>a. Satisfaction in the Central Administration with the MFA's assistance and advisory services, including EU coordination.</p>	<p>A. In 2008, the MFA focused on assisting and advising the rest of the Central Administration. Activities included inter alia the delivery of reports prior to council meetings in the EU, assistance in connection with ministerial visits, holding courses and professional events and coordination of the Danish EU decision-procedure. Furthermore, the Ministry, together with cooperation partners in the Central Administration, contributed to solving a large number of Danish EU priority cases. An external satisfaction survey was conducted that revealed a great level of satisfaction with the collaboration with the staff of the MFA's EU Offices (92% very satisfied or satisfied).</p>
<p>b. Contribute to ensuring satisfaction among parties to the Unity of the Realm with the cooperation.</p>	<p>A. In 2008, the MFA contributed to ensuring satisfaction among the parties to the Unity of the Realm by endeavouring to promote Greenlandic and Faroese foreign policy interests in close cooperation with these two parts of the Kingdom. One example was arranging and holding the Arctic Ilulissat Conference. Another example was the negotiations on the Faroe Islands' membership of EFTA, where the Minister for Foreign Affairs travelled to Liechtenstein and Switzerland in March 2008 in order to influence these EFTA countries to have a more positive attitude towards a Faroese membership. Both Greenland and the Faroe Islands expressed their appreciation for the cooperation with the MFA.</p>
<p>c. Strengthen partnerships and alliances, especially with the USA – including the EU/USA relationship – and central European partners as well as assist in resolving global issues, including in multilateral organisations through an actively innovative and agenda-setting involvement.</p>	<p>A. The MFA contributed to strengthening partnerships and alliances in a number of areas. This has taken place in a large number of concrete and diverse policy areas – involving many of the other overarching goals – not least regarding the USA and important European partners. Moreover, the Ministry actively endeavoured to strengthen the EU/USA relationship.</p>
<p>d. Through the implementation of the Government's 2007 strategies for Africa, Asia and Latin America, contribute to strengthening Denmark's cooperation with – and role in – these regions.</p>	<p>A. In 2008, there were a large number of joint visits with Africa, with the aim of strengthening the political, economic and cultural cooperation. The visit by the Royal Family to Tanzania and the Prime Minister's visits to Kenya and Ethiopia deserve special emphasis. In 2008, the Government's strategy for Asia was implemented with independent strategies for India and China, which were both launched during visits by the Prime Minister to the respective countries. In October, the Prime Minister participated in ASEM 7 in China with the involvement of Heads of State and Government from the region. A new strategy for Afghanistan for the period 2008-2012 that doubles the assistance effort was formulated. In 2008, a number of political consultations took place with, among others, Brazil, Bolivia, Chile and Nicaragua. Cooperative agreements were also entered into with Argentina and Chile regarding, among other things, energy and the climate. In May 2008, the Minister for Foreign Affairs participated in the EU-Latin America Summit in Lima with the involvement of Heads of State and Government from the entire region.</p>
<p>e. Advancement of Danes at all levels in international organisations.</p>	<p>A. In 2008, the MFA launched and implemented a number of initiatives aimed at increasing the number of Danes in international organisations, including the establishment of a support service in the Personnel Department with responsibility for coordination in the area; ensuring stable access for potential candidates for vacant international positions with information on salary and terms of employment; and initiating instruments for the identification of and following up on international positions of special interest to Denmark. The rest of the Central Administration was involved in these initiatives on an as needed basis; and cooperation with the State Employer's Agency was additionally enhanced, especially regarding positions in EU institutions.</p>

#### Priority 4: Work to strengthen global efforts to combat climate change

Overarching Goals	Goal Attainment – Analysis/Assessment
<p>a. Through active diplomatic efforts at all levels work to secure a new, ambitious and global climate change agreement at COP15 in Copenhagen in 2009.</p>	<p>A. Throughout 2008, an ongoing and intensive dialogue through both bilateral and multilateral channels took place with the aim of promoting the adoption of an ambitious and global climate agreement in Copenhagen. All Embassies were, in close dialogue with the MFA, involved in the process by way of, for example, establishing close contact with the key actors in the primary countries and through the preparation of analyses of the countries' positions. In November 2008, the Minister for Development Cooperation launched the Dialogue Process on Climate Change Adaptation for Land and Water Management, the main objective of which is to increase resilience towards climate change among the most vulnerable and exposed groups in the developing countries. The Process is to result in the adoption of a number of concrete guidance principles that can be introduced into the negotiations leading up to COP15 and form a part of the process of establishing a long-term development policy strategy in the field of adaptation.</p>
<p>b. Strengthen environmental partnerships with developing countries and newly industrialised countries in order to promote a sustainable and more efficient use of energy resources, i.a. through environmental sector programmes and cooperation regarding environmental and energy technology through the development aid-related business support instruments.</p>	<p>B. In 2008, Danish support in the field of energy went especially to the developing countries, while less was done in terms of the newly-industrialised countries. The focus was on ensuring access to renewable and sustainable energy resources for the poor and vulnerable groups in the developing countries and contributing to the production of cleaner energy, thereby adapting to the challenges of climate change. Through multilateral and bilateral support, Denmark contributed to expanding access to clean, inexpensive and sustainable energy in the developing countries as well as improving energy efficiency. Multilateral support is provided through the World Bank, the Asian Development Bank and the UN's development organisations. Bilateral support is provided to countries, including Vietnam, Burkina Faso, Nepal, China and Indonesia, among others. Moreover, a new programme was launched in 2008 with the aim of promoting renewable energy and energy efficiency among small and medium-sized enterprises in Africa. The programme aims to improve access to up-to-date energy sources through the use of renewable energy solutions and improved efficiency in order to contribute to attaining the UN Millennium Development Goals.</p>
<p>c. Strengthened promotion of Danish environmental and energy technology, including focus on the market opportunities created as a result of being chosen to host COP15.</p>	<p>A. The MFA's action plan for business-oriented activities in connection with COP15 was followed up by a high level of activity. Basically all Units abroad worked to promote Danish environmental technology. Over 100 different activities took place in which Danish environmental and energy technology was promoted.</p>

#### Priority 5: Active involvement in conflict resolution, stabilisation, rehabilitation, humanitarian and reconstruction efforts in crisis-hit areas

Overarching Goals	Goal Attainment – Analysis/Assessment
<p>a. Ensure continued active Danish participation in conflict prevention, conflict management and reconstruction efforts, with particular focus on Iraq, Afghanistan, Sudan and Kosovo, and at the same time ensure coherence between security and development as well as between civilian and military operations (coordination) – where the nature of the Danish military operations so permits.</p>	<p>A. In 2008, a comprehensive and multifaceted effort was made both at home and abroad to ensure continued active Danish participation in conflict prevention, conflict management and reconstruction activities, with particular focus on Iraq, Afghanistan, Sudan, Kosovo and Georgia as well as through building up Africa's capacity within conflict prevention and management. Focus was especially targeted at integrated efforts where a variety of civilian and military efforts are coordinated. The activities consisted of inter alia the formulation of a comprehensive basis for making decisions concerning Denmark's international military and civilian engagements, continuing the agenda of coordination in relevant international fora and in bilateral contacts, as well as the concrete alignment of activities at the country level. Regarding the efforts in Afghanistan, attention can be drawn to the formulation of a multi-year strategy for Afghanistan and the work of the cross-ministerial Task Force on Afghanistan, among other initiatives.</p>

**Overarching Goals****Goal Attainment – Analysis/Assessment**

- b.** Make a Danish contribution to the broad transformation of NATO, which will be an issue up to and also after the summit in 2008.
- A.** A comprehensive effort was also made in 2008, both at home and abroad, to make a Danish contribution to the broad transformation of NATO. Goal attainment has consisted i.a. of the adoption of an Action Plan on Coordination in NATO and a continued high Danish profile in terms of the work aimed at reforming the NATO headquarters in Brussels and promoting the military transformation process in NATO in close collaboration with DANATO and the Ministry of Defence.

**Priority 6: 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**

**Overarching Goals****Goal Attainment – Analysis/Assessment**

- a.** Promote democracy and human rights through increasing the Danish profile in the area, including in the Human Rights Council, and through strengthened dialogue and development cooperation.
- A.** Activities aimed at promoting democracy and human rights have concentrated on i.a. the adoption of a Danish resolution against torture, a significantly increased Danish profile within the areas of freedom of expression and religion as well as on preparations for the Durban Review Conference in the Human Rights Council and in the UN General Assembly. Additionally, there were activities involving public diplomacy, with an emphasis on promoting human rights and democracy. In terms of development assistance, the Ministry continued to contribute to building up effective democratic institutions and an improved state of law in the developing countries. In 2008, approximately DKK 1 million of all development funds was spent on activities aimed at promoting good governance, democracy and human rights, including thematic programmes in the majority of the Danish programme countries.
- b.** Strengthen focus on, and collecting knowledge about political Islam and building a preparedness to respond to its growth.
- B.** A task force was established within the Ministry with a view to strengthening the management of Islam-related issues; initiative was taken to conduct a study tour in the Middle East with the aim of strengthening the Danish resource base in relation to political Islam; the MFA contributes to carrying out the Royal Danish Defence College course on Security in the Middle East, with a focus on, among other things, political Islam. The Wider Middle East Initiative has contributed to establishing a network of the key actors in the Middle East as well as to building up a Danish knowledge and resource base in the civil society. The Missions have a relevant degree of contacts to political Islamic movements. However, the crisis that arose in the wake of the reprinting of the caricatures of Mohammed made expanding the network of contacts and thereby achieving goal attainment more difficult than had been anticipated.
- c.** Contribute to creating effective, transparent and responsible public administration as well as fostering anti-corruption in Danish programme countries.
- A.** The MFA's Action Plan to Fight Corruption was followed up by a high level of activity this year as well. All Units strived to promote anti-corruption measures, both in the public administration of Danish programme countries as well as in partner organisations. Furthermore, minor updates were made to the 'Code of Conduct' and 'Hotline' brochures so that they now appear as complete versions in English, French and Spanish. An Arabic version is expected to be published in 2009. In 2009, the Ministry will endeavour to formulate a collective corporate approach to anti-corruption, which will additionally streamline the efforts to fight corruption. In 2008, the new strategy for promoting an effective, transparent and responsible public administration formed the basis for new phases of programmes for good governance in public administration. In this way, work was also undertaken in 2008 to focus these programmes so that they follow the priorities laid out in the strategy.

Overarching Goals	Goal Attainment – Analysis/Assessment
<p>d. Strengthen selected aspects of the international rule of law through Danish initiatives, including in regard to detainees in international military operations, the international legal framework for counter-terrorism, and the fight against impunity for serious international crimes.</p>	<p>B. The MFA worked also in 2008 to strengthen selected aspects of the international law through Danish initiatives. This was true not least of all in terms of clarifying the international framework for detainees in international military operations, regarding which Denmark, within the framework of the “Copenhagen Process”, hosted a large international seminar in May 2008 that focused on practical experience in terms of issues involving detainees for troop contributing countries and international organisations. The seminar was followed up by a number of meetings on the margins of the UN General Assembly in November 2008. Furthermore, Denmark presented the preliminary results achieved in the “Copenhagen Process” at a number of international conferences and seminars. However, clarification is still needed on a number of important issues, which is why the goal is assessed as being only partially attained.</p>

**Priority 7: 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**

Overarching Goals	Goal Attainment – Analysis/Assessment
<p>a. Focus and improve the effectiveness of development assistance by, for example, pressing for a more rational division of labour and a role for Denmark as lead donor in 1-2 sectors in programme countries.</p>	<p>B. In 2008, Denmark acted as lead donor in a minimum of 1-2 sectors in all programme countries with the exception of one. Work is still taking place for an increased focus and improved effectiveness of development assistance, including a more rational division of labour, which is, among other things, high on the agenda of the EU Presidency for 2009. It has proven, however, to be an objective that is difficult to implement for all donors, including Denmark, because it often requires making difficult choices.</p>
<p>b. Place Africa at the centre of focus by maintaining and supporting the continent’s responsibility of ownership for own development, including translating the new Danish Africa Policy into concrete initiatives.</p>	<p>B. In 2008, the establishment of the Africa Commission, which held two successful meetings in Copenhagen and Addis Abab respectively, was the Danish initiative concerning Africa that overshadowed all others. The Prime Minister serves as Chairman for the Commission, which is comprised of African and international leaders. The purpose of the Commission is to present new and innovative strategies for improving international development cooperation with Africa. The focus of the Commission’s work is young people and employment. The work with the Africa Commission has meant that the follow-up work on the Africa Strategy received, to a certain extent, less priority.</p>
<p>c. Target the development interventions at the cross-cutting issues and priority themes, in particular:</p> <ul style="list-style-type: none"> <li>- women’s rights and status</li> <li>- HIV/AIDS</li> <li>- international migration.</li> </ul>	<p>B. Systematic efforts were made at strengthening the integration of the cross-cutting issues in development assistance and priority themes through, for example, the implementation of a new system of quantification. Significant results were achieved, both internationally and at the country level, by the global campaign in support of Millennium Development Goal 3 regarding gender equality and opportunities for women, which was launched in 2008. The comprehensive campaign meant though that other individual initiatives received less priority. Throughout 2008, targeted work took place to initiate an effective effort in regard to HIV/AIDS as a follow-up measure to the Government’s objective of spending DKK 1 million on HIV/AIDS initiatives in 2010. In the area of migration, Denmark contributed to a strengthened and coordinated EU-Africa cooperation. Moreover, a cross-ministerial working group was formed with a view to ensuring a coordinated approach to migration and development.</p>



**Priority 8: Attainment of the best possible international framework conditions, inter alia through the pursuance of a proactive trade policy<sup>9</sup>**

Overarching Goals	Performance Objectives	Success Criteria	Goal Attainment – Analysis/Assessment
<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, not least for Danish enterprises, and including transition arrangements for the poorest developing countries.</p>	<p>Safeguarding a proactive Danish trade policy through the implementation of a proactive trade policy strategy.</p>	<p><b>Initiatives</b>  <b>A.</b> 10 and above.  <b>B.</b> 9.  <b>C.</b> Fewer than 9.</p>	<p><b>A.</b> 10  10 initiatives were undergoing implementation or were implemented in 2008, including: database of barriers to trade and investment; sector-specific efforts to combat barriers to trade and investment; strengthening consultancy for local enterprises regarding growth markets; a guide for enterprises on combatting pirate-copying; increased effort regarding the link between trade and climate change through the holding of two international conferences; holding a conference regarding shielding trade policy frameworks in connection with the financial crisis; strengthened political consultancy for companies; monitoring of and information about regional and bilateral agreements as well as strengthening the local EU cooperation on growth markets..</p>
<p>b. Serve Danish companies in the best possible way by providing technical export and customs information, eliminating specific trade barriers, providing targeted political advice, and maintaining an effective emergency preparedness capacity.</p>	<p>Identification of and attempt to eliminate market barriers</p>	<p><b>Number of Cases</b>  <b>A.</b> 100 and above.  <b>B.</b> 90-99.  <b>C.</b> Fewer than 90.</p>	<p><b>A.</b> 110.  In 2008, the Missions identified 110 trade barriers. The so-called “non-customs” barriers made up the biggest hindrance for exports, even though customs fees also played a significant role, especially after the financial crisis set in. The barriers can be eliminated via the WTO’s and EU’s bilateral agreements, but also by way of TCD, including through the Danish Missions and the EU Commission. TCD is preparing an action plan with the aim of mapping out how the individual barriers can best be eliminated.</p>

9) *The Trade Council of Denmark (TCD)’s overall goals are presented in TCD’s Strategic Action Plan for 2008, which is approved by the Trade Council’s Board of Directors. The individual percentage of the overall level of goal attainment for the Missions is established through the performance management process.*

**Priority 9: 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<sup>10</sup>**

Overarching Goals	Performance Objectives	Success Criteria	Goal Attainment – Analysis/Assessment
a. Contribute to increasing the exports and competitiveness of Danish companies through internationalisation and by promoting access to foreign knowledge, networks, technology, capital and other foreign sources, with the aim of building up the innovative capacity of enterprises.	<b>Increased internationalisation of Danish companies</b>	<b>Customer percentage</b>	<b>A.</b> 55%. A success criteria has been to ensure that TCD's consultancy has been of great or significant value to the companies' internationalisation or parts thereof. The goal in 2008 was 55%, which was achieved. For 2009, the goal has been raised to 58%.
	1. To ensure that TCD's consultancy has great or significant value for their internationalisation or parts thereof.	<b>A.</b> 55% and above. <b>B.</b> 49-54%. <b>C.</b> Less than 49%.	
	2. To ensure a high level of satisfaction among TCD's customers.	<b>Customer satisfaction level.</b>	<b>A.</b> 90%. 90% of companies were either satisfied or very satisfied with the specific chargeable tasks that were carried out at TCD. The percentage of very satisfied customers was 56%. The goal was, therefore, attained.
		<b>A.</b> 90% and above. <b>B.</b> 81-89%. <b>C.</b> Less than %.	
		<b>– of whom very satisfied</b>	<b>A.</b> 56%. <b>A.</b> 55% and above. <b>B.</b> 49-54%. <b>C.</b> Less than 49%
	<b>Strengthened commercial innovation</b>	<b>Number of tasks performed at the Innovation Centres</b>	<b>A.</b> 106. 106 tasks, distributed between the three Innovation Centres, were carried out. The target was 60. Of the 106 tasks for enterprises that were carried out, 83 had a value of over DKK 5,000.  In 2008, the Innovation Centres had 81 unique customers, approximately half of which were small and medium-sized enterprises. It should be noted that the Innovation Centre in Munich opened first officially in June and was therefore only operational for half the year.
	1. Provide specific advice regarding the innovation process of Danish companies.	<b>A.</b> 60 and above. <b>B.</b> 54-59. <b>C.</b> Fewer than 54.	

<sup>10</sup> The Trade Council of Denmark (TCD)'s overall goals are presented in the TCD' Strategic Action Plan for 2008, which is approved by the Trade Council's Board of Directors. The individual percentage of the overall level of goal attainment for the Missions is established through the performance management process.

Overarching Goals	Performance Objectives	Success Criteria	Goal Attainment – Analysis/Assessment
	<p><b>Operational goal</b></p> <p>1. To increase awareness of TCD.</p> <p>2. Develop the competences of the organisation's staff.</p> <p>3. To ensure and maintain a high level of staff satisfaction and motivation.</p>	<p><b>Level of awareness among export officers</b></p> <p>A. 75% and above. B. 67-74%. C. Less than 67%.</p> <p><b>Percentage of staff who assesses that their competences are developed on an ongoing basis</b></p> <p>A. 69% and above B. 62-68%. C. Less than 62%.</p> <p><b>Degree of staff satisfaction</b></p> <p>A. 78% and above. B. 70-77%. C. Less than 70%.</p>	<p>A. 92%. The goal for the awareness level among export officers is now based on a goal for total awareness of TCD, the MFA and the Danish Missions abroad. The result was an awareness level of 92%, and the goal was, therefore, achieved. The most recent analysis of image similarly showed a marked increase in the awareness of TCD alone (from 62% in 2007 to 78% in 2008) among export officers. According to the marketing analysis firm Genius Acces, the result demonstrates that the new marketing initiatives targeted at, among others, export enterprises that the TCD has previously been in contact with have had a positive effect.</p> <p>B. 68%. With the introduction of the MFA's new Staff Satisfaction Survey (MTU), which was implemented throughout the entire Foreign Service in 2008, it became possible to create a report based on the specific question "my competences are developed on an ongoing basis in my present job." In this year's MTU, only responses from TCD staff in the home service are included. In 2009, an attempt will be made to include in the report responses from TCD staff in the service abroad, which is expected to provide a more comprehensive pool of data.</p> <p>B. 73%. Staff satisfaction and motivation is based on information from the MTU 2008 and the individual staff members' responses to the questions "How satisfied or unsatisfied are you on the whole with serving in your present group?" and "I feel motivated in my job." The degree of satisfaction is expressed as an average on a scale of 1 to 100 points. The objective was not completely achieved. Efforts will be made in the future to improve the level of goal attainment.</p>

Overarching Goals	Performance Objectives	Success Criteria	Goal Attainment – Analysis/Assessment
		<b>Level of staff motivation</b> <b>A.</b> 75% and above. <b>B.</b> 67-74%. <b>C.</b> Less than 67%.	<b>B.</b> 70%. The MTU indicates that an effort aimed at improving the daily work of staff members, e.g. appropriate professional challenges, utilising staff resources and greater knowledge sharing will have the greatest effect in terms of increasing staff satisfaction and motivation.
	<b>4.</b> To maintain a high level of quality and activity.	<b>Earnings level (revenue in relation to expenditure)</b> <b>A.</b> 25% and above. <b>B.</b> 22-24% <b>C.</b> Less than 22%.	<b>A.</b> 27%. The goal was attained. The total revenue for the home service and the service abroad was approximately DKK 104 million in 2008, thus exceeding the revenue target of DKK 98.7 million established in the Finance and Appropriation Act. In relation to the revenue in 2007, this represents an increase of 7%.
<b>b.</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.	<b>Enhanced global opportunities for entrepreneurs and small and medium-sized enterprises</b> <b>1.</b> Make SMEs prepared for export activities.	<b>Percentage of export-prepared enterprises that proceed with internationalisation</b> <b>A.</b> 40% and above. <b>B.</b> 36-39%. <b>C.</b> Less than 36%.	<b>A.</b> 54,8%. The goal for export preparation was that at least 40% of the export-prepared enterprises should have proceeded with the internationalisation process no more than six months after participating in a programme on export preparation. The result for 2008 was that 54.8% continued with Export Start or proceeded with the internationalisation process on their own. <sup>11</sup> .
	<b>2.</b> Advise SMEs on specific internationalisation activities.	<b>Number of tasks performed</b> <b>A.</b> 2,900 and above. <b>B.</b> 2,610-2,899. <b>C.</b> Fewer than 2,610.	<b>A.</b> 2,975. In 2008, TCD had a goal of serving at least 2,900 SME customers (under DKK 50 million in turnover and under 50 employees) with an average time of over 20 hours spent per task. In 2008, TCD performed a total of 2,975 SME-related tasks, including SMEs that were served as part of a joint, subsidised campaign.

11) Based on an analysis of enterprises that completed the Export Preparation Programme between 1/1 2008 and 30/6 2008.

Overarching Goals	Performance Objectives	Success Criteria	Goal Attainment – Analysis/Assessment
		<b>Average size per task in hours</b> <b>A.</b> 20 and above. <b>B.</b> 18-19. <b>C.</b> Fewer than 18.	<b>A.</b> 22.4. The average number of hours spent per task in 2008 was 22.41, thereby exceeding the goal of 20 hours per task. TCD thus spent a total of 66,670 hours on servicing SMEs in 2008, which was approximately 15% more than the overall goal of 58,000 hours.
c. Assist in attracting investments to Denmark, especially within selected knowledge intensive sectors.	<b>More foreign investments to Denmark</b> Assist with consultancy and marketing, with a view to attracting investments to Denmark.	<b>Number of jobs</b> <b>A.</b> 900 and above. <b>B.</b> 810-899. <b>C.</b> Fewer than 810.  <b>- of which in West Denmark</b> <b>A.</b> 250 and above. <b>B.</b> 225-249. <b>C.</b> Fewer than 225.	<b>A.</b> 1,191. The goal was to contribute to the creation of 900 jobs. Invest in Denmark's work in terms of investment promotion throughout the world resulted in the establishment of 1,191 foreign jobs in Denmark. These 1,191 jobs were created via 43 successful investment projects. The results show significant progress in relation to 2007, when efforts provided 900 jobs.  <b>A.</b> 588 <sup>12</sup> . By assisting in establishing 588 jobs in West Denmark in 2008, TCD significantly exceeded the established goal of creating 250 jobs.
	2. Increase investments within selected knowledge intensive sectors.	<b>Percentage of successes that are knowledge intensive investments</b> <b>A.</b> 75% and above. <b>B.</b> 67-74%. <b>C.</b> Less than 67%.	<b>A.</b> 80%. The goal that 75% of the projects in 2008 should be knowledge intensive was realised. ICT was responsible for 27% of the jobs, HUB Denmark accounted for 40%, Life Science 11%, Creative 6%, Renewable Energy 11% and Maritime 4%.
	3. Increase awareness of and relations to Denmark as a knowledge intensive investment country.	<b>Number of meetings with potential investors</b> <b>A.</b> 2,500 and above. <b>B.</b> 2,245-2,499. <b>C.</b> Fewer than 2,245.	<b>B.</b> 2.245. The performance objective was not completely achieved. 2,245 meetings were held instead of the 2,500 meetings which was the target. However, TCD assisted in the creation of many more jobs and attracted far more knowledge intensive investments than the established targets in these areas, which were the overarching goals for the effort.

12) Additionally, 35 jobs were created in Region Zealand.

Overarching Goals	Performance Objectives	Success Criteria	Goal Attainment – Analysis/Assessment
		<p><b>Number of factfinding missions/visit programmes to Denmark</b></p> <p>A. 50 and above. B. 45-48. C. Fewer than 45.</p>	<p><b>B.</b> 48. The performance objective was not completely achieved. 48 missions took place instead of 50, which was the target. However, TCD assisted in the creation of many more jobs and attracted far more knowledge intensive investments than the established targets in these areas, which were the overarching goals for the effort.</p>
		<p><b>Number of relations created between foreign and Danish clusters</b></p> <p>A. 10. B. 8-9. C. Less than 9.</p>	<p><b>A.</b> 10. The goal was attained. The number of relations created is defined as contacts created (in the form of meetings, visit programmes or a specific collaboration) between Danish and international companies and knowledge institutions, and between Danish and foreign business clusters or cluster organisations.</p>

**Priority 10: 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**

Overarching Goals	Goal Attainment – Analysis/Assessment
<p>a. Deliver effective assistance to Danes in distress abroad (in cases of illness, accident, imprisonment, abduction, etc.).</p>	<p><b>A.</b> In 2008, the MFA again assisted many Danes in distress abroad and all Missions attained the goals established for this area. The requirement that all country specific information for use by the MFA's 24/7 Operations Centre in Copenhagen was to be updated quarterly was not fulfilled by all Embassies. The failure to comply fully with this requirement did not, however, have any influence on the assistance provided to Danes in distress abroad and experience has shown that biennial updates are sufficient.</p>
<p>b. Strengthen the crisis response capability of the Missions, including through crisis response exercises.</p>	<p><b>B.</b> The crisis response capability of the Missions was further enhanced in 2008 by means of, among other things, improving the local cooperation with Nordic and EU countries and participation in local crisis response exercises, including exercises organised by the Ministry. The overall partial attainment assessment reflects especially the fact that a centrally announced performance objective on regular testing of the emergency satellite telephones was not met in a way that was completely satisfactory. The Ministry will strive to improve this situation, including through initiatives such as creating a special Intranet page where the Missions are to register the dates for the various tests along with updates in the field of Consular Services.</p>

Overarching Goals	Goal Attainment – Analysis/Assessment
<p>c. Establish the Visa Information System (VIS) in accordance with the plans and priorities of the EU and the Ministry of Refugee, Immigration and Integration Affairs.</p>	<p>A. Goal attainment regarding establishing the first phase of the new Visa Information System (UM-VIS) was assessed to be satisfactory. After a few months of breaking in problems, the system functioned satisfactorily. Phase 1 was implemented within the budget. The second phase of UM-VIS is scheduled to be rolled out in 2010-2011.</p>
<p>d. Streamline the Missions' visa processing procedure, including through examining opportunities for outsourcing parts of the procedure.</p>	<p>A. Again in 2008, an extremely large number of visas (approximately 85,000) were processed at the Missions. Almost all the Missions that issued visas (45/47) completely achieved the goal relating to unannounced visa checks by the Heads of Mission. The requirement regarding random visa checks in the Schengen countries ended in 2008 as the result of a very limited number of applicants and is not, therefore, a part of the performance reporting. The goal concerning visa outsourcing at selected Missions is also not included in the performance reporting as it did not become relevant in 2008, due especially to the desire to collect more information from the pilot projects currently running in New Delhi and Moscow and the need for conducting a bidding round within the EU. In connection with the implementation of the first phase of the new Visa Information System, courses were held in collaboration with the Ministry of Refugee, Immigration and Integration Affairs and the Danish Immigration Service for two staff members from each Mission with the aim of training them in the use of the new system as well as generally improving the quality of the processing procedure. Furthermore, it was decided to proceed with the project on expanding outsourcing to a larger number of Missions where there is a commercial basis for getting a firm to take on the responsibility.</p>

**Priority 11: 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**

Overarching Goals	Goal Attainment – Analysis/Assessment
<p>a. Strengthen public diplomacy efforts with focus on the central themes for implementing the strategy, Proactive Global Promotion of Denmark:</p> <ol style="list-style-type: none"> <li>1. The Environment, Energy and the Climate, also in relation to COP15</li> <li>2. The Danish Societal Model</li> <li>3. Denmark's Global Responsibility and Commitment</li> <li>4. Creative Denmark</li> </ol>	<p>A. The MFA, not least of all the Danish Missions, carried on and intensified the work of promoting Denmark and Danish strongholds throughout the world, with a focus on four central themes: 1) The Environment, Energy and the Climate, including in relation to COP5, 2) The Danish Societal Model, 3) Denmark's Global Responsibility and Commitment and 4) Creative Denmark. This public diplomacy and press effort took the form of an extensive range of activities and initiatives such as seminars, conferences, exhibitions, visits with journalists, public appearances and network creation.</p> <p>Preparations for the UN Climate Change Conference (COP15) in December 2009 called for a considerable amount of attention in 2008, and many of the public diplomacy and press activities mentioned above focused on the themes for the conference. The Ministry was also responsible for the development of the permanent COP15 website (launched February 2009) as well as the visual identity of the Conference.</p>
<p>b. Strengthen communication efforts targeted at the general public in Denmark and in other countries.</p>	<p>A. The MFA's focus on communication targeted at other countries, the Danish media and the general public was strengthened in 2008, not only through the increased efforts mentioned under 11.a. but also with the re-launching and upgrading of <a href="http://www.denmark.dk">www.denmark.dk</a>. Additionally, the foundation for a future strengthening of information activities in Denmark about developing countries was laid in 2008, and a number of initiatives that are to upgrade the information on developing countries will be launched in 2009.</p>

**Priority 12: 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**

Overarching Goals	Goal Attainment – Analysis/Assessment
<p>a. Ensure continued effective and broad follow-up on the Globalisation Analysis' HR section by creating opportunities for mobility and flexibility for both staff and their families, by implementing an ongoing and coherent competence development programme for all staff members and by implementing a stress policy – based on an integrated and long-term approach.</p>	<p><b>B.</b> For the Ministry as a whole, the goal was sought attained through the establishment of a competence centre, whose job it is to assist staff development by offering targeted programmes for competence development. New needs were identified throughout the course of the year, and they will gradually be met. Moreover, a coherent strategy for staff and their families was formulated, which also applies to locally employed staff. The strategy was developed by assigning a greater priority to individual counselling, the development of a management policy, etc. For the individual Units, the goal has been mainly sought attained through the implementation of annual staff development interviews (MUS) and biennial staff appraisal interviews (MVS) involving all staff. In continuation of this effort, a number of Units achieved the performance objective regarding preparing and implementing competence development plans for staff, conducting staff seminars and regularly holding meetings between management and staff. Other Units focused on ensuring that staff members were offered flexible working conditions, such as the opportunity to work at home, and still others by ensuring that the regulations determining the working conditions became more uniform, especially for locally employed staff. On the whole, the overarching goal was only partially attained, which is primarily due to the fact that a number of Units did not conduct MUS/MVS and/or prepare competence development plans for all staff by the end of the year.</p>
<p>b. Ensure efficient management of both financial and human resources.</p>	<p><b>A.</b> Attainment of this goal was chiefly sought by having the Unit's remain within their budget frameworks, which was successful for by far the majority of the Units. Implementing monthly budget follow-ups has been a performance objective for individual Units; others have focused on reducing overtime and extra work. For the Ministry as a whole, the focus has been on, among other things, ensuring that vacant positions are posted and filled in a timely fashion as well as ensuring that personnel data is registered systematically and correctly.</p>
<p>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, including further use of video-conferencing.</p>	<p><b>A.</b> The Ministry has maintained a high level of operational stability, including the continued modernisation of the IT platform and expanding the use of video-conferencing equipment. The goal was attained through completing the process of upgrading to VISTA/Office 2007 in all Units, and by the installation of new video-conferencing equipment at a number of Missions as well as the increased use of existing installations. The implementation of digital archiving in the Foreign Service continues and encompassed 19 Missions at the end of 2008. More Units also achieved the performance objective regarding greater opportunities for and/or greater utilisation of technological possibilities for flexible working methods (mobility in the form of Managed laptop PCs and PDAs). Furthermore, new digital working tools were introduced through the Intranet. These new tools support the digitalisation efforts of the Ministry.</p>
<p>d. Adapt the security of the Missions.</p>	<p><b>B.</b> For the Ministry as a whole, the goal was to begin the introduction of a new concept for security in 25% of the Missions. This goal was, however, not completely realised. Due to the increasing level of threat, the introduction of the new policy was affected by the immediate need for upgrading security at the most vulnerable Missions and by the revision of the Ministry's security concept. For the individual Missions, the goal was especially sought attained through annual internal security inspections and the implementation of necessary physical initiatives in agreement with the Security Department. A number of Missions did not attain the goal of implementing internal security inspections within the established time frame, and certain initiatives were delayed or postponed. The overarching goal is assessed, therefore, as being only partially attained.</p>



# 4. KEY FINANCIAL INFORMATION

As of 2007, the MFA follows government accounting rules for cost-based accounts and cost-based appropriations. In 2006, the MFA accounts were divided into two bookkeeping units: one for operation and maintenance and one for grants. The operation and maintenance accounts comprise Section 06.11.01 (The Danish Foreign Service), Section 06.11.04 (The Government's Joint Expenditure Related to the UN Climate Change Conference (COP15)), and Section 06.11.05 (Income from Consular Services).

## 4.1 Applied accounting procedures

The MFA adheres to the general government accounting rules for cost-based accounts and cost-based appropriations, with the following remarks:

- 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, the reason being that there exist no public valuations of all MFA properties abroad. No revaluations are made regularly in relation to market developments. The value of all properties is divided according to three categories: land, buildings and installations. The value of installations is fixed at 10 per cent of the value of the building.
- Only assets that fall under the operation and maintenance sphere are included and depreciated.
- As a rule, IT equipment is depreciated in accordance with the guidelines laid down by the Danish Agency for Governmental Management. However, on the basis of a technical assessment, a number of the MFA's IT equipment items are determined to have a lifespan of longer than three years and thus a longer depreciation period. The reason is that the MFA uses special equipment for encryption and that the replacement of the IT equipment in the service abroad is a very expensive undertaking and therefore happens less frequently than is the norm in Denmark.

- Security equipment is entered in the accounts as "fixtures and fittings, tools and (IT) equipment"/(building components) with a 10-year depreciation period. On the basis of a technical assessment, certain security components are determined to have a lifespan of 15, 20 or 30 years and thus naturally a longer depreciation period.
- In 2006, the MFA's accounts were divided into two bookkeeping units: a bookkeeping unit for operation and maintenance and a bookkeeping unit for grants. The operation and maintenance accounts comprise Section 06.11.01 (The Danish Foreign Service), Section 06.11.04 (The Government's Joint Expenditure Related to the UN Climate Change Conference (COP15)), and Section 06.11.05 (Income from Consular Services). The MFA has entered into agreement with the Ministry of Finance and the Agency for Governmental Management regarding the continued use of joint bank holdings and cash holdings in the service abroad. Financing of the service abroad, calculation of bank balances, etc. as well as the distribution of interest within the operation/maintenance and grants sphere, respectively, is carried out according to a distribution key.
- In 2006, the MFA introduced a *de minimis* figure of DKK 3,000 for activation of acquisitions. This *de minimis* figure entails that certain types of acquisition (IT, AV and communication equipment), which according to previous practice had to be activated as "bundled assets", are depreciated fully in the year of acquisition if the acquisition price per item lies under the *de minimis* figure.

See section 2.3 The Financial Results in 2008 for a closer analysis of the MFA's accounts for 2008.

## 4.2 The profit and loss account

The MFA's profit and loss account for 2007-09 is presented below in Table 4.

**Table 4 The MFA's profit and loss account 2007-09**

Profit/Loss and Balance as of 31.12.2008	2007	2008	2009
<b>Profit/Loss and Balance</b>			
Ordinary operating income			
Appropriations booked as income			
Appropriations <sup>13</sup>	-1,590,200,000	-1,786,600,000	-1,786,900,000
Amount spent of previous year's reserved appropriations	-19,500,000	-30,600,000	-107,500,000
Amount reserved of current year's <sup>14</sup> appropriations	30,600,000	107,500,000	100,000,000
<b>Appropriations booked as income, total</b>	<b>-1,579,100,000</b>	<b>-1,709,700,000</b>	<b>-1,794,400,000</b>
Sale of goods and services	-112,053,255	-117,556,707	-109,000,000
Fees/charges	-57,099,214	-59,996,070	-55,000,000
Ordinary operating income, total	-1,748,252,469	-1,887,252,777	-1,958,400,000
Ordinary operating costs			
Consumption costs			
Rent	217,322,595	233,586,807	267,800,000
Other consumption costs	2,780,432	3,929,838	4,400,000
<b>Consumption costs, total</b>	<b>220,103,028</b>	<b>237,516,645</b>	<b>272,200,000</b>
<b>Personnel costs</b>			
Salaries and wages	562,802,330	631,838,305	663,300,000
Pension	79,213,429	88,590,295	90,000,000
Reimbursement of pay	-50,423,140	-89,608,014	-90,000,000
Other personnel costs	-289,232	1,202,569	
<b>Personnel costs, total <sup>15</sup></b>	<b>591,303,387</b>	<b>632,023,156</b>	<b>663,300,000</b>
Other ordinary operating costs	894,864,004	864,918,431	894,800,000
Depreciation and amortisation	91,080,477	88,974,374	97,800,000
Ordinary operating costs, total	1,797,350,896	1,823,432,605	1,928,100,000
<b>Result of ordinary operations, total</b>	<b>49,098,428</b>	<b>-63,820,172</b>	<b>-30,300,000</b>
<b>Other operating items</b>			
Other operating income	-69,223,917	-76,827,465	-85,400,000
Other operating costs	10,438,040	6,028,622	10,000,000
<b>Other operating costs, total</b>	<b>-58,785,877</b>	<b>-70,798,843</b>	<b>-75,400,000</b>
Result before financial items, total	-9,687,449	-134,619,015	-105,700,000
Financial items			
Financial income	-8,484,601	-8,222,783	-8,000,000
Financial costs	84,784,303	108,559,167	110,200,000
Financial items, total	76,299,701	100,336,384	102,200,000
<b>Result before extraordinary items, total</b>	<b>66,612,252</b>	<b>-34,282,631</b>	<b>-3,500,000</b>
Extraordinary items			
Extraordinary income	-10,378,723	-5,313,278	-5,000,000
Extraordinary costs	698,360	981,680	1,000,000
<b>Extraordinary items, total <sup>16</sup></b>	<b>-9,680,363</b>	<b>-4,331,598</b>	<b>-4,000,000</b>
<b>Resultat</b>	<b>56,931,889</b>	<b>-38,614,229</b>	<b>-7,500,000</b>

13) Includes DKK 84.4 million supplementary appropriation (Supplementary Appropriation (TB)) concerning COP15 joint activities.

14) Includes DKK 84.4 million supplementary appropriation (Supplementary Appropriation (TB)) concerning COP15 joint activities, cf. also remark under "new information after end of year"

15) Net payroll in 2008, excluding IV Language Centre, is DKK 620.6 million.

16) Extraordinary expenditure and income are specified separately in Annex 6.1.

**Table 5 Distribution of result**

	2008
Appropriated earned surplus	0
Transferred to reserve equity	0
Transferred to dividends to Treasury	0
Transferred to carry-forward surplus (retained earnings)	-30.5

Remarks: The carry-forward surplus (retained earnings) is the year-end result (DKK -38.6 million) to which has been deducted the carry-forward expenditure increase of DKK 8.1 million. It should be noted that the carry-forward surplus in the appropriation settlement for 2008 amounts to DKK -30.5 million. The difference stems from the fact that in connection with the appropriation settlement for 2007 an adjustment was made of the year-end result after the MFA accounts for 2007 had been completed. This entailed that the carry-forward surplus in the appropriation settlement for 2007 amounted to DKK 8.3 million, whilst the surplus amounted to DKK 8.1 million in the MFA accounts. Please refer to the section on new information after the balance sheet date on page 38 of the MFA Annual Report for 2007.

### 4.3 The balance sheet

The MFA's balance sheet for the period 2007-08 is presented below in Table 6.

**Table 6. The MFA's balance sheet 2007-08**

Balance Sheet as of 31.12.2008	2007	2008
<b>ASSETS</b>		
Fixed assets		
Intangible fixed assets		
Completed development projects	31,959,882	69,850,332
Acquired concessions, patents, licences, etc.	3,129,837	3,061,931
Development projects under implementation	46,148,160	13,516,967
<b>Intangible fixed assets, total</b>	<b>81,237,879</b>	<b>86,429,229</b>
Tangible fixed assets		
Land, space and buildings	1,700,102,487	1,674,512,997
Transport equipment	20,205,433	23,114,002
Plant and machinery	13,862,976	16,271,426
Fixtures and fittings, tools and (IT) equipment	110,075,832	114,126,413
Projects in progress financed by own capital	6,254,972	11,651,837
<b>Tangible fixed assets, total</b>	<b>1,850,501,700</b>	<b>1,839,676,675</b>
<b>Financial fixed assets</b>		
Other liquid assets	32,796,000	32,796,000
Other financial fixed assets	0	0
<b>Financial fixed assets, total</b>	<b>32,796,000</b>	<b>32,796,000</b>
<b>Fixed assets, total</b>	<b>1,964,535,579</b>	<b>1,958,901,904</b>
Current assets		
Liquid assets		
FF5 Non-Interest-Bearing Account	-179,304,000	147,707,722
FF7 Financing Account	288,737,018	-72,196,615
Other liquid asset	92,115,988	107,418,185
<b>Liquid assets, total</b>	<b>201,549,006</b>	<b>182,929,291</b>
Accounts receivable	170,685,990	356,827,363
Securities	0	0
<b>Current assets, total</b>	<b>372,234,996</b>	<b>539,756,655</b>
<b>Assets, total</b> <sup>17</sup>	<b>2,336,770,575</b>	<b>2,498,658,559</b>

17) A difference in balance is observable in the total operating balance of DKK 32.44, which stems from an error correction in a data field from a date in December 2008 to a date in January 2009. The error relates to standard accounts 22 and 61, respectively.

Balance Sheet as of 31.12.2008	2007	2008
<b>LIABILITIES</b>		
Equity		
Adjusted equity	-32,796,000	-32,796,000
Carry-forward surplus	8,066,915	-28,141,440
Equity, total	-24,729,085	-60,937,440
Provisions	-52,718,000	-49,077,366
Debt		
Long-term liabilities		
Mortgage debt and long-term debt	-9,453,740	-7,946,276
FF4 Long-Term Debt	-1,888,657,528	-1,846,369,487
FF6 Construction and IT Credit	-53,101,494	-72,267,464
<b>Long-term liabilities, total</b>	<b>-1,951,212,762</b>	<b>-1,926,583,227</b>
<b>Short-term liabilities</b>		
Suppliers of goods and services	-86,678,540	-106,606,902
Other short-term liabilities	-67,081,416	-14,521,355
Holiday money payable	-117,241,739	-135,298,138
Reserved appropriation	-30,600,000	-107,500,000
Pre-payments, liabilities	-6,509,032	-98,134,131
<b>Short-term liabilities, total</b>	<b>-308,110,728</b>	<b>-462,060,526</b>
Debt, total	-2,259,323,490	-2,388,643,753
<b>Liabilities, total</b>	<b>-2,336,770,575</b>	<b>-2,498,658,559</b>

## 4.4 Explanation of equity

The MFA's equity is presented in the Table 7 below.

**Table 7 Explanation of the MFA's equity in 2008 (DKK millions.)**

	2007	2008
Equity, year-beginning	81.6	24.7
Initial capital, year-beginning	32.8	-
+ alteration of the amount of initial capital	-8.1	--
<b>Initial capital, year-end</b>	<b>24.7</b>	<b>24.7</b>
Carry-forward surplus, year-beginning	48.8	-
+ Adjustment of the carry-forward surplus	-	-2.4
+ Carried forward from the year-end result	-	38.6
<b>Carry-forward surplus, year-end</b> <sup>18</sup>	<b>-</b>	<b>-</b>
Equity, year-end	24.7	61.0

*Note: Rounding-up procedures have caused discrepancies between the individual figures and the totals.*

<sup>18</sup>) In the appropriation settlement, the carry-forward surplus is calculated to be DKK 30.3 million, comprising the year-end result of DKK 38.6 million, to which has been deducted a negative carry-forward surplus of DKK 8.3 million from 2007.

## 4.5 Follow-up on the liquidity scheme during 2008

The MFA's operating appropriations fall under the scope of the liquidity scheme concerning independent liquidity. The scheme is tailored to the special organisational conditions at the Missions of the Danish Foreign Service, where it does not make sense to physically separate grant funds from operation funds, as this would lead to heavily increased transaction and administration costs. In order to ensure that the scheme is administered correctly in relation to the rules laid down for independent liquidity, the MFA has chosen a scheme where the specific FF accounts are adjusted at centralised level.

### Balances on SKB Accounts FF4-FF7 as of 31.12.2008

	DKK
FF4 Non-Interest-Bearing Account	147,707,722
FF5 Financing Account	-72,196,615
FF6 Long-term Debt Account	-1,846,369,487
FF7 Construction and IT Credit Account	-72,267,464

It should be noted that the above balances in SKB (National Concern Payment System) accounts are calculated as of 31.12.2008, at which point the annual accounts for 2008 had not been finalised, the accounting entries being made later during the supplement period. This concerns, for example, entries relating to fixed asset acquisitions that have an effect on balances regarding long-term debt, construction and IT credit as well as the FF7 Financing Account. SKB bank balances for FF4, FF6 and FF7 were calculated on 1 February 2009 on the basis of the final accounting figures for 2008, including the supplement period. Furthermore, an adjustment of the FF5 Non-Interest Bearing Account concerning 2008 will be carried out in the first quarter of 2009.

## 4.6 Follow-up on the payroll ceiling

The MFA's payroll expenditure for 2008 constituted DKK 620.6 million in total, whereupon the MFA carried forward an expenditure decrease of DKK 3.7 million.

**Table 8 Accumulated payroll saving, year-end 2007 (DKK millions)**

Year	Accumulated saving, year-end	2008
Payroll ceiling	-	624.3
Year Payroll expenditure	-	620.6
<b>Difference</b>	<b>21.8</b>	<b>3.7</b>

## 4.7 The appropriation accounts

The appropriation accounts for Section 06.11.01, Section 06.11.04 and Section 06.11.05 are presented below in Table 9.

**Table 9 MFA appropriation accounts for Section 06.11.01 The Danish Foreign Service, Section 06.11.04 The Government's Joint Expenditure Related to the UN Climate Change Conference (COP15), and Section 06.11.05 Income from Consular Services**

	2007	2008		2009
		Appropriation	Accounts	
Net cost appropriation	1,647.2	1,786.6	1,671.0	1,786.9
Net expenditure of reserve	-11.1		-76.9	
Income	257.2	259.7	267.9	262.4
Expenditure	1,893.3	2,046.3	1,939.0	2,049.3

*Note: Rounding-up procedures have caused discrepancies between the individual figures and the totals.*

## 5. MANAGEMENT REPORT

The Annual Report comprises the main accounts on the Finance and Appropriation Act for which the Ministry of Foreign Affairs of Denmark, CVR number 43 27 19 11, has responsibility: Section 06.11.01. The Danish Foreign Service, Section 06.11.04 The Government's Joint Expenditure Related to the UN Climate Change Conference (COP15) and Section 06.11.05 Income from Consular Services, including the accounting principle explanations,<sup>19</sup> which are to be presented to the National Audit Office of Denmark in connection with the appropriation audit inspection for 2008.

It is herewith stated:

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

Ministry of Foreign Affairs of Denmark,  
27 March 2009



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



Thomas Østrup Møller  
*Head of Finance  
Ministry of Foreign Affairs of Denmark*

<sup>19)</sup> The accounting principle explanations exclude Section 06.11.13 The Danish Centre for International Studies and Human Rights (DCISM).

## 6.1 Notes to the profit/loss account and balance sheet

**Table 4a Extraordinary items (profit/loss account)**

Extraordinary accounting items in 2008	Income	Expenditure
Reimbursement of expenditure incurred in connection with an advertising campaign on travel insurance	-574,081	
Fixed asset correction: Car purchases in 2007 that were cancelled but not entered into the accounts until 2008	-129,953	
Staff reimbursement of received fees to the Ministry of Foreign Affairs	-347,922	
Service abroad: reimbursement of VAT and other taxes, etc.	-4,187,829	
Other extraordinary income	-73,493	
Reimbursement relating to charges collected for exhibition stand space, ICFF New York, excl. interest	-	604,698
Extraordinary costs in connection with the relocation of residence in Tel Aviv	-	285,946
Other extraordinary costs		91,035
<b>Total</b>	<b>-5,313,278</b>	<b>981,680</b>

Extraordinary income in 2008 totalled approx. DKK 5.3 million, which in general only relates to VAT reimbursement to Missions in the service abroad.

Extraordinary costs totalled approx. DKK 1 million, which comprised certain reimbursements relating to overcharges collected for exhibition stand space in connection with a trade fair activity and also an equalisation of an older balance concerning the relocation of the residence in Tel Aviv.

### Amortisation

The MFA has not provided for genuine amortisation during the course of the year.

### Loss on receivables (balance sheet)

The entered loss on debtors and other accounts receivable for 2008 has been calculated to approx. DKK 800,000, which is more than anticipated. In autumn 2008, it became apparent that the loss in 2008 would be greater than in 2007, which was most likely related to the financial crisis and the subsequent inability of a number of debtors to fulfil their repayment obligations.

### Inventory (balance sheet)

The MFA has no stocks for the purposes of resale.

### Provisions (balance sheet)

Within the MFA, provisions are made annually for more than 500 leases in the service abroad. A number of leases change during a calendar year as a result of different accommodation needs under the new accommodation policy.

### Mortgage debt (balance sheet)

Mortgage debt was incurred in regard to Missions in Berlin and the Hague, respectively, and falls due in 2014 (Berlin) and 2009 (the Hague).

### New financial data after balance date

In 2008, the Danish Ministry of Food, Agriculture and Fisheries charged too much for its case handling in relation to special attachés, to an amount corresponding to DKK 1,839,000. The amount was invoiced in the middle of 2008 and paid without further ado by the Ministry of Food, Agriculture and Fisheries.

In connection with the completion of the financial accounts for 2008, a reserved appropriation of DKK 84.4 million was entered in Section 06.11.04 The Government's Joint Expenditure Related to the UN Climate Change Conference (COP15), corresponding to the total appropriation in the account in 2008. As withdrawals on the account were made amounting to approx. DKK 12.7 million, the reserved appropriation should, however, have been correspondingly smaller and thus amount to DKK 71.7 million. This item will be adjusted in connection with the appropriations settlement for 2009.

A difference in balance is observable in the total operating balance of DKK 32.44, which stems from an error correction in a data field from a date in December 2008 to a date in January 2009.

In connection with the closure of three sets of accounts in Germany, which were transferred to Berlin, all accounts in Flensburg, Hamburg and Munich were reset. The resetting

comprised also (debit) balances in the equity accounts, total-  
ing approx. 2.4 million, which is offset by a (credit) entry in  
the accruals account. The relationship will be clarified in  
2009. The amount has no bearing on the total operating  
result, as it purely relates to changes in holdings.

### 6.1.1. Notes to the profit/loss account

#### Note 1 Trends – Full-time equivalents

	2005	2006	2007	2008	2009
Full-time equivalents (excl. locally employed staff) <sup>1</sup>	1,313	1,336	1,322	1,310	1,321
Entries of staff	88	66	107	131	100
Exits of staff	61	81	102	84	100
Staff, total (incl. locally employed staff)	2,262	2,270	2,277	2,284	2,315

1) The number of full-time equivalents has been calculated in accordance with the full-time-equivalent definition as described in Statens Lønssystem (State Salary System) (Flow). Staff (including entries and exits) is measured in "heads".

### 6.1.2 Notes to the balance sheet

#### Note 2 Intangible fixed assets

	Completed development projects	Acquired patents, licences, etc.	Total
Cost price as of 01.01.2008	70,697,797	3,265,651	73,963,448
Corrections and transfer between bookkeeping units, year-beginning	-	-	-
Additions	52,144,118	-	52,144,118
Disposals	-	-	-
<b>Cost price as of 31.12.2008</b>	<b>122,841,916</b>	<b>3,265,651</b>	<b>126,107,567</b>
Accumulated depreciation	-52,991,584	-203,720	-53,195,304
Accumulated amortisation	-	-	-
Accumulated depreciation and amortisation as of 31.12. 2008	-52,991,584	-203,720	-53,195,304
<b>Financial value as of 31.12.2008</b>	<b>69,850,332</b>	<b>3,061,931</b>	<b>72,912,263</b>
Annual depreciation	-14,253,668	-67,907	-14,321,575
Annual amortisation	-	-	-
<b>Annual depreciation and amortisation</b>	<b>-14,253,668</b>	<b>-67,907</b>	<b>-14,321,575</b>
Depreciation period/year	5-8	80	

	Development projects under implementation
Opening balance as of 01.01.2008	50,692,052
Additions	18,024,624
Amortisation	-
Transferred to completed development projects	-55,199,709
<b>Cost price as of 31.12.2008</b>	<b>13,516,967</b>



### Note 3 Tangible fixed assets

	Land, space and buildings	Infra-structure	Plant and machinery	Transport equipment	Furniture and IT equipment	Total
Cost price as of 01.01.2008	1,782,652,020		37,590,448	42,144,001	332,051,971	2,194,438,440
Correction / transfer between bookkeeping units, year-beginning						
Additions	3,007,606		4,921,887	10,001,365	41,004,954	58,935,812
Disposals	-	-	-	-4,385,053	-	-4,385,053
<b>Cost price as of 31.12.2008</b>	<b>1,785,659,626</b>		<b>42,512,335</b>	<b>47,760,313</b>	<b>373,056,925</b>	<b>2,248,989,199</b>
Accumulated depreciation	-111,146,629	-	-26,240,910	-24,646,311	-258,930,512	-420,964,362
Accumulated amortisation	-	-	-	-	-	-
Accumulated depreciation and amortisation as of 31.12.2008 (net)	-111,146,629	-	-26,240,910	-24,646,311	-258,930,512	-420,964,362
<b>Financial value as of 31.12.2008</b>	<b>1,674,512,997</b>		<b>16,271,425</b>	<b>23,114,002</b>	<b>114,126,413</b>	<b>1,828,024,837</b>
Annual depreciation	-28,597,096	-	-2,513,437	-2,707,743	-36,954,373	-70,772,649
Annual amortisation	-	-	-	-	-	-
<b>Annual depreciation and amortisation</b>	<b>-28,597,096</b>		<b>-2,513,437</b>	<b>-2,707,743</b>	<b>-36,954,373</b>	<b>-70,772,649</b>
Depreciation period/year	50/20/0	non	10	5/8	3 / 5 / 10/10+	

#### Projects in progress financed by own capital

Opening balance as 01.01.2008	6,254,972
Additions	12,671,320
Amortisation	-
Transferred to completed tangible fixed assets	-7,274,455
<b>Cost price as of 31.12.2008</b>	<b>11,651,837</b>

## 6.2 Goal attainment and performance for 2008

Table 10 Goal attainment and performance for the year

Priority	Over-arching goals	No. of Units at home and abroad that have set performance objectives	Missions and Units reporting on achievement of performance objectives			Overall goal attainment and performance *
			A	B	C	
1. An active international effort to fight terrorism and curb the proliferation of weapons of mass destruction.	1a	76	106	9	1	A
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.	2a	32	36	1	3	A
	2b	44	53	5	0	A
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.	3a	76	121	1	2	A
	3b	26	28	1	0	A
	3c	67	101	10	3	A
	3d	45	58	7	3	A
	3e	42	39	6	3	A

- \*) A – Goal attained:  $\geq 80\%$  A's from relevant units at home and abroad  
 B – Goal partially attained:  $\geq 80\%$  A's and B's from relevant units at home and abroad  
 C – Goal unattained:  $\leq 80\%$  A's and B's from relevant units at home and abroad

Priority	Over-arching goals	No. of Units at home and abroad that have set performance objectives	Missions and Units reporting on achievement of performance objectives			Overall goal attainment and performance *
			A	B	C	
4. Active efforts to ensure strengthening of global efforts to combat climate change.	4a	94	138	10	1	A
	4b	42	46	14	4	B
	4c	63	61	9	3	A
5. Active involvement in conflict resolution, stabilisation, rehabilitation, humanitarian and reconstruction efforts in crisis-hit areas.	5a	72	116	14	11	A
	5b	31	35	1	0	A
6. 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.	6a	78	118	11	5	A
	6b	51	48	11	2	B
	6c	41	46	9	2	A
	6d	30	31	9	7	B
7. 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.	7a	38	59	8	7	B
	7b	30	35	8	3	B
	7c	41	60	12	8	B
8. Attainment of the best possible international framework conditions, i.a. through the pursuance of a proactive trade policy.**	8a					A
	8b					A
9. 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.**	9a					A
	9b					A
	9c					A
10. 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.	10a	85	315	24	12	A
	10b	85	137	24	18	B
	10c	52	52	2	0	A
	10d	48	49	0	4	A
11. 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.	11a	111	118	15	11	A
	11b	115	129	15	15	A
12. 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.	12a	108	121	22	9	B
	12b	86	102	12	4	A
	12c	56	62	9	4	A
	12d	55	47	8	4	B

\*\*\*) Goal attainment in relation to priority 8 and 9 is determined by the Trade Council of Denmark using a separate method of measurement.

## 6.3 Commercial activities

A statement of the MFA Language Centre's commercial activities is presented below in Table 11.

**Table 11 Commercial activities 2005-08**

Calculated in DKK thousands	2005	2006	2007	2008
Language training, annual net profit/loss ("-" sign = surplus)	774	-705	-452	1,489
Language training, accumulated annual net profit/loss (from 1999 onwards) ("-" sign = surplus)	-1,983	-2,688	-3,140	-1,651

## 6.4 Fee-financed activities

A statement of fee-financed activities in the MFA under Section 06.11.05 Income from Consular Services is presented below in Table 12.

**Table 12 Fee-financed activities 2005-08**

	2005	2006	2007	2008
131161 Fees - Passports	-7,434,865	-6,719,987	-7,174,562	-8,296,242
131162 Fees - Legalisations	-6,521,139	-7,059,518	-8,209,370	-11,310,699
131163 Fees - Assistance Cases	-348,824	-405,253	-499,051	-383,428
131164 Fees - Visas	-27,970,194	-29,204,058	-39,319,613	-38,582,984
131169 Other fee revenues	-1,553,296	-1,337,310	-1,896,618	-1,422,718
<b>Total</b>	<b>-43,828,318</b>	<b>-44,726,127</b>	<b>-57,099,214</b>	<b>-59,996,070</b>

## 6.5 MFA grant schemes and statutory appropriations under Budget Framework 1, Section 06.1, Section 06.2 and Section 06.4

**Table 13**

In chapter 2, Table 1 presents the MFA's grant accounts and statutory appropriations under Budget Framework 1, to which reference is made. The accounting principle explanations for this area are described below.

### Ad Section 06.11.01 The Danish Foreign Servicen

	Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation
Expenditure	1,723.7	33.5	1,757.2	1,718.3	38.9

### Ad Section 06.11.04 Joint expenditure related to COP15

	Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation
Expenditure	0.0	84.4	-84.4	12.7	71.7

In 2008, there was an expenditure decrease of DKK 71.7 million in the account. This expenditure decrease stems from the fact that a number of COP15-related activities were not implemented until the end of 2008.

See the review of the financial results for 2008 in section 2.3.

## Ad Section 06.11.05 Income from consular services

	Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation
Income	-55.0	-	-55.0	-60.0	5.0

In 2008, there was additional income of DKK 5 million in the account. The income generated in the consular field is demand-driven.

## Ad Section 06.22.01 Peacekeeping operations under UN auspices

	Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation
Expenditure	70.4	-	70.4	85.0	-14.6

In 2008, there was an expenditure increase of DKK 14.6 million in the account, which covers partly expenditure relating to assessed contributions to UN peacekeeping operations and partly expenditure relating to international tribunals and criminal courts. The rise in expenditure can predominantly be attributed to the assessed contributions to two new peacekeeping operations, for which the budgets were drawn up after the budgetary planning process for the 2008 financial year had been completed. This relates to the MINURCAT (Central African Republic and Chad) operations and UNAMID (Darfur) operations.

## Ad Section 06.22.03 Other organisations

	Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation
Expenditure	232.1	-	232.1	206.2	25.9

In 2008, there was an expenditure decrease of DKK 25.9 million in the account that can be attributed to the fact that the costs incurred in relation to Denmark's general contributions to the UN and the contribution to the renovation of the UN building in New York were lower than had been budgeted for. This reduction was due to exchange rate fluctuations and savings on the UN budget.

## Ad Section 06.22.05 The European Investment Bank

	Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation
Expenditure	0.0	-	0.0	2.1	-2.1

The account relates to payments to the European Investment 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.

At the beginning of the year, the 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. It is not possible either to prepare a precise budgeting of the scope of any repayments from the EIB. It is dependent on to what extent the borrowers had to pay off non-performing loans that are covered by guarantors. In the Finance Act for 2008, an estimated sum of DKK 4.4 million was therefore inserted for both payments and repayments.

The amounts disbursed in 2008 to the EIB on the bank's demand amounted to approx. DKK 2.1 million, for the purpose of covering outstanding amounts on loans in Zimbabwe and Senegal. The sum covers outstanding amounts that are divided into seven collection instalments from the EIB. In 2008, there were no repayments from the EIB.

## Ad Section 06.11.15 Non-statutory grants for international purposes and institutions

	Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation
Expenditure	13.8	-	13.8	11.5	2.3

In 2008, there was a decrease in expenditure in the account of DKK 2.3 million. The expenditure decrease can be predominantly attributed to the delayed implementation of the initiative under the Action Plan for the Global Marketing of Denmark regarding an international media push. The delayed implementation occurred as a result of the long planning horizon of a number of press campaigns.

## Ad Section 06.11.19 Bilateral Neighbourhood Programme

	Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation
Expenditure	186.8	-	186.8	202.8	-16.0

Of the expenditure increase in 2008 totalling DKK 16 million, DKK 15.3 million can be attributed to the carry-forward surplus from the 2007 financial year. The remaining DKK 0.7 million can be attributed to the failure to enter into the accounts at the end of 2008 a remainder commitment carry-back of DKK 1.7 million, an amount which will first become visible in the accounts for 2009.

## Ad Section 06.21.01 Nordic Council of Ministers

	Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation
Expenditure	146.5	-	146.5	135.0	11.5

In 2008, there was an expenditure decrease of DKK 11.5 million in the account. The budgeting of Denmark's contributions to the Nordic Council of Ministers in 2008 was made on the premise of a total budget of DKK 858.6 million in 2007-prices. After the budgeting period, the actual budget of the Nordic Council of Ministers was adopted and thereafter regulated in relation to foreign exchange rates and inflation. According to the distribution key adopted for 2008, Denmark was required to pay 22.5 per cent of the budget. The contribution is adjusted also as a result of a payment scheme for higher education as well as for any surplus from previous years. In 2008, a decision taken by the Nordic Cooperation Ministers regarding an extraordinary reduction of the Nordic Council of Ministers' liquidity also had a bearing. Consequently, Denmark's total payment contribution to the Nordic Council of Ministers in 2008 was DKK 135 million.

## Ad Section 06.41.02 Trade Commissioners

	Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation
Expenditure	52.8	-5.0	47.8	43.4	4.4

There was an expenditure decrease of DKK 4.4 million in the account in 2008, which can be primarily attributed to the fact that the earnings generated at the Trade Commissions were higher than budgeted in 2008.

## 6.6 MFA grant schemes under Budget Framework 2, Section 06.3 Development Assistance to Developing Countries

The table below presents the MFA's grant accounts for development assistance under Budget Framework 2 and the related accounting principle explanations.

**Table 14a Grant accounts for the MFA's development assistance (DKK millions) - Budget Framework 2**

		2008				2009			
		Opening balance	Appropriations – incl. Supplementary Appropriations	Accounts	Profit/Loss	Closing balance	Opening balance	Appropriations (FFL 2008)	Total disposable budget
<b>Total assistance to developing countries</b>		<b>264.2</b>	<b>12,393.7</b>	<b>11,641.0</b>	<b>752.7</b>	<b>1,016.9</b>	<b>339.4</b>	<b>12,936.7</b>	<b>13,276.1</b>
06.31.79	Reserves	0.0	0.0	0.8	-0.8	-0.8	-0.8	140.0	139.2
06.32.01	Developing countries in Africa	7.3	2,885.8	2,751.5	134.3	141.6	10.6	3,833.0	3,843.6
06.32.02	Developing countries in Asia and Latin America	20.9	1,404.7	782.2	622.5	643.4	168.1	1,044.0	1,212.1
06.32.04	Personnel assistance	5.9	296.2	243.3	52.9	58.8	21.3	332.6	353.9
06.32.05	Business-to-Business Programme, etc.	4.6	241.5	222.2	19.3	23.9	12.8	233.0	245.8
06.32.06	Mixed credits	0.7	349.3	348.6	0.7	1.5	1.5	350.0	351.5
06.32.07	Loan assistance	0.0	450.3	450.4	-0.1	-0.1	-0.1	261.0	260.9
06.32.08	Other bilateral assistance	3.8	375.7	364.0	11.7	15.6	13.9	568.0	581.9
06.32.10	Transitional assistance to the Western Balkans	0.0	0.0	-0.3	0.3	0.3	0.0	0.0	0.0
06.33.01	Assistance through private organisations (NGOs)	56.4	968.8	1,022.7	-53.9	2.5	0.8	1,013.0	1,013.8
06.34.01	Special environmental assistance in developing countries	100.6	385.9	423.6	-37.7	62.9	62.9	457.8	520.7
06.35.01	Research and information activities in Denmark	19.12	294.7	301.8	-7.1	12.0	4.5	268.1	272.6
<b>Bilateral assistance, total</b>		<b>219.3</b>	<b>7,652.9</b>	<b>6,910.9</b>	<b>742.0</b>	<b>961.4</b>	<b>295.5</b>	<b>8,500.5</b>	<b>8,796.0</b>
06.35.02	International development research	0.2	50.0	48.9	1.1	1.2	0.2	50.0	50.2
06.36.01	The UN Development Programme (UNDP)	0.1	400.0	395.4	4.7	4.7	4.7	371.0	375.7
06.36.02	The UN Children's Fund (UNICEF)	0.0	208.2	208.2	0.0	0.0	0.0	207.2	207.2
06.36.03	HIV/AIDS, Population and Health Programmes	0.3	580.1	580.3	-0.2	0.1	0.1	740.0	740.1
06.36.04	UN Agricultural, Food and Nutrition Programmes	0.0	200.0	180.0	20.0	20.0	20.0	155.0	175.0
06.36.05	Global Environmental Programmes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
06.36.06	UN, other assistance programmes	-66.9	443.8	394.6	49.2	-17.8	-17.8	126.8	109.0
06.37.01	The World Bank Group	0.1	815.9	787.0	28.9	29.0	26.0	554.0	580.0
06.37.02	Regional development banks	0.0	20.0	20.0	0.0	0.0	0.0	0.0	0.0
06.37.03	Regional development funds and other funds	4.4	297.3	300.8	-3.5	0.9	0.9	413.4	414.3
06.37.04	Assistance through the European Union (EU)	0.1	489.7	489.7	0.0	0.1	0.1	550.8	550.9
06.38.01	Multilateral regional and transitional assistance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
06.38.02	Stability and security oriented efforts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
06.38.03	Various multilateral contributions	85.0	0.0	85.0	-85.0	0.0	0.0	0.0	0.0
06.39.01	Contributions to humanitarian organisations under the UN system	0.1	330.0	330.0	0.0	0.1	0.1	425.0	425.1
06.39.02	Extraordinary humanitarian contributions and International Humanitarian Service	21.6	905.8	910.4	-4.6	17.0	9.5	843.0	852.5
<b>Multilateral assistance, total</b>		<b>44.8</b>	<b>4,740.8</b>	<b>4,730.1</b>	<b>10.7</b>	<b>55.5</b>	<b>44.0</b>	<b>4,436.2</b>	<b>4,480.2</b>

#### Ad Section 06.31.79 Reserves

Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation	
100.0	-100.0	-	-0.8	-0.8	6.8%

The grants sphere collects a number of entries in the holding accounts in Section 06.31.79, particularly entries from SLS, bank accounts and balance items, etc. In 2008, therefore, entries of this nature were entered into this account section. These related to entries amounting to a net total of approx. DKK 0.8 million, which should have been reclassified to other account sections.

#### Ad Section 06.32.01 Developing countries in Africa

Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation	
3,131.4	-245.6	2,885.8	2,751.5	134.3	4.7%

The deviation between the appropriation and the accounts for financial commitments is primarily due to the inclusion of non-reusable financial commitments of DKK 131 million in the accounts statement.

#### Ad Section 06.32.02 Developing countries in Asia and Latin America

Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation	
1,107.0	297.7	1,404.7	782.2	622.5	44.3%

The deviation between appropriation and accounts for financial commitments is due primarily to the inclusion of non-reusable financial commitments of DKK 475 million in the accounts statement. Added to this is the DKK 55 million concerning the peace process appropriation in Nepal, which is carried forward to 2009 due to the delay in the new government's implementation of the peace process. Furthermore, a financial commitment of DKK 100 million to Nicaragua is carried forward to 2009 in order to ensure flexibility regarding the decision on this commitment pending a review of the overall country programme in February 2009,

and Bangladesh had an appropriation increase of DKK 11.7 million to cover the equalisation of balances on projects from previous years.

#### Ad Section 06.32.04 Personnel assistance

Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation	
306.0	-9.8	296.2	243.3	52.9	17.9%

The deviation between appropriation and accounts for financial commitments is due primarily to the inclusion of non-reusable commitments of DKK 38 million in the accounts statement. Added to this is a sizeable expenditure decrease in the units in December in comparison with the previous year, amounting to DKK 7 million on advisory assistance and DKK 8 million on business advisers.

#### Ad Section 06.31.79 Business-to-Business Programme, etc.

Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation	
233.0	8.5	241.5	222.2	19.3	8.0%

The deviation between the appropriation and accounts for financial commitments is due primarily to the inclusion of non-reusable commitments of DKK 11 million in the accounts statement. Added to this is an expenditure decrease of DKK 4 million on B2B programmes due to the delayed disbursement of three appropriations in Tanzania and an expenditure decrease of DKK 4 million on Public-Private partnerships.

#### Ad Section 06.32.06 Mixed credits

Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation	
350.0	-0.7	349.3	348.6	0.7	0.2%

The deviation between the appropriation and the accounts for financial commitments is due primarily to the inclusion of

non-reusable commitments of DKK 11 million in the accounts statement. Added to this is an expenditure decrease of DKK 4 million on B2B programmes due to the delayed disbursement of three appropriations in Tanzania and an expenditure decrease of DKK 4 million on Public-Private partnerships.

#### Ad Section 06.32.08 Other bilateral assistance

Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation	
428.0	-52.3	375.7	364.0	11.7	3.1%

The deviation is due primarily to the expenditure decrease on Democracy and Human Rights, in which the Embassy, due to a procedural error, did not enter all the pledged commitments in this account and the fact that the development assistance to Central Asia awaited the approval of a new multi-annual strategy. In addition, there was an expenditure decrease on Stabilisation and Conflict Prevention due to a delay in concluding an agreement with the International Criminal Court (ICC) regarding contributions to a multi-trust fund for victims of war crimes.

#### Ad Section 06.33.01 Assistance through private organisations (NGOs)

Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation	
983.0	-14.2	968.8	1,022.7	-53.9	-5.6%

The deviation is due to a carry-forward balance of DKK 56 million from 2007 and a corresponding reduction in the size of the supplementary appropriation.

#### Ad Section 06.34.01 Special environmental assistance in developing countries

Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation	
403.3	-17.4	385.9	423.6	-37.7	-9.8%

The deviation is due to a carry-forward balance of DKK 67 million from 2007 on Other environmental contributions as well as an expenditure decrease of DKK 25 million on the Climate Pool, which is carried forward to 2009 for postponed activities such as participation in the preparations of COP15.

#### Ad Section 06.35.01 Research and information activities in Denmark, etc.

Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation	
300,9	-6,2	294,7	301,8	-7,1	-2,4%

The deviation is due to a carry-forward balance of DKK 16 million from 2007 and a corresponding reduction in the size of the supplementary appropriation on Projects in Denmark.

#### Ad Section 06.35.02 International development research

Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation	
50.0	-	50.0	48.9	1.1	2.1%

The deviation between the appropriation and the accounts for financial commitments is due primarily to the inclusion of non-reusable commitments of DKK 1 million in the accounts statement.



## Ad Section 06.36.04 UN agricultural, food and nutrition programmes

Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation	
180.0	20.0	200.0	180.0	20.0	10.0%

The deviation is due to a supplementary appropriation of DKK 20 million for the replenishment of IFAD for 2009, which did not take place in 2008. This appropriation is instead carried forward to 2009.

## Ad Section 06.37.01 World Bank Group

Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation	
824,7	-10,1	814,6	786,2	28,4	3,5%

The deviation is primarily due to the fact that a financial commitment to IBRD of DKK 25 million, which was mistakenly granted in 2007, was carried back to 2008.

## Ad Section 06.36.06 UN, other assistance programmes

Finance Act (FL)	Supplementary Appropriation (TB)	Appropriation	Accounts	Deviation	
407.3	36.4	443.8	394.6	49.2	11.1%

The deviation is essentially due to the fact that the appropriation of DKK 85 million to Support for activities within trade and development has been entered in this account section, whereas the account entries of the corresponding DKK 85 million have been entered in Section 36.38.03.25. It should also be noted that there was an expenditure increase of DKK 25 million on UN peacekeeping operations, which the Finance Act provides authorisation to carry forward.

The accumulated profit/loss for accounts with a carry-forward facility under development assistance is specified below in Table 14b.

**Table 14b. Accumulated profit/loss for accounts with surplus transfer access under Section 06.3  
Development assistance to developing countries (DKK millions)**

Main account	End 2005	End 2006	End 2007	Result 2008	Accumulated surplus, End 2008	Carry- forward balance
06.32.01 Developing countries in Africa	-17.3	7.1	7.3	134.3	141.6	10.6
06.32.02 Developing countries in Asia and Latin America	-3.6	3.9	20.9	622.5	643.4	168.1
06.32.04 Personnel assistance	4.6	0.5	5.9	52.9	58.8	21.3
06.32.05 Private Sector Programme, etc	2.2	3	4.6	19.3	23.9	12.8
06.32.06 Mixed credits	-0.9	0.4	0.7	0.7	1.5	1.5
06.32.07 Loan assistance	-0.3	0.1	0	-0.1	-0.1	-0.1
06.32.08 Bilateral assistance to regional areas and regions of origin	3.7	0.9	3.6	11.7	15.6	13.9
06.32.10 Transitional assistance to the Western Balkans	0	2.7	0	0.3	0.3	0.0
06.33.01 Assistance through private organisations (NGOs)	-1.6	9.1	56.4	-53.9	2.5	0.8
06.34.01 Special environmental assistance	30.8	7.9	33.3	-37.7	62.9	62.9
06.35.01 Research and information activities in Denmark	4.8	-0.2	19.1	-7.1	12.0	4.5
06.35.02 International development research	0.1	0	0.2	1.1	1.2	0.2
06.36.01 The UN Development Programme (UNDP)	-1.7	6.6	0.1	4.7	4.7	4.7
06.36.02 The UN children's Fund (UNICEF)	-0.5	0	0	0.0	0.0	0.0
06.36.03 HIV/AIDS, Population and Health Programmes	0	0	0.3	-0.2	0.1	0.1
06.36.04 UN Agricultural, Food and Nutrition Programmes	-0.2	0	0	20.0	20.0	20.0
06.36.05 Global Environmental Programmes	0.2	0	67.3	0.0	0.0	0.0
06.36.06 UN, other assistance programmes	-1.2	35.2	13	49.2	-17.8	-17.8
06.37.01 The World Bank Group	-1	0.1	0.1	28.9	29.0	26.0
06.37.02 Regional development banks	7.8	0	0	0.0	0.0	0.0
06.37.03 Regional development funds and other funds	-0.1	0	4.4	-3.5	0.9	0.9
06.37.04 Assistance through the European Union (EU)	1.7	0	0.1	0.0	0.1	0.1
06.38.01 Multilateral regional and reconstruction assistance	-6.6	0.2	0.1	0.0	0.0	0.0
06.38.02 Stability and security oriented efforts	-0.1	0	0.1	0.0	0.0	0.0
06.38.03 Various multilateral contributions	5.4	5	5.1	-85.0	0.0	0.0
06.39.01 Contributions to humanitarian organisations under the UN system	0	0	0.1	0.0	0.1	0.1
06.39.02 Extraordinary humanitarian contributions and International Humanitarian Service	-0.3	22.5	21.6	-4.6	17.0	9.5

A list of outstanding financial commitments under the MFA's grant accounts with reserved appropriations is presented in Table 15 below.

**Table 15 Outstanding financial commitment**

Account 06	Financial commitments, total	Opening balance 01.01.2008 <sup>1</sup>	Annual commitments <sup>2</sup>	Annual disbursement <sup>3</sup>	Closing balance 31.12.2008 <sup>4</sup>
		<b>-20,051.2</b>	<b>-10,430.7</b>	<b>10,941.5</b>	<b>-19,540.4</b>
06.11.19	Bilateral Neighbourhood Programme	-313.0	-202.5	172.1	-343.5
06.11.27	Climate projects in developing countries	-343.3	343.3	0.0	0.0
06.31.01	Administration of international development cooperation	0.0	0.0	0.0	0.0
06.32.01	Developing countries in Africa	-8,339.3	-3,137.1	2,461.2	-9,015.2
06.32.02	Developing countries in Asia and Latin America	-5,331.9	-866.3	1,398.0	-4,800.2
06.32.04	Personnel assistance	-162.2	-255.5	294.2	-123.6
06.32.05	Private Sector Programme	-431.1	-222.5	182.7	-470.9
06.32.06	Mixed credits	0.0	0.0	0.1	0.1
06.32.08	Bilateral assistance to regional areas and regions of origin	-703.8	-363.7	409.7	-657.9
06.32.10	Transitional assistance to the Western Balkans	-0.8	0.3	0.0	-0.5
06.33.01	Assistance through private organisations (NGOs)	-606.9	-1,022.7	960.6	-668.9
06.34.01	Special environmental assistance in developing countries	-1,731.1	-423.6	520.8	-1,633.9
06.34.06	Closed	-43.5	43.5	0.0	0.0
06.35.01	Research and information activities in Denmark	-307.5	-314.7	214.9	-407.3
06.35.02	International development research	-24.3	-48.9	38.2	-35.1
06.36.01	The UN Development Programme (UNDP)	-2.6	-395.4	394.7	-3.3
06.36.02	The UN Children's Fund (UNICEF)	-3.1	-208.2	208.0	-3.3
06.36.03	HIV/AIDS, Population and Health Programmes	-275.0	-580.3	621.1	-234.1
06.36.04	UN Agricultural, Food and Nutrition Programmes	-0.7	-180.0	180.0	-0.7
06.36.05	Global Environmental Programmes	-338.5	0.0	183.3	-155.2
06.36.06	UN, other assistance programmes	-56.4	-193.8	145.9	-104.3
06.37.01	The World Bank Group	-37.5	-790.0	749.9	-77.6
06.37.02	Regional development banks	-138.9	-20.0	58.4	-100.5
06.37.03	Regional development funds and other funds	-0.6	-233.5	234.1	0.0
06.38.01	Multilateral regional and transitional assistance	-287.5	10.1	112.1	-165.4
06.38.02	Stability and security oriented efforts	-81.9	0.0	26.1	-55.8
06.38.03	Various multilateral contributions	-67.5	-85.0	53.3	-99.2
06.39.01	Contributions to humanitarian organisations under the UN system	0.0	-330.0	330.0	0.0
06.39.02	Extraordinary humanitarian contributions and International Humanitarian Service	-364.7	-910.7	933.3	-342.1
06.41.03	Trade Council of Denmark, special export promotion grants	-57.4	-43.4	58.97	-41.9

- 1) The opening balance as of 01.01.2008 is calculated as the closing balance as of 31.12.2007 with respect to outstanding financial commitments per main account in UM-Finans, account group 77.2.
- 2) The annual financial commitments are calculated as the year's movements from 01.01.2008 in account 779501 in UM-Finans, provisions and financial commitments incl. any corrections.  
The year's commitments are thus an expression of the year's total movements in the provisions account, which can result in deviations in relation to the accounting figures presented in Tables 14a and 14b.
- 3) The annual disbursement is calculated as the year's movements from 01.01.2008 to 31.12.2008 in account 779592 in UM-Finans, disbursements concerning financial commitments, incl. any adjustments.
- 4) The closing balance as of 31.12.2008 is calculated as the sum of the three other columns.

## 6.7 Presented investments

Table 16 Completed projects (DKK millions)

Completed projects	Commencement of construction	Expected completion at time of construction commencement	Actual completion period	Total expenditure originally budgeted	Total expenditure	Appropriation received
	-	-	-	-	-	-

Table 17 Capital projects in progress (DKK millions)

Capital projects in progress	Commencement of construction	Expected completion	Year expenditure	Total expenditure	Expected total expenditure
Embassy building, Dhaka	2008	2010	0.2	0.2	7.0, cf. Act 178, 2005
Embassy building, New Delhi	2009	2010	0	0	10.0, cf. Act 178, 2005

## 6.8 Key figures

Presented below are a number of key figures concerning the MFA's finances for the period 2006-2008.

Table 18 MFA key figures

Key figures	2006	2007	2008
Negative fluctuation		-0.60	0.4
Accumulated profit margin	-5.6%	-2.68%	0.6%
Rate of utilisation of borrowing limit		90.8%	84.6%
Profit margin	-3.6%	-3.3%	2.0%
Appropriation proportion	91.2%	90.3%	90.6%
Extraordinary items, income	0.7%	0.6%	0.3%
Extraordinary items, expenditure	0.9%	0.0%	0.1%
Loss on receivables		0.2%	0.2%
Equity investment	7.7%	9.6%	10.0%
Rate of depreciation	13.8%	17.2%	20.0%
Consolidation ratio	139.5%	117.7%	130.5%
Average full-time equivalent cost (DKK thousands)	447,530	447,277	482,460
Solvency ratio	1.3%	1.1%	2.2%
Reserve flow	100.0%	100.0%	100.0%
Reserve proportion	1.2%	1.7%	5.7%
Accumulated reserve proportion	1.2%	1.7%	5.7%

## 6.9 List of annual reports, etc within the MFA sphere and for related institutions

Beretning til Folketinget om udviklingen i EU i 2008  
*Report to the Folketing (Danish Parliament) on developments in the EU in 2008*  
[www.um.dk](http://www.um.dk), May 2009

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/da/menu](http://www.um.dk/da/menu), May 2009

Handelspolitisk Orientering 2008  
 Trade Policy Briefing Report 2008  
[www.um.dk/da/menu/Udenrigspolitik/Handelspolitik](http://www.um.dk/da/menu/Udenrigspolitik/Handelspolitik)

Årsberetning for Investeringsfonden for Østlande 2008  
*The Investment Fund for Central and Eastern Europe – Annual Report 2008*  
[www.ioe.dk](http://www.ioe.dk), end April 2009

Danidas årsberetning 2008  
*Danida Annual Report 2008*  
[www.um.dk](http://www.um.dk), June 2009

Årsrapport for Center for Kultursamarbejde med Udviklingslandene 2008  
*The Centre for Cultural Cooperation with Developing Countries 2008*  
[www.cku.dk](http://www.cku.dk), August 2009

DBL – Institute for Health Research and Development – Annual Report 2008  
[www.dblnet.dk](http://www.dblnet.dk), April 2009

Årsberetning for Danida Fellowship Center 2008  
*The Danish Fellowship Centre – Annual Report 2008*  
[www.dfcentre.com](http://www.dfcentre.com), April 2009

Årsberetning for Industrialiseringsfonden for Udviklingslandene 2008  
*The Industrialisation Fund for Developing Countries – Annual Report 2008*  
[www.ifu.dk](http://www.ifu.dk), April 2009

Danidas Center for Kompetenceudvikling, Årsberetning 2007  
*Danida's Centre for Competence Development – Annual Report 2007*  
[www.danida-dccd.dk](http://www.danida-dccd.dk), April 2008

Rehabiliterings- og Forskningscentret for Torturofre (RCT), Årsberetning 2008  
*The Rehabilitation and Research Centre for Torture Victims (RCT), Annual Report 2008*  
[www.rct.dk](http://www.rct.dk), May/June 2009

Danish Seed Health Center, Årsberetning 2008  
*Danish Seed Health Centre, Annual Report 2008*  
[www.dshc.life.ku.dk](http://www.dshc.life.ku.dk), May 2009

Mellemfolkeligt Samvirke, Årsberetning 2008  
*MS-Danish Association for International Cooperation – Annual Report 2008*  
[www.ms.dk](http://www.ms.dk), June 2009

Danmark og EF-Domstolen i 2008  
*Denmark and the European Court of Justice in 2008*  
[www.um.dk](http://www.um.dk), April 2009

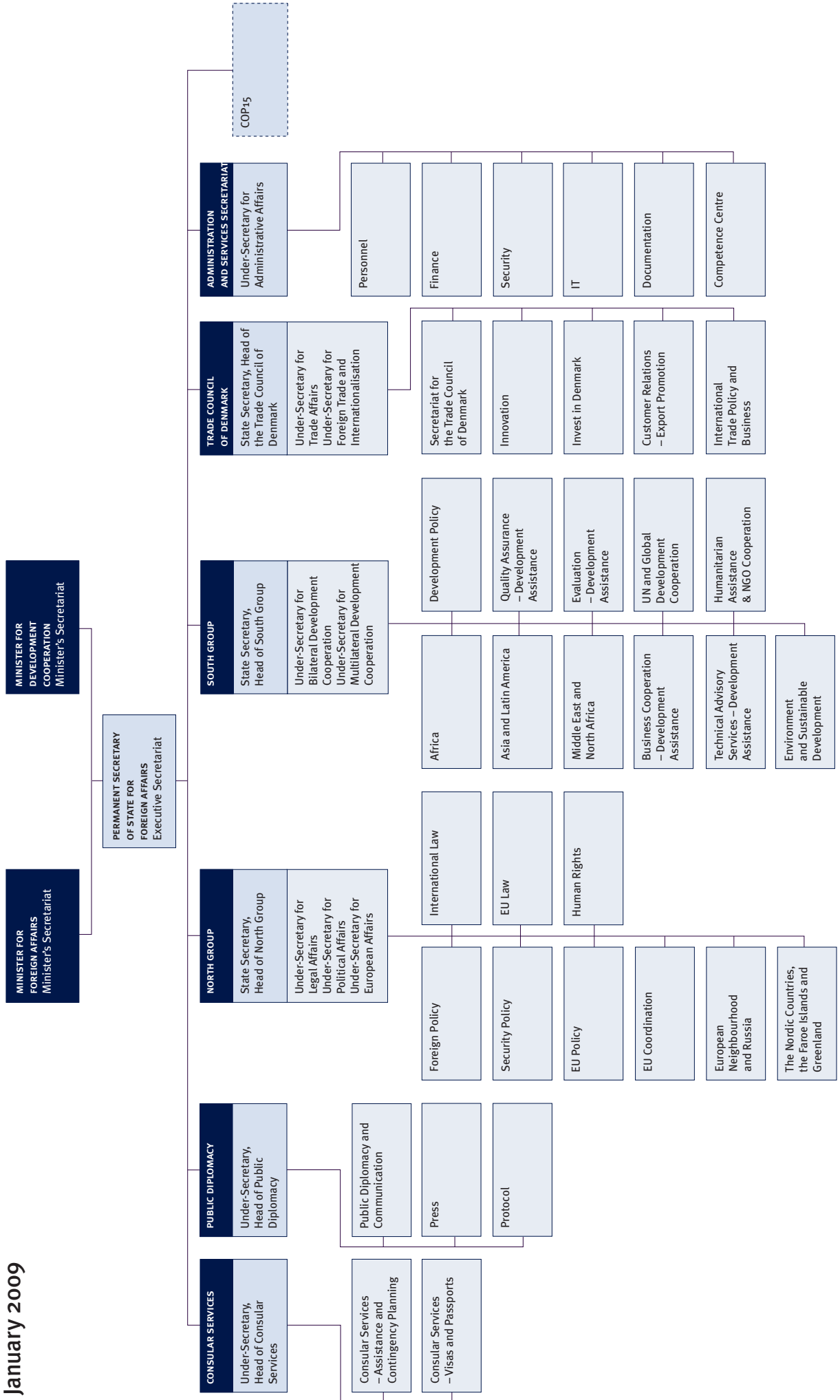
Udførsel af våben og produkter med dobbelt anvendelse fra Danmark i 2008  
*Export of Arms and Products with Dual Purpose from Denmark in 2008*  
[www.um.dk](http://www.um.dk), April 2009

Skriftlig redegørelse til Folketinget om Organisationen for Sikkerhed og Samarbejde i Europa (OSCE)  
*Report to the Folketing on the Organisation for Security and Cooperation in Europe (OSCE)*  
[www.um.dk](http://www.um.dk), April 2009

Årsberetning 2008 DCISM, herunder DIIS og IMR  
*Annual Report 2008 – Danish Centre for International Studies and Human Rights (DCISM) – incl. Danish Institute for International Studies (DIIS) and Danish Institute for Human Rights (DIHR)*  
[www.dcism.dk](http://www.dcism.dk), May 2009

# THE MINISTRY OF FOREIGN AFFAIRS IN COPENHAGEN

January 2009





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

Globalisation has led to significant changes in the tasks and focus of the Ministry of Foreign Affairs of Denmark. The Globalisation Analysis from 2006 provided a comprehensive set of proposals for how the MFA could be structured and organised to tackle the challenges and opportunities of globalisation in the most optimal way, and since its publication a number of initiatives have been implemented to follow up on the analysis.

The MFA's globalisation process continued in 2008, in which it was decided, among other things, to introduce a new structure in the home service with the aim of creating an even better and more globalisation-ready Ministry. This will be the most extensive reorganisation of the MFA since 1991, when the MFA's structure was adapted to meet the changes that followed the end of the Cold War.

The core element of the reorganisation that the MFA expects to implement during 2009 is a transition from the present division into North and South to a structure based on 11 centres. The purpose of the centre structure is to ensure a clearer and more up-to-date division of tasks, with the aim of strengthening, among other things, structural embeddedness in relation to the new themes of globalisation. Added to this is a new orientation of the MFA's personnel development with the aim of strengthening the MFA's management and development of human resources, benefiting both task performance and all staff groups.

In this regard, a special effort will be made to ensure that the MFA in the future is also able to fill difficult postings in the service abroad, which have increased in number in recent years. Armed conflicts, a generally heightened security situation, threats to Danes and Danish interests as well as difficult health and living conditions have unfortunately become the daily norm at a number of our Missions, which was tragically demonstrated by the terrorist attacks in Islamabad in 2008.

However, in order to promote and safeguard Danish interests, it is crucial that the MFA is present in the hot spots of globalisation. The MFA has therefore taken relevant precautionary measures and enhances anti-terrorism security at the Danish Missions when and where it is deemed necessary. These measures are taken on the basis of an extensive analysis of the security at the Danish Missions abroad, which was carried out in autumn 2008.

It is the hope that these measures and organisational changes will create a Foreign Ministry that is even more flexible and proactive both in tackling new challenges and in discharging traditional core functions; a Ministry that gets the best out of its human resources; and a Ministry that succeeds even more in utilising the synergies that exist in the integrated service, to the benefit of our Danish and foreign partners.

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