

MINISTRY OF FOREIGN AFFAIRS OF DENMARK



ANNUAL REPORT

2009

# FOREWORD



*Lene Espersen  
Minister for Foreign Affairs*

The past year was again an eventful one for the Ministry of Foreign Affairs of Denmark, which saw major global challenges and an internal reorganisation of the Ministry. Despite these challenges, the Ministry reached many important milestones. Mentioned below are a few of the major tasks that have characterised the past year.

Despite difficult odds, a result was successfully achieved in the Bella Center, and the logistical side of COP15 was handled satisfactorily. Denmark was able to pull everything together in the largest international event ever held on Danish soil. We were visited by 120 Heads of State and Government, 14,000 delegates and even more representatives from NGOs and the media.

2009 was a year characterised by the economic crisis, which emerged with full force, but the necessary political will and ability to act were also present at the crucial time. With fiscal loosening and a number of stimulus packages in Denmark combined with coordinated international initiatives instigated by the G20, we avoided a total meltdown and a return to the vicious circle of protectionism, trade wars and mass unemployment of the 1930s. Now we must devote even more focus to strengthening export; a task which we are certain that the Danish business community is well equipped to tackle.



*Søren Pind  
Minister for Development  
Cooperation*

Even in a time of economic crisis, Denmark has maintained the nominal level of Danish development assistance, amounting to DKK 15.2 billion in the Finance and Appropriation Act for 2010. This corresponds to 0.83 per cent of GNI. In 2009, the Ministry of Foreign Affairs commenced work on formulating a new strategy for Danish development assistance. There has been a huge interest in participating in the work, and we now look forward to finalising the strategy in 2010. We place strong importance on ensuring that development policy becomes an integral part of foreign policy. The Danish interventions in Somalia and Pakistan are examples of the necessity of adopting a multi-pronged approach.

At long last, the EU was able to navigate successfully through a new Irish referendum and bring eight years of treaty negotiations to a close. The Lisbon Treaty entered into force on 1 December 2009. The challenge now will be to ensure that the EU steps onto the world stage as a serious global heavyweight. We are also well underway with the preparations for the Danish EU Presidency in the 1st half of 2012.

Another challenge that the Ministry of Foreign Affairs will continue to face in 2010 is the war in Afghanistan and the associated efforts to stabilise Pakistan. There have been setbacks in the fight against international terrorism, and the current situation in Afghanistan leaves much to be desired. The Afghan government has yet to prove its worth to the Afghan people and must be helped to assume responsibility for the country's security as soon as possible.

In May 2009, the work of the Government's international Africa Commission was brought to a close with the publication of the Commission's report, which focuses, inter alia, on promoting private sector-led growth and employment. The implementation of the report's five concrete initiatives is fully underway. African ownership of the work carried out by the Africa Commission was underlined when Tanzania's President Kikwete stated in his address to the UN General Assembly that the Africa Commission had shown the way.

In 2009, Denmark continued its MDG3 Global Call to Action campaign aimed at promoting gender equality. Many prominent individuals received torches, including the First Lady of the United States, Michelle Obama, during her visit to Denmark in the autumn. In spring 2010, an international MDG3 conference is scheduled to take place in Copenhagen, ahead of the UN conference in New York to be held in autumn on all the UN Millennium Development Goals. Denmark has exerted a strong influence on the work to promote women's rights.

2009 was both an eventful and successful year for the Ministry of Foreign Affairs of Denmark. Having taken up our appointments here at the Ministry at the beginning of 2010, we both look forward to leading the Ministry and its many tasks to further fruition in the new year.

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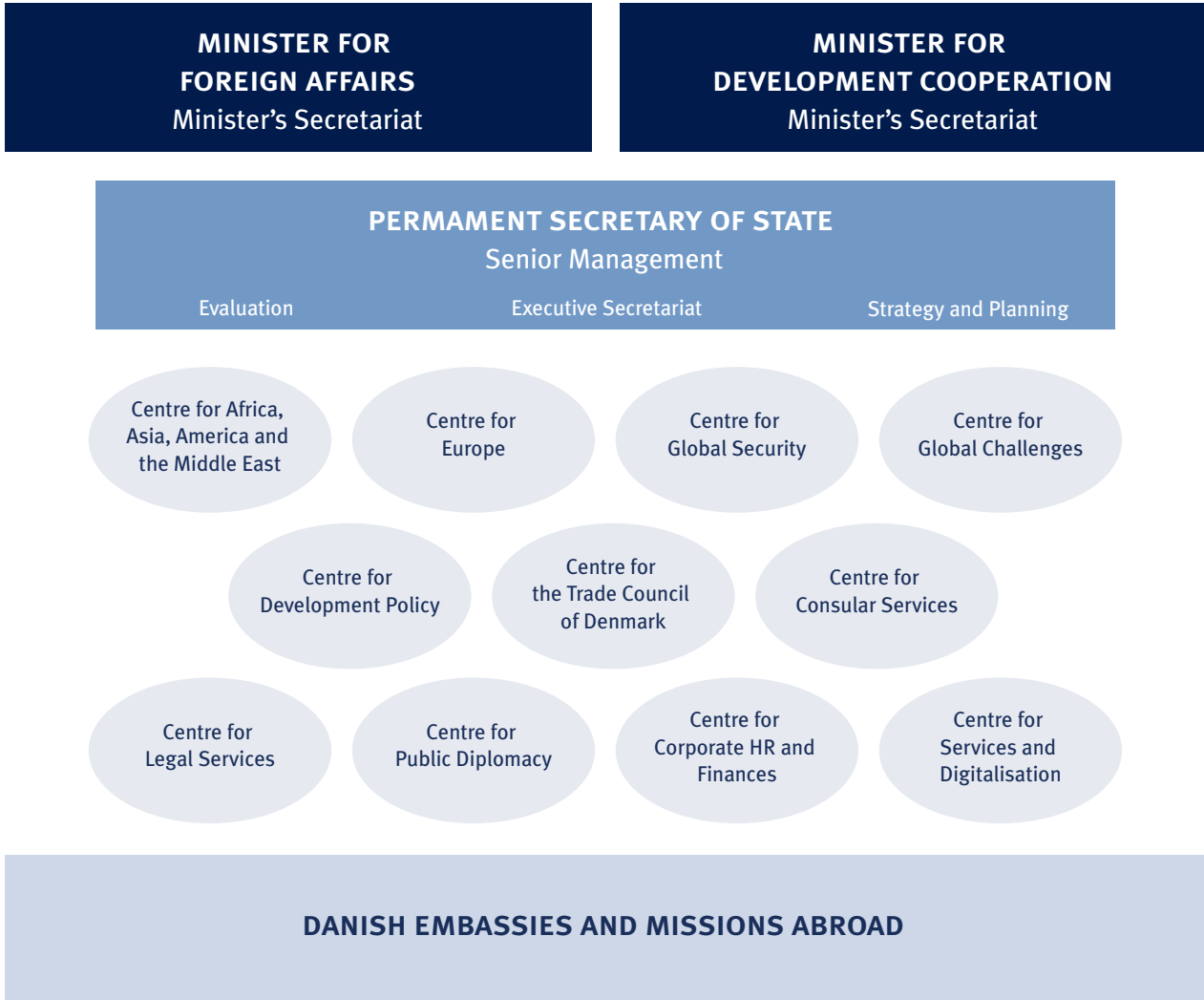
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# ORGANIGRAM

January 2010



# DENMARK'S MISSIONS

March 2010

■ **EMBASSIES (78)**

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

■ **MULTILATERAL MISSIONS (7)**

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

■ **MISSION OFFICES (4)**

- Niamey Ramallah
- Phnom Penh Thimphu
- CONSULATES GENERAL (8)**
- Flensburg Hong Kong São Paulo
- Guangzhou Milan Shanghai
- Hamburg New York

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

- Chicago Munich Taipei
- Dubai Saint Petersburg Toronto
- Istanbul Sydney

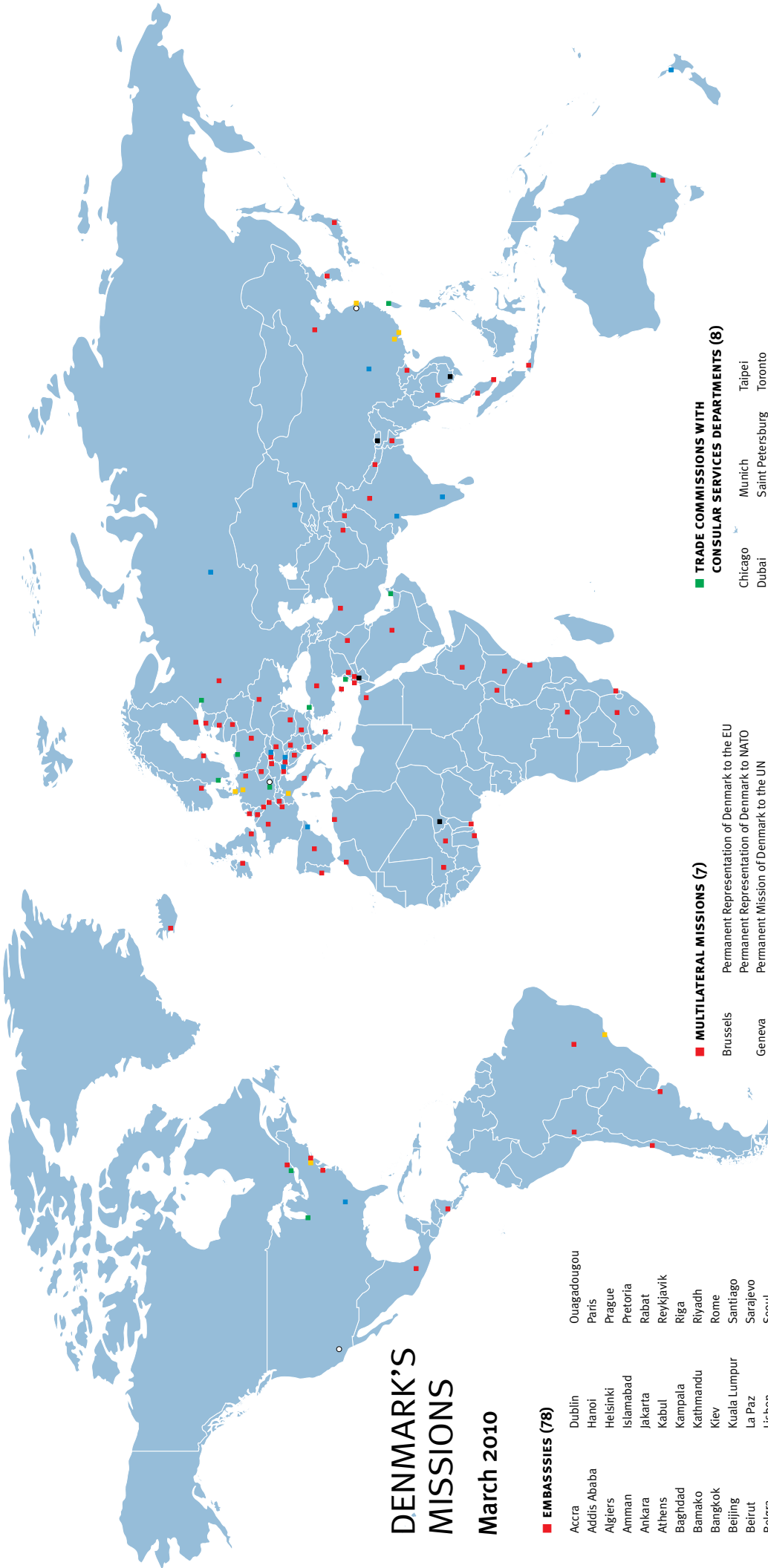
■ **OTHER TRADE COMMISSIONS (11)**

- Ahmedabad Bangalore Ljubljana\*
- Almaty Barcelona Zagreb\*
- Atlanta Bratislava\*
- Auckland Chongqing Yekaterinburg

○ **INNOVATION CENTRES (3)**

- Munich Silicon Valley
- Shanghai

\* Located at the Embassy.



# 1. INTRODUCTION

Herewith is presented the Annual Report of the Ministry of Foreign Affairs of Denmark (MFA) for 2009.

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 in respect to appropriations the Danish Centre for International Studies and Human Rights (DCISM) belongs under the MFA. 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 an integral part of the MFA's activities. This provides 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 2009 and also documents 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).

With respect to performance reporting, the Annual Report solely reports on the strategic goals of the past year upon which the MFA's target and performance management has been based. 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 6.7 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

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

#### 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 (see map on p.4). Added to this are a large number of Honorary Consulates. The entire corporation has approx. 2,700 employees, of whom approx. 950 are located at the Ministry in Copenhagen and approx. 1,750 are employed at the Missions. Of the 1,750 employees based abroad, approx. 1,200 are locally employed staff.

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 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.

#### *Network of Missions*

The global network of Missions is the hallmark of the MFA and provides the basis for enabling the MFA to safeguard and promote Denmark's international interests. With in-depth knowledge of local conditions and the right networks, the Missions contribute to ensuring the quality and validity of the flow of information that serves as the basis for shaping Danish 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. At the same time, 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 Danish Missions thus serve as a platform for the Danish Government and the Civil Service. This role is underpinned further by the fact that more than 20 per cent of the posted junior diplomats (academic staff) at Missions are special attachés from other Government ministries.

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).

#### *The Ministry in Copenhagen*

In spring 2008, as part of the follow-up on the MFA's Globalisation Analysis, "Den grænseløse verden –

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.*

Udenrigsministeriet og globalisering”<sup>3</sup> (October 2006), 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 resources and the structure of the MFA. As a follow-up on the working group’s recommendations, the structure of the Ministry in Copenhagen underwent a reorganisation in June 2009, in which the previous division into North and South was abolished and replaced by a centre structure with 11 centres. Each centre has either a functional, geographical or customer-oriented focus (see organigram on p.3). 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, such as climate change, the new types of security threats and the financial crisis. In addition, the centre structure aims at enhancing the integrated approach to task performance, which is the MFA’s comparative advantage and prerequisite for being able to tackle present and future challenges effectively.

The MFA Annual Report 2009 is submitted for the following three main accounts on the Finance Act:

- 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.

## 2.2 The operational results in 2009

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.

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”.*

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 strategic goals and priorities, specifically in the form of a set of strategic guidelines that were announced to MFA staff in summer 2008. 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 attainment regarding all strategic goals set out in the announcement for 2009.

## 2.3 The financial results in 2009

The MFA’s operating profit/loss in 2009 on Section 06.11.01 – The Danish Foreign Service – shows a planned surplus of DKK 95 million after an adjusted provision concerning reserved appropriations in 2010. Approx. DKK 81 million of the total surplus relates to Section 06.11.04 – The Government’s Joint Expenditure Related to the UN Climate Change Conference (COP15). In connection with the distribution of the year-end profit for 2009, a reserved appropriation of DKK 84.4 million relating to COP15 has been booked as income on Section 06.11.01 – The Danish Foreign Service, as this appropriation is the corporate main account for Section 06.11.04 – The Government’s Joint Expenditure Related to the UN Climate Change Conference (COP15). The surplus relating to COP15 is expected to be used primarily at the beginning of 2010, as the accounts for COP15 are not expected to be completed until the 1st quarter of 2010. The rest of the surplus of approx. DKK 14 million stems partly from the fact that income from consular services in 2009 was approx. DKK 6 million higher than budgeted for in the Finance and Appropriation Act for 2009.



In 2009, there was an increase in other expenditure amounting to approx. DKK 450 million, which can primarily be attributed to the substantial expenditure that was incurred in connection with holding COP15, cf. table 1.

The MFA's total payroll expenditure, which was kept under the payroll ceiling specified in the Finance and Appropriation Act for 2009, totalled approx. DKK 683 million,

which is DKK 6,4 million less than the MFA's payroll ceiling specified in the Finance and Appropriation Act for 2009. The surplus will be used to consolidate the MFA's payroll saving. In 2009, there was an increase in the MFA's payroll expenditure of approx. DKK 60 million in relation to 2008, cf. table 1. The increase can partly be attributed to the fact that the MFA made a number of temporary appointments in 2009 with a view to performing tasks relating to COP15.

**Table 1 The MFA's main and key financial figures (DKK million)**

Profit/Loss Account – Main Figures	2007	2008	2009
<b>Ordinary and other operating income, total</b>	<b>-1,748.3</b>	<b>-1,887.3</b>	<b>-2,481.4</b>
Appropriations booked as income	-1,579.1	-1,709.7	-2,308.8
External income	-169.2	-177.6	-172.6
<i>Other operating income is booked under operating items</i>			
<b>Ordinary operating costs, total</b>	<b>1,797.4</b>	<b>1,823.4</b>	<b>2,345.8</b>
Salaries and wages, as well as other personnel costs	591.3	632.0	692.6
Depreciation	91.1	89.0	98.6
Other costs	1,115.0	1,102.4	1,554.5
<b>Result of ordinary operations, total</b>	<b>49.1</b>	<b>-63.8</b>	<b>-135.6</b>
Result before financial items, total	-9.7	-134.6	-188.0
<b>Year-end profit/loss</b>	<b>56.9</b>	<b>-38.6</b>	<b>-95.0</b>
<b>Balance</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Fixed Assets	1,964.5	1,958.9	2,193.3
Current assets	372.2	539.8	941.2
Equity	-24.7	-60.9	-158.3
Provisions	-52.7	-49.1	-52.0
Long-term liabilities	-1,951.2	-1,926.6	-2,144.1
Short-term liabilities	-308.1	-462.1	-780.1
Borrowing limit	2,139.3	2,217.6	2,217.6
Borrowing limit (FF4 + FF6) utilised	1,941.8	1,918.6	2,137.8
<b>Financial Key Figures</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Rate of utilisation of borrowing limit	90.8%	86.5%	96.4%
Negative fluctuation	-0.6	0.86	1.3*
Profit margin	-3.3%	2.0%	3.8%
Appropriation proportion	90.3%	90.6%	93.0%
<b>Personnel Information</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Full-time equivalents**	1,322.0	1,394.0	1,450.0
Full-time equivalent cost (DKK thousand)	447.0	453.0	478.0
Payroll cost percentage	33.8%	33.5%	27.9%
Payroll ceiling	594.7	624.3	689.4
Payroll expenditure	583.0	620.6	683.0

\* The carry-forward surplus is adjusted for the COP15 proportion of DKK 81.1 million.

\*\* Due to the change in calculation method, the number of full-time equivalents in 2007 is not comparable with later years.

## 2.4 Functions and resources

This section follows up on the MFA's functions and the allocated resources for performing them. The first part presents the resource consumption for each of the MFA's functions. The second part reports on which functions had a reserved appropriation earmarked when the financial accounts were completed.

### 2.4.1 Functions and resources – a schematic overview

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

**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	Appropriations booked as income	Other income	Expenditure (net)	Realised income	Proportion of year profit	Distribution per cent
General foreign policy	672.5	-105.9	626.5	-117.6	57.7	61%
Administration of development assistance	803.8		802.3		1.5	2%
Export and investment promotion, etc.	391.1	-83.8	384.1	-72.9	-3.9	-4%
Consular services	231.2		242.0		-10.8	-11%
MFA Competence Centre	22.2	-6.8	26.0	-1.7	-8.9	-9%
MFA Language Centre	14.4	-14.4	15.1	-16.5	1.4	1%
Government's joint expenditure related to the UN Climate Change Conference (COP15)	397.4		88.0		9.4	10%
Fee-financed activities, consular service fees		-55.0		-61.5	6.5	7%
Adjustment of reserved appropriation				-42.1	42.1	44%
<b>Total</b>	<b>2,532.6</b>	<b>-265.9</b>	<b>2,484.0</b>	<b>-312.3</b>	<b>95.0</b>	<b>100%</b>

### 2.4.2 Explanation of reserved appropriations

In connection with the completion of the financial accounts for 2009, the MFA has reserved a number of appropriations

for specific purposes in the coming years. These are specified in detail in table 3 below

**Table 3 Reserved appropriations for specific purposes under Section 06.11.01 – The Danish Foreign Service (DKK million)**

Function	Reserved Year	Reserved Appropriation/Opening Balance	Year Expenditure	Reserve Closing Balance	Expected Expiry
Enhanced promotion of DK	2009	13.4	13.4	0.0	2009
Embassy security	2009	9.7	9.7	0.0	2009
COP15	2009	84.4	84.4	0.0	2009
<b>Total reserves, as of 01.01.2009</b>		<b>107.5</b>	<b>107.5</b>	<b>0.0</b>	
Enhanced promotion of DK	2010	38.9	28.0	10.9	2010
VIS	2010	10.9	0.0	10.9	2010
Sikring af ambassader	2010	70.0	26.4	43.6	2010
<b>Total reserves and special appropriations, 2009-2010</b>		<b>119.8</b>	<b>54.4</b>	<b>65.4</b>	

### Remarks on the specific reserved appropriations

- 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, the MFA has been allocated funds in the period 2007-2010 for strengthening public diplomacy and promoting export and investment. See Appropriation Note 126 of 24 May 2007 and Finance and Appropriation Act 2008 for a more detailed statement of the objectives concerning the allocations and appropriations for the individual years. Out of a total appropriation of DKK 25.5 million in 2009 and a reserved appropriation of DKK 13.4 million from 2008, DKK 28 million was used in 2009. As a result, a reserved appropriation of DKK 10.9 million has been provisioned.
- In the Supplementary Appropriation Act for 2009, the MFA was allocated DKK 10.9 million from Section 18.11.79 – Reserves and budget adjustments for the purpose of financing expenditure incurred in connection with the common European Visa Information System (VIS). A reserved appropriation has been provisioned for the work in this area.
- In connection with Finance and Appropriation Act 2008, the MFA was allocated DKK 26 million annually towards financing operating and investment costs related to a special programme for enhancing the security of the Danish Missions abroad in the period 2008-2011, corresponding to DKK 18 million annually in cost-based appropriations. In 2009, the MFA was also allocated DKK 42.3 million for further enhancing the security of Danish Missions abroad, cf. Appropriation Note 126 of 2 April 2009. Out of a total appropriation of DKK 60.3 million and a reserved appropriation of DKK 9.7 million from 2009, there was an expenditure of 26.4 million in 2009. As a result, a reserved appropriation of DKK 43.6 million has been provisioned.

## 2.5 Administered expenditure and income

The table below presents the MFA's administered expenditure and income, i.e. grant schemes, statutory schemes and other administered expenditure and income.

**Table 4 Grant schemes and statutory appropriations in 2009 (DKK million)**

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*	4.3	32.0	36.3	22.0	14.3	14.3
06.21.01	Nordic Council of Ministers	0.0	146.6	146.6	143.3	3.3	0.0
06.22.01	Peacekeeping operations under the UN	0.0	228.2	228.2	216.2	12.0	0.0
06.22.03	Other organisations	0.0	245.8	245.8	254.4	-8.6	0.0
06.22.05	The European Investment Bank, expenditure	0.0	-0.1	-0.1	2.0	2.1	0.0
06.41.02	Trade Commissioners (net)**	22.0	40.6	62.6	50.0	12.6	12.6
06.41.03	Special export promotion grants	0.8	51.6	52.4	51.1	1.3	1.3

\*) Please note that in the appropriation settlement for 2009, the account has been reduced by DKK 1 million. The carry-forward balance is thus DKK 13.3 million.

\*\*\*) A special appropriation provision applies to the account, whereupon additional income can be reused to increase the expenditure appropriation.

## 2.6 Expectations to the coming year

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

Overall, it is the expectation that in general there will be balance between expenditure and appropriations in 2010. However, unforeseen situations may arise that either lead to a surplus or will make it necessary to draw on the carried-forward surplus.

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

In 2010, the MFA's priorities and primary functions will also be based around the six strategic goals that have emerged from the Government Platform and the Globalisation Analysis. The six strategic 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. In addition, a number of centrally determined goals have been laid down within the fields of investment and export promotion as well as consular services. The six strategic goals are as follows:

- 1) A competitive, visible and active Denmark in a globalised world
- 2) Danmark at the heart of Europe
- 3) International security and stability
- 4) A freer, fairer and more economically and environmentally sustainable world
- 5) The citizens' Foreign Service
- 6) A flexible and well-driven global network for the entire Government

To further strengthen the strategic focus and prioritisation, the MFA has identified a number of priorities that are to be assigned special prominence in 2010. These involve important tasks which, however, far from cover the MFA's entire range of activities. A large number of other tasks flow from legislation as well as existing strategies and action plans, and these core tasks are not described in detail in this report. The priorities for 2010 are described in the following sections

Despite signs of improvement, **the global economic crisis**, together with political crises in the hardest hit countries, is expected to dominate the international agenda in 2010. The crisis has emphasised the need for a global approach to tackling the global challenges and for **reforms of the global**

**architecture** that reflect the shift in power relations and new needs for multilateral cooperation. In this respect, the key decisions in relation to tackling the crisis will increasingly be taken in fora such as G8 and G20, with limited representation and unclear rules. Denmark's ability to safeguard and promote its foreign policy interests is closely entwined with the EU's and our own national clout in multilateral fora and the overall global architecture. We must therefore work actively and in a targeted way to bring about the reforms of the global architecture necessary for giving developing countries and the EU a stronger voice both within the political and economic sphere, for example in the Bretton Woods institutions, the UN Security Council, G8 and G20. In addition, in the absence of rapid reforms of the formal institutions, we must engage in parallel efforts to promote Danish representation and influence in the increasing number of informal ad-hoc groupings formed to address specific issues, so as to ensure Danish influence.

The crisis necessitates also enhanced efforts that contribute to generating **Danish economic growth and employment**, including by generating greater revenue for Danish enterprises. In specific terms, the export and investment promotion efforts must be stepped up, with focus on creating value for Danish enterprises, including by allocating marketing funds. There will already from the beginning be a focus on ensuring an effective and results-oriented implementation of The Trade Council's new strategy in the years up to 2015. A key element will be to endeavour to utilise Danish strongholds that can contribute to promoting green growth, partly by promoting investments and export of technology that contribute to achieving this objective. In this regard, there will continue to be a need for an assertive public diplomacy and media campaign directed at maintaining and increasing international awareness of Danish green competencies and expertise.

The strong **Danish engagement and our policy input on the Afghanistan-Pakistan** dossier both bilaterally and multilaterally must be developed further. Special effort must be made to integrate the engagement in Afghanistan with the situation and developments in Pakistan. The effort aims at contributing to development and stabilisation, and thus greater regional and global security. The effort is also a direct contribution to enhancing Denmark's security. The different comparative advantages of multilateral organisations must be utilised in the most optimal way, and in particular the EU's engagement in the region should be strengthened.

Denmark has major interests in developing stronger relations with **China and India** in all areas, both economically and politically. The Danish opportunities in relation to these two countries – bilaterally and multilaterally – will be a strategic priority. Whilst Asia has also been hit by the economic crisis, the impact on the region has been less severe, the result of which has been a strengthening of the Asian economy in relation to Europe and USA. We must also address as well as gain a better understanding of, in particular, China's, but also India's, increased involvement on the global stage, especially in Africa.

In 2010, the preparations for the next major foreign policy challenge, the **EU Presidency in 2012**, will also gather pace, including in connection with the 18-month presidency cooperation with Poland and Cyprus. After the positive outcome of the Irish referendum, focus will also be on promoting specific Danish interests in the work on implementing the Lisbon Treaty as well as ensuring that the EU can deliver the necessary joint European initiatives that are to help Denmark and the rest of Europe steer as successfully as possible through the economic crisis. Tackling the EU policy challenges must be based on close cooperation with the rest of the Central Administration. The EU constitutes an absolutely vital policy platform for promoting Danish foreign policy interests, for promoting Danish and European economic growth and employment, and for promoting a global transformation to a green economy.

In the first half of 2010, the work on formulating a **general strategy for development cooperation** as a replacement for Partnership 2000 is to be finalised. Emphasis will be placed on making development policy an integral part of Denmark's foreign and security policy and on ensuring coherence in all policies of relevance for developing countries. Implementing and publicising internationally the Africa Commission's recommendations for promoting private sector-led sustainable growth and job creation will be a key task, including in connection with the summit on the UN Millennium Development Goals in 2010. Similarly in 2010, there will be focus on the efforts to realise the MDGs and on ensuring that the new developmental and environmental challenges, such as rising commodity and food prices, the pressure on eco-systems as well as climate change are effectively tackled.

Close **cooperation with the new US Administration** is a strategic cross-cutting foreign policy interest. A high priority will continuously be to identify areas – including within the

economic sphere – where Denmark can take initiative to promote, or can participate in, close cooperation with the new US Administration – be it bilaterally, multilaterally or within the EU domain.

**The Middle East region, including the Middle Eastern peace process**, will continue to be assigned high priority. Denmark and the EU must, inter alia, ensure synergy in relation to new initiatives from the Obama Administration, including through Danish input, such as the proposed adoption of a more regional approach. Developments in Iran and Iranian policy will be monitored closely. The extensive efforts – including through The Danish-Arab Partnership Programme – to strengthen Denmark's position in the Muslim world will be maintained, partly with the aim of ensuring the basis for the continued pursuance of a proactive foreign policy in relation to the Muslim world, and partly with the aim of tackling the threat of terrorism against Denmark and Danish interests abroad. The importance of the Gulf Region and the Danish opportunities in these countries must also be explored more closely.

Denmark's assumption of **the Chairmanship of the Arctic Council** in 2010 will be a key priority. A focus area will be sustainability – including follow-up on COP15 – in the form of continued efforts to promote understanding of climate change in the Arctic and its global implications. However, greater cooperation on research, maritime rescue/shipping safety, the Arctic Council's outreach and communication, etc. will also be assigned priority. A special priority will be to ensure follow-up on the Ilulissat Declaration from May 2008, including maintaining the present legal framework and potential further development of the commitments contained in the declaration. In 2010, Denmark will also assume the Presidency of the Nordic Council of Ministers and the **Chairmanship of the Nordic foreign policy cooperation**.

Denmark has clear foreign policy interests in the work on promoting **the international legal order** and should continue to have a high profile in this area. There will be particular focus on the broader theme of *Rule of Law*, but also on the fight against piracy, the Strategy for Danish Humanitarian Action, the relationship between human rights and the fight against terrorism, development and consolidation of the norm "*Responsibility to Protect*", etc.

**Russia – as well as the Ukraine and the countries in Central Asia and the Caucasus** – will have special priority

in 2010. The expected visit by the Russian Head of State in 2010 will be an important platform. Politically, economically and energy-wise, the existing Danish platforms in these countries will need to be followed up and further developed. Within the energy field, it is important for Denmark and the EU to strengthen ties to Central Asia and the Caucasus, so as to avoid the EU becoming locked in energy-wise.

In 2010, there will also be focus on the continued **adaptation of the MFA organisation** in order to equip the MFA in the best possible way to tackle the challenges presented by globalisation, including the new framework conditions within the security field and a new, stronger and more strategic focus on HR policy. The crisis places all foreign services under pressure and can be expected to increase the willingness among close partners in the Nordic countries and the EU to seek joint and more effective solutions together with Denmark. Within consular services, there will be particular focus on tasks related to the introduction of biometric features in passports, the link-up to the common Schengen Visa Information System, including registration of biometric features and a common database, as well as the continued improvement of visa processing procedures, including, where possible, the improved delivery of service to the business community in particular.



# 3. PERFORMANCE REPORTING

## 3.1 Goals and performance

The MFA's performance management 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.

In 2008, the MFA implemented a reform of the existing system of performance management, taking effect from 2009. The reform partly aimed to create greater clarity and enhance the strategic focus by reducing the number of goals and targets that are to be reported on. With a point of departure in the Government Platform – "A society of opportunities" – from November 2007 and the MFA's Globalisation Analysis from 2006, six strategic goals have, as mentioned before in section 2.6, been laid down for the MFA's overall sphere of activity.

1. A competitive, visible and active Denmark in a globalised world
2. Denmark at the heart of Europe
3. International security and stability
4. A freer, fairer and more economically and environmentally sustainable world
5. The citizens' Foreign Service
6. A flexible and well-driven global network for the entire Government

These goals constitute the strategic framework for the entire Foreign Service's activities, and will be maintained until such time as significant changes are made to the basis for the goals. The strategic goals are realised by the units – i.e. Missions, Centres and Departments – in a limited number of self-formulated tasks and performance objectives as well as success criteria that constitute the units' contribution to the MFA's overall fulfilment of the Government Platform. After in-depth dialogue with the MFA's senior management, the individual performance objectives are incorporated in a performance contract<sup>4</sup> for each specific unit. Within the spheres of export and investment promotion and consular services, centrally determined performance objectives have been estab-

lished that are to be incorporated in the performance contracts of all relevant units.

In formulating the performance objectives and tasks for the individual units, emphasis was placed on ensuring the possibility for measuring the level of goal attainment. The recommendation is that it must be possible for the performance objectives to be assessed quantitatively. In many cases, however, this has not proved to be possible. A number of the MFA's activities and priority areas will therefore typically be operationalised in performance objectives and success criteria based on qualitative parameters. For example, a number of individual performance objectives have been set for many Missions in regard to the reports sent to Copenhagen on different policy areas. In formulating the related success criteria, a point of departure has been taken in the timeliness and relevance of the reports and not on the quantity of reports. If performance objectives are set with qualitative parameters, emphasis is placed on these objectives meeting the criteria of measurability. Measurability means that goals which cannot be quantified, but which are otherwise governance-related, are included in performance contracts as long as it can be established how goal attainment is to be assessed.

The MFA's overall performance reporting is carried out for each of the six strategic goals. As a basis for this, the goal attainment results for the year for all units are collected, and a consolidated score for each strategic goal is calculated. Section 3.2 below describes in detail the quantitative element of the performance reporting, after which section 3.3. provides a qualitative elaboration and assessment of the results that serve as the basis for determining the overall level of goal attainment.

## 3.2 Goal and performance – a schematic overview

The table on the next page provides a summary in schematic form of the overall level of goal attainment for the six strategic goals.

4) In connection with the introduction of the centre structure in the MFA in Copenhagen during 2009, the performance objectives that were set out in the performance contracts of the specific departments have been consolidated in centre-related performance contracts.

**Table 5 Goal Attainment and Performance in 2009**

Strategic goals	Number of units at home and abroad with individual performance objectives that contribute to attaining the strategic goal	Number of individual performance objectives	Goal attainment for the individual performance objectives broken down as follows:			Overall level of goal attainment and performance
			A = Goal attained	B = Goal partially attained	C = Goal not attained	
			A	B	C	
1. A competitive, visible and active Denmark in a globalised world	90	457	352	40	65	B
2. Denmark at the heart of Europe	45	123	118	5	0	A
3. International security and stability	81	258	238	17	3	A
4. A freer, fairer more economically and environmentally sustainable world	86	323	277	35	11	A
5. The citizens' Foreign Service	77	103	89	13	1	A
6. A flexible and well managed global network for the entire Government	80	204	170	25	9	A

The level of goal attainment is measured on the basis of full-year reporting of the particular Missions' and units, in relation to which the relevant units in the home service have conducted an overall assessment and qualification. 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.

On the basis of the units' individual goal attainment results, an overall level of goal attainment has been calculated for each strategic goal according to the following model: An 'A' is given for a strategic goal when > 80% of the units' performance objectives have been classified as 'A'. A 'B' is given when > 80% of the performance objectives have been classified as either 'A' or 'B'. A 'C' is given when ≤ 80% of the performance objectives have been classified as either 'A' or 'B'.

The number of Missions and units that have contributed towards achieving the performance objectives under the strategic goals varies because, as mentioned earlier, individual performance contracts have been formulated for each Mission and unit.<sup>5</sup>

5) *Due to special circumstances in 2009, it must be noted that the following Missions have been exempted from contributing to the total report on goal attainment: Islamabad and Khartoum.*

As the table shows, all six strategic goals have either been fully attained or partially attained. There are no strategic goals that are deemed overall not to have been achieved. The MFA's goal attainment for 2009 is therefore deemed in general to be satisfactory.

### 3.3 Performance reporting: In-depth analyses and assessments

The following section elaborates on and comments on the level of goal attainment for each of the MFA's six strategic goals. For each goal, a summary is provided initially of the overall level of goal attainment, cf. table 5, and an indication is given of the number of units (Missions in the service abroad and Centres in the home service) that have contributed to the goal attainment.

#### STRATEGIC GOAL 1:

##### **A competitive, visible and active Denmark in a globalised world**

In 2009, multi-faceted efforts were made in relation to export and investment promotion, marketing of Denmark and Danish strongholds as well as in the broad foreign policy work, both bilaterally and regionally. The overall goal attainment and performance for Strategic Goal 1 can be classified as 'B' (partial attainment), which must primarily

be attributed to the difficulties brought on by the global financial crisis in relation to export and investment promotion. A total of 90 units contributed to the goal attainment.

Within the export promotion field, focus in 2009 was on helping Danish enterprises through the financial crisis. In many countries, activities were launched in the form of joint export promotion drives, meetings with leading decision-makers and a large number of activities that were linked to utilising Denmark's position as COP15 host in December. The state visit to Vietnam in November by Her Majesty the Queen is worthy of particular mention. The state visit had an entourage of over 70 Danish enterprises, which met with Vietnamese authorities and enterprises.

Similarly, focus was on generating growth for Danish enterprises in difficult markets. Providing consultancy support to small and medium-sized enterprises continued to be a cross-cutting priority area. Similarly, work was carried out at the Innovation Centres to enhance the access of Danish enterprises and research institutions to new knowledge, technology, networks and capital.

Within the trade policy sphere, the MFA, within the regional trade agreements, worked, among other things, to ensure that the EU Commission's negotiation mandate contains a call to ensure extensive liberalisation of environmental and climate-friendly products, which is in the interests of the Danish business community. Similarly, in the WTO, Denmark actively supported the EU Commission's efforts to ensure extensive trade liberalisation of environmental and climate-friendly products as part of the outcome of the WTO's ongoing Doha negotiations. In addition, the EU Commission, in response to a Danish request, launched efforts to identify and address the trade and investment barriers in the EU's largest export markets. In this regard, 152 barriers were mapped in 2009, which the EU will now endeavour to remove.

During 2009, Invest in Denmark (IDK) held over 2,000 meetings abroad and attracted more than 40 new investment projects. The derived effects of this activity created over 1,700 jobs within knowledge-intensive sectors, such as the pharmaceutical industry, cleantech, the IT industry as well as international headquarters. In 2009, focus was placed on continuing the efforts to enhance the *after-care* activities, which aimed at retaining existing investments in Denmark. Based on dialogue with foreign enterprises, IDK will act as a mouthpiece for foreign enterprises and deliver operational feedback about the Danish framework conditions from the

foreign enterprises and knowledge institutions to the Government and the Danish authorities (*policy advocacy*).

In 2009, the MFA's public diplomacy efforts focused particularly on utilising the attention around the UN Climate Change Conference to raise the visibility of the climate agenda as well as Danish strongholds and cutting-edge expertise within the field. The MFA has, on an ongoing basis, supported Greenland foreign policy priorities, including the cooperation with the EU and the cooperation with the USA regarding civilian cooperation and regarding the military presence. In relation to the EU, an active Danish effort prevented the introduction of a ban on imports and processing of seal-skin from covering traditional Greenlandic catches. The MFA safeguarded and protected Greenlandic interests in relation to the International Whaling Commission (IWC). In relation to the Faroe Islands, the MFA continues to assist the Faroese Home Rule Government in its efforts to secure membership to the European Free Trade Area (EFTA) and the MFA supported the Home Rule Government's efforts to expand cooperation with the EU. The MFA participated in the formulation and presentation to the UN of a demand to extend the continental shelf beyond 200 nautical miles north of the Faroe Islands. In addition, the MFA assisted in securing veterinary approval of Faroese exports in sensitive markets, and in securing the release of a Faroese trawler that had been seized in a foreign country.

In April 2009, in extension of the main lines of the Arctic Strategy, formulated in 2008, Denmark took over the Chairmanship of the Arctic Council. The period since April has been used partly to ensure the continuation of the Council's work (in a number of working groups) in accordance with the Arctic Council's Ministerial Declaration from April 2009 and partly to launch a number of major initiatives in the period to the end of the Danish Chairmanship in April 2011.

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

## STRATEGIC GOAL 2:

### Denmark at the heart of Europe

In 2009, Denmark succeeded in having a tangible influence on EU cooperation as well as promoting Danish viewpoints and interests in important areas, and thus attaining the strategic goal of maintaining a key position for Denmark at the heart of Europe. The overall level of goal attainment is 'A' (full attainment), to which 45 units contributed.

During 2009, the EU cooperation was characterised by a number of key framework conditions that impacted on the tasks and functions performed by the MFA. First and foremost, the clarification of the EU's treaty framework in the wake of the Irish population's 'No' to the Lisbon Treaty in 2008 was an absolutely key task and challenge. Both the entry into force of the Lisbon Treaty and the appointment of the new EU Commission were delayed, and the issue came to dominate the EU policy agenda. The MFA closely followed developments regarding the ratification of the Lisbon Treaty, both in relation to Ireland and the Czech Republic as well as the reactions of the other EU Member States. When the Lisbon Treaty entered into force on 1 December 2009, it brought about a significant innovation, and thus a change in the framework conditions for EU cooperation, partly because new instruments and institutions needed to be implemented. The MFA focused on increasing the opportunities for enabling the EU to lift its global responsibility. The elections for the new European Parliament, for the new President of the EU Commission and for the new permanent President of the European Council were important new conditions affecting the ability of Denmark to safeguard and promote its interests.

The economic and financial crisis was high on the European and global agenda and very much contributed to determining the framework for the MFA's work. In cooperation with relevant Government ministries, the MFA focused on the efforts to increase regulation and supervision of the financial markets in both the EU and globally, as well as the work on formulating an economic (exit) strategy to secure long-term macro-economic stability in the EU. Related to this, the work ahead of the launch of a replacement for the EU's Lisbon Strategy after 2010 was given high Danish priority as an important element in the exit strategy.

Similarly, the climate and energy agenda was very much also a framework condition that contributed to affecting the MFA's ability to perform its tasks, particularly with the aim of ensuring strong input from the EU to COP15, as well as

maintaining focus on the broader energy policy agenda and a high Danish profile particularly within energy security and energy efficiency. As a supplement to the normal EU council meetings and meetings in the European Council, further meetings were held on Danish initiative with EU Ministers regarding both development policy and foreign policy in the period leading up to COP15. The MFA thereby contributed, in close cooperation with the rest of the Central Administration, to securing consensus among EU governments for a joint approach to the climate negotiations, particularly with respect to proposals for reducing CO<sub>2</sub> emissions by 2020 as well as climate financing. Denmark's efforts contributed to maintaining the EU's leading role at the climate negotiations. In addition, the MFA assisted the Climate and Energy Ministry by means of effectively safeguarding and promoting Danish key priorities within the climate and energy field.

In 2009, success was achieved in ensuring that Danish interests in the EU were safeguarded and promoted in an effective and forward-looking manner. This took place with a point of departure in the Folketing's resolutions and with focus on achieving concrete results benefiting citizens and enterprises. In cooperation with the rest of the Central Administration, the MFA primarily focused its efforts on generating growth and employment; on strengthening European competitiveness through research and innovation; on environment, health care and better regulation, for instance by easing the administrative burdens of the business community; and on consumer protection and developments within the EU's legal and internal affairs. Success was achieved also in ensuring the increased involvement of the Folketing in the work of the European Court of Justice.

The continued work with the EU enlargement was also a major priority for the MFA in 2009. This concerned both the accession negotiations with Croatia and Turkey, the approximation process between the EU and the countries in the Western Balkans, as well as a consistent follow-up on the commitments and obligations that the new Member States have taken upon themselves in the accession negotiations. Iceland's application for EU membership has likewise been greeted with welcome. In parallel, it has been important to contribute to the democratic and economic stabilisation in the EU's neighbouring countries in the east and south-east, in particular through the MFA's Neighbourhood Programme. In 2009, therefore, concerted efforts were made to promote the approximation of the neighbourhood countries to the EU and Denmark. The goals for the

Neighbourhood Programme were fully achieved. Lastly, the work with The Eastern Partnership, which was launched in May 2009, was assigned high Danish priority.

Denmark's Presidency for the Council of the Baltic Sea States was a major priority, with the aim being to ensure an enhanced Danish profile in this EU region and promoting Baltic Sea Region cooperation as a good example of regional cooperation in the EU

### STRATEGIC GOAL 3:

#### International security and stability

In 2009, the work on promoting international security and stability primarily took place within the framework of international organisations, such as the EU, the UN and NATO. Focus in this regard was on the engagement in Afghanistan. The overall level of goal attainment in this area is 'A' (full attainment), to which 81 units contributed.

In 2009, an active contribution was made to strengthening the cooperation within the EU, in which the entry into force of the Lisbon Treaty had a major bearing on the opportunities for promoting international security and stability through the EU's common foreign and security policy. The development of a more effective and coordinated crisis management response, among other things, came under focus. The Missions followed the new US Administration's policy and worked to ensure a constructive European involvement in the transatlantic cooperation. In this connection, work was carried out on promoting the transformation of NATO into an organisation that can effectively tackle new threats such as terrorism, piracy and cyber attacks as well as the maintenance of NATO as the central framework for the transatlantic community and cooperation. Similarly in 2009, Denmark contributed financial support and personnel to UN peacekeeping operations, including a substantial contribution of 140 men to the international UN Interim Force in Lebanon (UNIFIL). In addition, 182 men and women were deployed from the International Humanitarian Service (IHB) for the purpose of participating in election observer missions and crisis management activities.

In 2009, Denmark's active civilian and military involvement in conflict-affected areas was a major element in the total Danish foreign, security and development policy engagement. In this connection, steps were taken to enhance civil-military integration, partly with a point of departure in the recommendations on the issue presented in the DIIS analysis

from April 2009. This applied both in relation to the efforts in Afghanistan and in relation to the broader policy formulation relating to peace-support missions. Particular focus was placed on Afghanistan, including the implementation of the strategy for enhanced integration of political, military and civilian Danish efforts in the country and the Helmand Plan. Similarly, the work on promoting a more strategic and comprehensive Danish effort in fragile states and situations was assigned priority. The final policy document, which has awaited the structural adjustments to the MFA, the Defence Commission's report and the DIIS analysis on integration, is expected to be finalised by mid-2010.

In order to promote international security and stability, a number of existing initiatives were strengthened and new activities launched in a number of regions. A coordinated political effort took place in the Horn of Africa, which, for example, led to the launch of a new phase of the Africa Programme for Peace, which is due to be implemented in 2010. In addition, a Taskforce focusing on Somalia was established, whilst stepped-up efforts were launched to fight piracy by means of multilateral initiatives and an enhanced legal and procedural framework. A new Danish policy document on Pakistan was formulated, which in addition to increased development funding seeks to contribute to promoting stability in the country and the region. In the fight against terrorism, specific initiatives were likewise launched in 2009 concerning national capacity building, whose geographical target is Pakistan as well as East Africa at regional level. In the Western Balkans, Danish activities contributed to consolidating Kosovo's independence by means of well-coordinated bilateral and multilateral efforts. Targeted work was carried out on strengthening Denmark's position in the Arab/Muslim world by means of broader outreach activities as well as through activities carried out under the Danish-Arab Partnership Programme. Denmark contributed with policy input to promote a solution to the Middle East conflict.

Within the field of disarmament and non-proliferation, active efforts were made in 2009 to adopt a firm and solid Danish stance towards tackling specific non-proliferation risks, for example in reaction to Iran, partly through Danish membership of the IAEA's Governing Council as well as in the EU domain. Partly through cooperation with the transport industry, Denmark secured a strong position within PSI (Proliferation Security Initiative), which aims at halting illegal transfers of weapons of mass destruction, etc. In 2009, Denmark took the initiative to instigate Nordic-Baltic cooperation in this area.



## STRATEGIC GOAL 4:

### A freer, fairer and more economically and environmentally sustainable world

In 2009, the efforts to implement priorities and strategies within development policy, international legal order, human rights, climate and environment led to the level of goal attainment for Strategic Goal 4 being classified as 'A' (full attainment), to which 86 units contributed.

In 2009, development policy focused on achieving the UN Millennium Development Goals (MDGs). In 2009, the economic and financial crisis hit the global economy with full force, with adverse consequences for many developing countries. The crisis halted the forward momentum towards achieving the MDGs, but the work on pursuing an active Danish policy in relation to the UN's reform process and the World Bank was implemented. The development policy priorities in 2009 focused on gender equality, climate and environment, as well as development aid effectiveness, including documentation and dissemination of the results of the development activities and interventions. After publication of the Africa Commission's report in 2009, focus on Africa and business development within development assistance was further enhanced. A new Strategy for Danish Humanitarian Action was launched in 2009 and the work on formulating a new strategy for overall Danish development cooperation was initiated. The Danish "Champion Torch Campaign", which aims to boost the efforts to achieve MDG3 on gender equality, continued with great success. Among the recipients in 2009 were Michelle Obama and Hillary Clinton.

In 2009, the strengthening of the international legal order was an important foreign policy priority, partly through an increased focus on the legal framework for the cooperation regarding the Arctic Ocean and the Arctic region in general. Within human rights, work was carried out to promote effective and independent monitoring of states' compliance with human rights commitments by taking consistent and firm action against violations of human rights as well as by actively promoting Danish key priorities.

A new comprehensive Danish strategy for the work on promoting human rights was launched in 2009 and supplemented by the strategy for the work on promoting democracy and human rights within the framework of development policy. In this way, the strategic basis for the work on promoting human rights was consolidated.

The UN Climate Change Conference (COP15) in Copenhagen was a special challenge. COP15 generated a previously unprecedented level of engagement around the climate change issue on the international stage. The MFA's COP15 website, accessible in seven different languages, had millions of visitors and was a focal point for the global climate change debate, and the incorporation of social media, Twitter, Facebook and YouTube, resulted in thousands of interactions with people in all UN member countries.

The Foreign Service's global network contributed to COP15 at all levels. The areas of logistics, communication and business-oriented activities, for which the MFA had particular responsibility, proceeded as planned. Denmark's role as host for the climate change conference was used, among other things, as a platform for promoting Denmark. This saw public diplomacy and a media campaign for generally promoting Denmark as a frontrunner within green technology combined with targeted activities to promote exports of Danish climate change solutions.

Similarly, the MFA participated actively in formulating the negotiation strategy in collaboration with other Government ministries. At the same time, special efforts were made to ensure that the MFA's sphere of responsibility and authority within the field of development cooperation went hand in hand with the climate agenda. As part of the preparations for and during COP15 itself, the MFA carried out a number of activities that served to support the negotiations, partly through direct support for developing countries and partly through support for special negotiating purposes. Six particular areas came under focus:

- *Climate change financing.* The MFA contributed to the coordination of an ambitious Danish line and maintained focus on an efficient administration of climate assistance in a future financing architecture.
- *Climate change adaptation.* Denmark supported a dialogue process with developing countries in Africa and Asia regarding a set of guiding principles (The Nairobi Principles) within the land and water management sector, some of which were incorporated into the negotiations regarding climate change adaptation.
- *Gender equality.* In order to ensure that specific reference was made to gender and gender equality in the negotiating text, the MFA engaged in close cooperation with Nordic and African countries.



- *Reduction activities (forest management)*. Denmark provided substantial contributions through the World Bank and the UN system as support for improving the forest management of developing countries.
- *Africa's negotiating capabilities*. In the run-up to COP15, Denmark provided extensive support to enhance the ability of, inter alia, the group of small island states and Africa in particular to achieve a well-planned and coordinated negotiating position.
- *Climate and security policy*. Through 2009, the MFA worked actively to establish a greater international understanding of the security implications arising from climate change. Primarily as a result of Danish initiative, the issue was placed on the global agenda, particularly within EU and UN fora.

## STRATEGIC GOAL 5:

### The citizens' Foreign Service

The efforts in 2009 to provide assistance to citizens, ensure a crisis preparedness and response capability and handle visa applications and other consular enquiries abroad resulted in the overall level of goal attainment for Strategic Goal 5 being classified as 'A' (full attainment), to which 78 units contributed.

A primary function of Consular Services is to provide assistance to Danes who find themselves in distress abroad, including during major crises. In 2009, the Danish Missions assisted approx. 4,000 Danes in distress abroad. To this can be added the numerous consultancy services provided to the general public and the responses to major and minor enquiries that are not registered as personal cases. Many cases are processed in cooperation with the MFA's 24/7 Operations Centre, which is staffed 24 hours a day and handles all calls to the Missions outside normal office hours. In 2009, the 24/7 Operations Centre handled more than 95 per cent of the consular enquiries that it received without involving the Missions outside normal office hours, i.e. full goal attainment in relation to the performance objective set.

The Missions were also busy providing assistance to resident Danish nationals living abroad as well as to foreign nationals who wished to apply for a visa or residence or work permit for Denmark. In this respect, the Danish Missions received approx. 85,000 visa applications in 2009. This corresponded to the level in 2008, although for certain Missions which

traditionally receive numerous visa applications, such as Moscow, Kiev and Guangzhou, the global financial crisis, however, gave rise to a fall in the number of visa applications compared to the previous year.

In 2009, focus at home and abroad was on further developing and reinforcing the Missions' existing crisis preparedness and response capability. Therefore, all Embassies in their performance contract for 2009 had a performance objective inserted which required them to update the Embassy's crisis contingency plan during the year. This plan was to cover the entire country as well as relevant side-accredited countries. This performance objective was fully attained.

Contingency plans are an essential element of a crisis preparedness and response capability, but the best crisis management experience is acquired through participation in real-life crises, secondarily via exercises. Therefore, in both 2009 and 2010, all Missions were encouraged to participate in local emergency response exercises. As planned, the Contingency Planning Unit held two regional crisis response seminars/exercises in 2009 in Tallinn and Beirut, respectively, as well as a bilateral exercise in Cairo.

Before the start of the year, it was expected that 2009 would see the introduction of biometric passports and the launch of the second phase of the Visa Information System. No contract has yet been entered into regarding the police's central system, and therefore it is uncertain when the MFA's Missions will be connected. This will happen in 2011 at the earliest. Due to the delays in the EU Commission's roll-out plans, the visum system of the MFA and the Ministry of Integration and Immigration Affairs is not connected to the central system. The centrally determined goals relating to this area in the Missions' performance contracts were therefore not considered relevant for 2009, and as a result the goal will not be included in the performance reporting.

Within visa administration, focus during 2009 was placed on further streamlining visa processing procedures, including by outsourcing certain parts of the administration to a greater extent. Today, a handful of Missions have introduced visa outsourcing and more will follow suit in the first half of 2010. During 2009, specific service targets were introduced for visa processing times, so as to enable the Missions to meet the standards set out in the EU's Visa Codex for maximum 15 days' processing time under normal circumstances, which enters into force in April 2010.

## STRATEGIC GOAL 6:

### A flexible and well-driven global network for the entire Government

In 2009, the MFA continued the follow-up on the recommendations in the Globalisation Analysis. Particular focus was placed on tailoring the extensive cooperation to the rest of the Central Administration and continuing to meet the strategic goal of the MFA as the entire Government's Foreign Service. The overall level of goal attainment is classified a 'A' (full attainment), to which 80 units have contributed.

The strengthened dialogue, the mutual reconciliation of expectations, and the cooperation with the other Government ministries and authorities regarding coordination, consultancy support and assistance from the Missions continued in both the home service and the service abroad in 2009. In connection with the Danish Government's preparations for COP15, the MFA undertook throughout the year a central task of gathering and coordinating information from the Embassies about country positions. At the same time, the MFA played an important role in the international work on preparing the Danish COP15 Presidency. An important challenge was to consolidate and build further on the initiatives that are designed to support a strong global network. In order to ensure that the MFA remains an attractive globally oriented workplace also in the future, work has been carried out, for example, to strengthen the balance between the private and working life of staff and on improving the flexibility and global mobility of staff and their families. Of the many single initiatives in this area can be mentioned, for example, the establishment of a netportal for partners of MFA staff, containing, among other things, information about conditions and employment opportunities during a posting abroad, as well as the development of a special policy for filling posts in the service abroad that are considered difficult for security and health reasons. Considerable energy was also invested in ensuring the best possible staffing of departments and posts in the service abroad, and the number of vacancies was dramatically reduced. Through dialogue with the individual staff member, an active effort was made to address the issue of overtime, particularly in the service abroad.

In addition, a special corporate manager policy was developed with the aim of ensuring professionally and socially competent management and leadership at all levels. The policy lays down which requirements and expectations are made of MFA Heads of Unit, and their performance is evaluated in relation to these demands. A special salary policy for the

management group is designed to motivate Heads of Unit to meet the demands placed on them and to reward them for the complexity of their positions.

Work has also been done to improve the integration and conditions of the local staff employed in posts in the service abroad. For example, minimum standards have been set for employment conditions and pension schemes for local staff. With the establishment of the MFA's Contact Committee in autumn 2009 in order to promote Danish appointments to international positions, a central and operational forum has been created both for broad policy discussions and for discussions and decisions concerning specific international positions and candidatures.

In 2009, extra focus was placed on the competence development of MFA staff both at home and abroad, including locally employed staff. The point of departure is a new competence development strategy, which the MFA Competence Centre (UMKC) implements in collaboration with other units. There has been increasing focus on the local staff employed in the service abroad, who besides e-learning courses (e.g. anti-corruption, gender equality, public financial management) and courses in Copenhagen (e.g. seminar for locally employed administrative staff and Get to Know Danida, September 2009) also benefit from participation in local and regional course activities. One example is a regional course on climate change and development cooperation in Cape Town, South Africa, May 2009, in which great emphasis was placed on increasing knowledge sharing between Embassies in southern and eastern Africa. This is supplemented by education and training financed through the training and education fund for local staff, which, among other things, finances course activities within language, IT, professional and personal development as well as manager development courses. It is also possible to apply for funding towards activities organised by all staff or a group of staff at a Mission.

Over 700 local staff participated in UMKC activities in 2009, which means that three out of our four local staff members participated in formal course activities.

The security of MFA staff, including locally employed staff, was a top item on the agenda in 2009. The security at Danish Missions in the most high-risk countries in North Africa, the Middle East and Central Asia was extensively upgraded. The work on developing a comprehensive framework for the MFA's security – the so-called Corporate Security – was launched in 2008 and continued in 2009. In

connection with the Government's approval of the Islamabad Report in March 2009, however, a new strategic basis for the MFA's work with security was created. The Islamabad Report contains a prioritised list of the most high-risk countries and a relatively broad catalogue of security measures that are to be implemented at the different posts. The work on implementing the new security measures, including the provision of enhanced competence development training prior to postings, recruitment and deployment of regional security advisers, and increased use of, for example, armoured vehicles, preceded the conceptual work on developing the corporate security. However, the intention is to continue the work within the framework of the strategic basis presented in the Islamabad Report.

Within the financial administration sphere, an agreement was entered into that addresses the transfer of tasks and staff within accounting and payroll administration to the new government finance service centre (ØSC) in 2010. The opportunities to simplify and streamline the performance of financial administration tasks in the service abroad were examined. In particular can be mentioned the lessons learned from the establishment of the regional administrative centre in North America, which comprises Embassies, a Consulate General and Trade Commissions.

Within the IT sphere, well-coordinated further development of user-friendly technical systems to support the working procedures throughout the MFA was assigned special priority. Solutions that support mobile working methods were offered to several users in the form of a Managed PC and PDAs. Likewise, considerable focus was placed on IT security, including the opportunity for HEM communication for certain high-risk Embassies. The increased use of video-conferences and "live communication" was also prioritised. Similarly, the incorporation of Invest in Denmark in the overall IT platform was a major priority. The work was carried out within the framework of the MFA's IT strategy from 2008.

Within the documentation sphere, continued success was achieved in the systematic rolling out of the electronic archive in the service abroad and this has subsequently simplified procedures at the particular Mission. In addition, investment was made in the further development of the user-friendliness of the home service's system, UM-ARK, which resulted in significant improvements.

## 4. KEY FINANCIAL INFORMATION

As of 2007, the MFA follows government accounting rules for cost-based accounts and cost-based appropriations. The bookkeeping unit for 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 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 (*Økonomistyrelsen*). 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.

## 4.2 The profit and loss account

The MFA's profit and loss account for the years 2008-2010 is presented below in table 6.

**Table 6 The MFA's profit and loss account 2008-2010 (DKK million)**

Profit/loss as of 31.12.2009	2008	2009	2009 excl. COP15 joint income and expenditure*	2010
<b>Ordinary operating income</b>				
Appropriations booked as income				
Appropriations	-1,786.6	-2,266.7	-1,869.3	-1,828.60
Amount spent of previous year's reserved appropriations**	-30.6	-1.07.5	-35.8	-65.40
Amount reserved of current year's appropriations	107.5	65.4	65.4	65.40
<b>Appropriations booked as income, total</b>	<b>-1,709.7</b>	<b>-2,308.8</b>	<b>-1,839.7</b>	<b>-1,828.60</b>
Sale of goods and services	-117.6	-111.1	-111.1	-111.40
Fees/charges	-60.0	-61.5	-61.5	-55.00
<b>Appropriations booked as income, total</b>	<b>-1,887.3</b>	<b>-2,481.4</b>	<b>-2,012.3</b>	<b>-1,995.00</b>
<b>Ordinary operating costs</b>				
Consumption costs				
Rent	233.6	281.3	247.4	263.50
Other consumption costs***	3.9	133.7	4.0	5.00
<b>Consumption costs, total</b>	<b>237.5</b>	<b>415.0</b>	<b>251.4</b>	<b>268.50</b>
Personnel costs				
Salaries and wages	631.8	689.5	689.5	676.90
Pension	88.6	101.8	101.8	96.00
Reimbursement of pay	-89.6	-99.6	-99.6	-100.00
Other personnel costs	1.2	0.9	0.9	3.40
<b>Personnel costs, total****</b>	<b>632.0</b>	<b>692.6</b>	<b>692.6</b>	<b>676.30</b>
Other ordinary operating costs	864.9	1139.5	942.1	922.40
Depreciation and amortisation	89.0	98.6	98.6	97.80
<b>Ordinary operating costs, total</b>	<b>1,823.4</b>	<b>2,345.8</b>	<b>1,984.8</b>	<b>1,965.00</b>
<b>Result of ordinary operations, total</b>	<b>-63.8</b>	<b>-135.6</b>	<b>-27.5</b>	<b>-30.00</b>
<b>Other operating items</b>				
Other operating income	-76.8	-88.8	-88.8	-97.90
Other operating costs	6.0	36.4	9.2	18.70
Other operating items, total	-70.8	-52.4	-79.7	-79.20
<b>Result before financial items, total</b>	<b>-134.6</b>	<b>-188.0</b>	<b>-107.1</b>	<b>-109.20</b>
<b>Financial items</b>				
Financial income	-8.2	-3.5	-3.4	0.00
Financial costs	108.6	100.4	100.5	109.20
Financial items, total	100.3	96.9	97.1	109.20
<b>Result before extraordinary items, total</b>	<b>-34.3</b>	<b>-91.1</b>	<b>-10.0</b>	<b>0.00</b>
<b>Extraordinary items</b>				
Extraordinary income	-5.3	-5.3	-5.3	0.00
Extraordinary costs	1.0	1.5	1.5	0.00
Extraordinary items, total	-4.3	-3.9	-3.9	0.00
<b>Year-end profit/loss</b>	<b>-38.6</b>	<b>-95.0</b>	<b>-13.9</b>	<b>0.00</b>

\*) The MFA's administration of joint expenditure relating to COP15 has a major effect on the overall operation and maintenance accounts. Therefore, a profit and loss account is also presented which excludes the COP15 joint income and expenditure.

\*\*) Of previous year's reserved appropriations, COP15 joint expenditure totals DKK 71.7 million.

\*\*\*) The cost of hiring Bella Center is the cause of the large expenditure increase in 2009.

\*\*\*\*) Payroll costs, etc. increase considerably in 2009 partly due to COP15 and form part of the MFA's payroll.

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

	2009
Appropriated earned surplus	0
Transferred to reserve equity	0
Transferred to dividends to Treasury	0
Transferred to carry-forward surplus (retained earnings)	95.0

**Table 8 The MFA's balance sheet 2008-2009 (DKK million)**

Balance Sheet as of 31.12.2009	2008	2009
<b>Assets (DKK million)</b>		
<b>Fixed assets</b>		
<b>Intangible fixed assets</b>		
Completed development projects	69.9	62.1
Acquired concessions, patents, licences. etc.	3.1	3.0
Development projects under implementation	13.5	26.2
<b>Intangible fixed assets, total</b>	<b>86.4</b>	<b>91.3</b>
<b>Tangible fixed assets</b>		
Land, space and buildings	1,674.5	1,855.9
Transport equipment	23.1	34.7
Plant and machinery	16.3	15.0
Fixtures and fittings, tools and (IT) equipment	114.1	137.2
Projects in progress financed by own capital	11.7	26.3
<b>Tangible fixed assets, total</b>	<b>1,839.7</b>	<b>2,069.1</b>
<b>Financial fixed assets</b>		
Government bonds	32.8	32.8
Other financial fixed assets	0.0	0.0
<b>Financial fixed assets, total</b>	<b>32.8</b>	<b>32.8</b>
<b>Fixed assets, total</b>	<b>1,958.9</b>	<b>2,193.3</b>
<b>Current assets</b>		
Accounts receivable	356.8	270.7
Securities	0.0	0.0
<b>Liquid assets</b>		
FF5 Non-Interest Bearing Accounts	147.7	99.2
FF7 Financing Account	-72.2	471.7
Other liquid assets	107.4	99.7
<b>Liquid assets, total</b>	<b>182.9</b>	<b>670.5</b>
<b>Current assets, total</b>	<b>539.8</b>	<b>941.2</b>
<b>Assets, total</b>	<b>2,498.7</b>	<b>3,134.4</b>

\*) Of which DKK 0.75 million relates to financial commitment accounts, which will be reposted in 2010.

\*\*) The rise in supplier debt is due to post-entries relating to COP15 (DKK 115.5 million).

\*\*\*) Assets with negative balances were temporarily transferred to other short-term liabilities in 2009.

## 4.3 The balance sheet

The MFA's balance sheet for 2008-2009 is presented below in table 8. Notes to the balance sheet can be found in section 6.1.1

Balance Sheet as of 31.12.2009	2008	2009
<b>Liabilities (DKK million)</b>		
<b>Equity</b>		
Adjusted equity	-32.8	-32.8
Carry-forward surplus	-28.1	-125.5
<b>Equity, total</b>	<b>-60.9</b>	<b>-158.3</b>
<b>Provisions*</b>		
	<b>-49.1</b>	<b>-52.0</b>
<b>Long-term liabilities</b>		
Mortgage debt and long-term debt	-7.9	-6.3
FF4 Long-Term Debt	-1,846.4	-2,089.3
FF6 Construction and IT Credit	-72.3	-48.5
<b>Long-term liabilities, total</b>	<b>-1,926.6</b>	<b>-2,144.1</b>
<b>Short-term liabilities</b>		
Suppliers of goods and services**	-106.6	-224.0
Other short-term liabilities***	-14.5	-337.5
Holiday money payable	-135.3	-148.1
Reserved appropriation	-107.5	-65.4
Pre-payments, liabilities***	-98.1	-5.2
<b>Short-term liabilities, total</b>	<b>-462.1</b>	<b>-780.1</b>
<b>Debt, total</b>	<b>-2,388.6</b>	<b>-2,924.1</b>
<b>Liabilities, total</b>	<b>-2,498.7</b>	<b>-3,134.4</b>



## 4.4 Explanation of equity

The MFA's equity is calculated below in table 9.

As of 31.12.2009, the MFA's equity of DKK 158.3 million has, in the appropriation settlement, been calculated to DKK 158.1 million. The reason for this can be traced back to 2007 and is explained in the MFA Annual Report for 2008, page 35 in the note to table 5.

**Table 9 Explanation of the MFA's equity in 2009 (DKK million)**

	2008	2009
Equity, year-beginning		60.9
Initial capital, year-beginning		
+ alteration of the amount of initial capital	24.7	-
<b>Initial capital, year-end</b>	<b>24.7</b>	<b>60.9</b>
Revaluations, year-beginning	-	
+ change in revaluations	-	
<b>Revaluations</b>	<b>-</b>	
Reserved equity, year-beginning	-	
+ change in reserved equity sum	-	
<b>Reserved equity, year-end</b>	<b>-</b>	<b>-</b>
Carry-forward surplus, year-beginning	-	
+ adjustment year-beginning/transfer between bookkeeping units	-2.4	
+ adjustment of the carry-forward surplus	38.6	
+ Carried forward from the year-end result	-	
Appropriated earned surplus		
Dividends to the State		
<b>Carry-forward surplus, year-end</b>	<b>-</b>	<b>-</b>
Equity, year-end	60.9	158.3

## 4.5 Follow-up on the liquidity scheme during 2009

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/maintenance 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 SKB (National Concern Payment System) accounts are adjusted at centralised level.

It should be noted that in the supplement period, post-entries will be made later in the accounts relating to fixed asset acquisitions that have an effect on balances regarding long-term debt. The calculations for SKB bank balances for FF4, FF6 and FF7 were finalised at the beginning of February 2010 with the simultaneous transfer of cash and cash equivalents between these bank accounts. Furthermore, an adjustment of the FF5 Non-Interest Bearing Account will be carried out in the first quarter of 2010, but will relate to the 2009 financial year.

**Table 10 Rate of utilisation of borrowing limit (DKK million)**

	2009
Total balance on FF4 and FF6 as of 31.12.2009	2,137.8
Borrowing limit on FLO9 (Finance and Appropriation Act 2009)	2,217.6
Rate of utilisation in %	96.4%

It should be noted that the MFA has complied with the distribution rules governing the liquidity and financing scheme in general.

## 4.6 Follow-up on the payroll ceiling

The MFA's payroll expenditure for 2009 constituted in total DKK 683 million, whereupon the MFA carried forward a surplus of DKK 6.4 million.

**Table 11 Follow-up on payroll ceiling**

	2009
<b>Main account (DKK million)</b>	<b>Section 06.11.01</b>
Payroll ceiling (FL – Finance Act)	659.0
Payroll ceiling, including supplementary appropriation/appropriation notes	689.4
Payroll expenditure under payroll ceiling	683.0
<b>Difference (surplus)</b>	<b>6.4</b>
Accumulated saving, year-end 2008	21.8
<b>Accumulated saving, year-end 2009</b>	<b>28.2</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. See also section 2.3 on the financial results for 2009.

**Table 12 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**

	2008	2009			2010
		Appropriation	Accounts	Difference	
Net cost appropriation	1,671.0	2,266.7	2,171.7	95.0	1,883.6
Net expenditure of reserve	-76.9		42.1	-42.1	
Income	267.9	265.9	270.2	-4.3	209.3
Expenditure	1,939.0	2,532.6	2,484.1	48.5	2,092.9

*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>6</sup>, which are to be presented to Rigsrevisionen (National Audit Office of Denmark) in connection with the appropriation audit inspection for 2009.

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, 12 April 2010



Claus Grube  
*Permanent Secretary of State for Foreign Affairs  
Ministry of Foreign Affairs of Denmark*



Thomas Østrup Møller  
*Head of Finance*

<sup>6</sup>) *The accounting principle explanations exclude Section 06.11.13 – The Danish Centre for International Studies and Human Rights (DCISM).*

## 6. ANNEXES

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

Table 6a Extraordinary accounting items in 2009 (Profit/Loss Account)

	Income (DKK million)	Expenditure (DKK million)
Final balance sheet on the transition from Danida's Centre for Competence Development (DCCD) to the MFA Competence Centre (UMKC)	-1,7	-0,9
Reimbursement from the Faroe Islands – operating expenditure 2007-2008 in Brussels		
Reimbursement of directors' fees	-0,3	
Service abroad: reimbursement of VAT and other taxes abroad, etc.	-1,8	
Other extraordinary income	-0,6	
Recorded expenditure primarily from the service abroad from before 2009		1,5
<b>Total</b>	<b>-5,3</b>	<b>1,5</b>

Extraordinary income in 2009 totalled approx. DKK 5.3 million, whilst extraordinary expenditure was incurred for a total of approx. DKK 1.5 million. Both items are specified in the main groups below.

#### Depreciation

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

#### Loss on receivables (balance sheet)

The entered loss on debtors and other accounts receivable for 2009 has been calculated to approx. DKK 750,000 (gross). At the same time, however, DKK 200,000 has been entered on previous irrecoverable claims, which means that the total loss amounts to approx. DKK 500,000 (net). Seen in the light of the financial crisis, this is an acceptable loss, which rounded up corresponds to 0.5 per cent of turnover.

#### 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. The amount totalled DKK 51.3 million as of 31.12.2009.

#### Mortgage debt (balance sheet)

Mortgage debt was incurred in regard to the Embassy in Berlin (and falls due in 2014).

#### New financial data after balance date

Nothing of significant importance has been observed.

## 6.1.1 Notes to the balance sheet

### Note 1 Intangible fixed assets (DKK million)

	Completed development projects	Acquired patents, licences, etc.	Total
Cost price as of 01.01.2009	122,8	3,3	126,1
Corrections and transfer between bookkeeping units, year-beginning	0,0	0,0	0,0
Additions	11,0	0,0	11,1
Disposals	0,0	0,0	0,0
<b>Cost price as of 31.12.2009</b>	<b>133,9</b>	<b>3,3</b>	<b>137,1</b>
Accumulated depreciation	-71,7	-0,3	-72,0
Accumulated amortisation	0,0	0,0	0,0
Accumulated depreciation and amortisation as of 31.12. 2009	-71,7	-0,3	-72,0
<b>Financial value as of 31.12.2009</b>	<b>62,1</b>	<b>3,0</b>	<b>65,1</b>
Annual depreciation	-18,8	-0,1	-18,8
Annual amortisation	0,0	0,0	0,0
Annual depreciation and amortisation	-18,8	-0,1	-18,8
Depreciation period/year	5/8	80	

Development projects under implementation	DKK million
Opening balance as of 01.01.2009	13,5
Additions	26,0
Amortisation	0,0
Transferred to completed development projects	-13,3
<b>Cost price as of 31.12.2009</b>	<b>26,2</b>

### Note 2 Tangible fixed assets (DKK million)

	Land, space and buildings	Infrastructure	Plant and machinery	Transport equipment	Furniture and IT equipment	Total
Cost price as of 01.01.2009	1,785,7		42,5	47,8	373,1	2,249,0
Adjustment/transfer between bookkeeping units, year-beginning	0,0		0,0	0,0	0,0	0,0
Additions	247,3		1,6	20,1	62,7	331,6
Disposals	-37,7		0,0	-5,4	0,0	-43,1
<b>Cost price as of 31.12.2009</b>	<b>1,995,2</b>	<b>0,0</b>	<b>44,1</b>	<b>62,4</b>	<b>435,7</b>	<b>2,537,5</b>
Accumulated depreciation	-139,3	0,0	-29,1	-27,7	-298,5	-494,6
Accumulated amortisation	0,0		0,0	0,0	0,0	
Accumulated depreciation and amortisation as of 31.12.2009 (net)	-139,3		-29,1	-27,7	-298,5	-494,6
<b>Financial value as of 31.12.2009</b>	<b>1,855,9</b>	<b>0,0</b>	<b>15,0</b>	<b>34,7</b>	<b>137,2</b>	<b>2,042,8</b>
Annual depreciation	-28,2	0,0	-2,8	-3,1	-39,6	-73,7
Annual amortisation	0,0		0,0	0,0	0,0	0,0
Annual depreciation and amortisation	-28,2	0,0	-2,8	-3,1	-39,6	-73,7
<b>Depreciation period/year</b>	<b>50/20/10/0</b>	<b>n/a</b>	<b>10</b>	<b>5/8</b>	<b>3/5/10/10+</b>	

Projects in progress financed by own capital	DKK million
Opening balance as of 01.01.2009	11.7
Additions	26,6
Amortisation	0.0
Transferred to completed tangible fixed assets	-12.0
<b>Cost price as of 31.12.2009</b>	<b>26.3</b>

### Note 3 Explanation of liquidity in relation to the balance on the FF7 account

	DKK million
- Appropriation income relating to COP15 joint expenditure	71.7
- Intermediate balance for operation and maintenance – grant 31.12.2009, paid 2010	259.6
- COP15, paid 2010	115.5
<b>Total</b>	<b>446.9</b>

## 6.2 Commercial activities

A statement of the MFA Competence Centre's commercial activities is presented below in table 14.

Table 14 Commercial activities 2006-2009 (DKK)

	2006	2007	2008	2009
Language training, annual net profit/loss ("-" sign = surplus)	-704,967	-451,795	1,489,141	-1,451,603
Language training, accumulated annual net profit/loss ("-" sign = surplus)	-2,688,426	-3,140,220	-1,651,080	-3,102,683

## 6.3 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 15.

Table 15 Fee-financed activities (DKK)

	2006	2007	2008	2009
Fees – Passports	-6,719,987	-7,174,562	-8,296,242	-7,343,077
Fees – Legalisations	-7,059,518	-8,209,370	-11,310,699	-10,444,033
Fees – Assistance Cases	-405,253	-499,051	-383.428	-277,480
Fees – Visas	-29,204,058	-39,319,613	-38,582,984	-41,742,053
Other fee revenues	-1,337,310	-1,896,618	-1,422,718	-1,668,784
<b>Total</b>	<b>-44,726,126</b>	<b>-57,099,214</b>	<b>-59,996,070</b>	<b>-61,475,428</b>



## 6.4 Accounting explanation of the MFA's operating appropriations, grant schemes and statutory appropriations under Budget Framework 1, Sections 06.1, 06.2 and 06.4

Table 4 in section 2.5 presents a table of the MFA's grant accounts as well as statutory appropriations under Budget Framework 1, to which reference is made. The accounting explanations for this area are described below.

### Ad Section 06.11.01 The Danish Foreign Service

	Appropriation (FL+TB)	Accounts	Deviation (DKK million)	Deviation (%)
Expenditure	1,924.3	1,845.2	79,1	4%

See the review of the financial results for 2009 in section 2.3.

### Ad Section 06.11.04 The Government's joint expenditure related to the UN Climate Change Conference (COP15)

	Appropriation (FL+TB)	Accounts	Deviation (DKK million)	Deviation (%)
Expenditure	397.4	388.0	9.4	2%

In 2009, there was a surplus of DKK 9.4 million in the account, which stems from the fact that a number of COP15-related expenditures were not incurred until 2010. It should be noted that the financial accounts for COP15 will not be completed until 2010.

### Ad Section 06.11.05 Income from consular services

	Appropriation (FL+TB)	Accounts	Deviation (DKK million)	Deviation (%)
Expenditure	-55.0	-61,5	6.5	-12%

In 2009, there was additional income of DKK 6.5 million in the account. The income generated in the consular field is demand-driven.

### Ad Section 06.11.05 Interest income from various accounts receivable

	Appropriation (FL+TB)	Accounts	Deviation (DKK million)	Deviation (%)
Expenditure	-28.0	-117.7	-83.7	-299%

In 2009, there was additional income of DKK 83.7 million in the account. This stems primarily from the fact that large interest repayments were received from, among others, the World Bank and the UN.

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

	Appropriation (FL+TB)	Accounts	Deviation (DKK million)	Deviation (%)
Expenditure	32.0	22.0	10.0	31%

*Note: In connection with the appropriation settlement for 2009, DKK 1 million was appropriated from the account, which is why the carry-forward surplus for 2009 amounts to DKK 9 million.*

In 2009, there was a surplus in the account of DKK 10 million. This can be predominantly attributed to a surplus in sub-account 40 (Modern security) and stems from the fact that a number of the activities that are financed by the account have a long planning horizon.

### Ad Section 06.11.19 The Bilateral Neighbourhood Programme

	Appropriation (FL+TB)	Accounts	Deviation (DKK million)	Deviation (%)
Expenditure	0.0	-9.5	9.5	N/A

*Note: In connection with the appropriation settlement for 2009, DKK 4 million was appropriated from the account, which is why the carry-forward surplus for 2009 amounts to DKK 5.5 million.*

In 2009, a commitment of DKK 9.5 million was repaid in the account.

**Ad Section 06.11.21 Repayments from the Investment Fund for Developing Countries (IFU) and the Investment Fund for Central and Eastern Europe (IØ)  
(Textnote 10 in Finance and Appropriation Act 2009)**

	Appropriation (FL+TB)	Accounts	Deviation (DKK million)	Deviation (%)
Expenditure	-350.0	-175.0	-175.0	50%

In 2009, there was a decrease in income in the account of DKK 175 million. The reason for this was a downward adjustment in the IFU's liquidity of DKK 301 million in the period up to 2011. The downward adjustment can be attributed to expected further disbursements to projects totalling DKK 74 million and a fall in income of DKK 227 million. The fall in income was caused by a write-down on credit exposures and a postponement of a major sale of shares.

**Ad Section 06.22.01 Peacekeeping operations, etc.  
under UN auspices**

	Appropriation (FL+TB)	Accounts	Deviation (DKK million)	Deviation (%)
Expenditure	228.2	216.2	12.0	5%

In 2009, there was a surplus of DKK 12 million in the account for UN peacekeeping operations. The surplus can primarily be attributed to the fact that the assessed contribution scale (for 2010-2012) was renegotiated in the period up to 24 December 2009. As a result, the UN was not able to send out contribution requests in December 2009 for the period after 1 January 2010. The surplus in 2009 therefore means that more contributions will need to be paid in the present year, which can impact on the 2010 budget.

**Ad Section 06.41.02 Trade Commissioners**

	Appropriation (FL+TB)	Accounts	Deviation (DKK million)	Deviation (%)
Expenditure	240.6	50.0	-9.4	-23%

There was an expenditure increase of DKK 9.4 million in the account in 2009, which is financed by the carry-forward balance. The expenditure increase stems from the implementation of a planned high level of activity in 2009.

## 6.5 The MFA's grant schemes under Budget Framework 2, Section 06.3

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

**Table 16 Grant accounts for the MFA's development assistance (DKK million) – Budget Framework 2**

	2009 Opening balance	Appropriations incl. TB	Accounts	Profit/ Loss	Closing balance	2010 Opening balance	Appropriations (FFL 2010)	Total disposable budget
<b>Development assistance, total</b>	<b>338.8</b>	<b>12,834.6</b>	<b>12,190.4</b>	<b>644.2</b>	<b>983.0</b>	<b>595.3</b>	<b>12,960.7</b>	<b>13,547.2</b>
06.31.79 Reserves	-0.8	0.8	0.0	0,8	0.0	0.0	100.0	100.0
06.32.01 Developing countries in Africa	10.6	3,970.0	3,812.7	157.3	167.9	41.1	3,156.0	3,197.1
06.32.02 Developing countries in Asia and Latin America	168.1	718.4	569.9	148.5	316.6	162.5	1,359.0	1,521.5
06.32.04 Personnel assistance	21.3	287.5	291.7	-4.2	17.0	17.0	347.7	364.7
06.32.05 The Business-to-Business Programme, etc.	12.8	220.2	204.6	15.6	28.3	21.3	232.0	253.3
06.32.06 Mixed credits	1.5	348.5	349.8	-1.3	0.1	0.1	350,0	350.1
06.32.07 Loan assistance	-0.1	261.0	22.8	238.2	238.1	238.3	80.0	318.3
06.32.08 Other bilateral assistance	13.9	661.5	662.6	-1.1	12.8	6.6	648.0	654.6
06.32.10 Transitional assistance to the Western Balkans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
06.32.11 Neighbourhood Programme	0.0	199.3	196.9	2.4	2.4	2.4	200.0	202.4
06.33.01 Assistance through private organisations (NGOs)	0.8	1,112.7	1,088.6	24.1	25.0	1.2	1,023.0	1,024.2
06.34.01 Environment and climate assistance in developing countries, etc.	62.9	416.6	414.9	1.7	64.6	64.6	1,045.1	1,109.7
06.35.01 Research and information activities in Denmark, etc.	4.5	269.6	266.2	3.4	8.0	6.5	246.7	253.2
<b>Bilateral assistance, total</b>	<b>294.8</b>	<b>8,466.1</b>	<b>7,871.3</b>	<b>3.4</b>	<b>8.0</b>	<b>6.5</b>	<b>246.7</b>	<b>253.2</b>
06.35.02 International development research	0.2	50.0	50,1	-0,1	0.1	0.1	60.0	60.1
06.36.01 The UN Development Programme (UNDP)	4.7	368.3	372.2	-3.9	0.8	0.1	369.0	369.1
06.36.02 The UN Children's Fund (UNICEF)	0.0	209.2	209.2	0.0	0.0	0.0	184.2	184.2
06.36.03 HIV/AIDS, Population and Health Programmes	0.1	684.8	685.0	0.2	-0.1	-0.1	670.0	669.9
06.36.04 UN Agricultural, Food and Nutrition Programmes	20.0	154.9	175.0	-20.1	-0.1	-0.1	30.0	29.9
06.36.05 Global Environmental Programmes	0.0	0.0	-1.0	1.0	1.0	1.0	0.0	1.0
06.36.06 The UN's other development programmes and various multilateral contributions	17.8	150.8	123.4	27.4	9.7	5.7	208.7	214.4
06.37.01 The World Bank Group	26.0	587.9	613.0	-25.1	0.9	-0.1	554.0	553.9
06.37.02 Regional development banks	0.0	0.0	0.0	0.0	0.0	0.0	60.0	60.0
06.37.03 Regional development funds, debt relief initiatives and other funds	0.9	414.1	414.9	-0.8	0.1	0.1	266.4	266.5
06.37.04 Assistance through the European Union (EU)	0.1	321.3	317.7	3.6	3.7	3.7	542.9	546.6
06.38.01 Multilateral regional and reconstruction assistance	0.0	0.0	-31.2	31.2	31.2	0.0	0.0	0.0
06.38.02 Stability and security oriented efforts	0.0	0.0	-0.5	0.5	0.5	0.0	0.0	0.0
06.38.03 Various multilateral contributions	0.0	0.0	-2.3	2.3	2.3	0.8	0.0	0.8
06.39.01 Contributions to humanitarian organisations under the UN system	0.1	424.9	425.0	-0.1	0.0	0.0	460.0	460.0
06.39.02 Extraordinary humanitarian contributions and International Humanitarian Service	9.5	1,002.3	968.7	33.6	43.1	13.5	768.0	781.5
<b>Multilateral assistance, total</b>	<b>44.0</b>	<b>4,368.5</b>	<b>4,319.1</b>	<b>49.4</b>	<b>93.4</b>	<b>24.7</b>	<b>4,173.2</b>	<b>4,197.9</b>

### Ad Section 06.32.01 Developing countries in Africa

	Appropriation (FL+TB)	Accounts	Deviation (DKK million)	Deviation (%)
Expenditure	3,970.0	3,812.7	157.3	4%

The deviation between the appropriation and the accounts for financial commitments is primarily due to the repayment of financial commitments totalling DKK 126.8 million in the account. Added to this are delays in the preparations regarding two projects in Ethiopia and South Africa, respectively, and the fact that certain activities relating to the Africa Commission were not implemented in 2009.

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

	Appropriation (FL+TB)	Accounts	Deviation (DKK million)	Deviation (%)
Expenditure	718.4	569.9	148.5	21%

The deviation between the appropriation and accounts for financial commitments is due primarily to the repayment of financial commitments totalling DKK 154.1 million in the account. In addition, DKK 5.5 million of previous years' carry-forward surpluses was used.

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

	Appropriation (FL+TB)	Accounts	Deviation (DKK million)	Deviation (%)
Expenditure	220.2	204.6	15.6	7%

The deviation between the appropriation and accounts for financial commitments is due primarily to the repayment of financial commitments totalling DKK 7.0 million in the account. The remaining surplus stems partly from the fact that there were fewer requests than expected in connection with PPP (Public-Private Partnership).

### Ad Section 06.32.07 Loan assistance

	Appropriation (FL+TB)	Accounts	Deviation (DKK million)	Deviation (%)
Expenditure	261.1	22.8	238.3	91%

In 2009, there was a surplus of DKK 238.3 million in the account, which was primarily due to the MFA's decision in 2009 to defer disbursements related to debt relief for Iraq and Nigeria, totalling DKK 116 million and DKK 119 million, respectively. This total of DKK 235 million in deferred debt

relief is expected to be implemented in 2010. The reason for the deferment was the MFA's need to reduce the disbursements owing to changes in GNI.

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

	Appropriation (FL+TB)	Accounts	Deviation (DKK million)	Deviation (%)
Expenditure	1,112.7	1,088.6	24.1	2%

The deviation between the appropriation and accounts for financial commitments is due primarily to the repayment in 2009 of financial commitments totalling DKK 23.7 million in the account.

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

	Appropriation (FL+TB)	Accounts	Deviation (DKK million)	Deviation (%)
Expenditure	154.9	175.0	-20.1	-13%

In 2009, there was an expenditure increase of DKK 20.1 million in the account, which is financed by carry-forward surpluses from previous years.

### Ad Section 06.36.06 The UN's other development programmes and various multilateral contributions

	Appropriation (FL+TB)	Accounts	Deviation (DKK million)	Deviation (%)
Expenditure	150.8	123.4	27.4	18%

The deviation between the appropriation and accounts is due, among other things, to the repayment in 2009 of financial commitments totalling DKK 3.9 million in the account.

### Ad Section 06.37.01 World Bank Group

	Appropriation (FL+TB)	Accounts	Deviation (DKK million)	Deviation (%)
Expenditure	587.9	613.0	-25.1	-4%

In 2009, there was an expenditure increase of DKK 25.1 million, which is financed by carry-forward surpluses from previous years.

### Ad Section 06.38.01 Multilateral regional and reconstruction assistance

	Appropriation (FL+TB)	Accounts	Deviation (DKK million)	Deviation (%)
Expenditure	0.0	-31.2	31.2	

The deviation between the appropriation and accounts is due primarily to the repayment in 2009 of financial commitments totalling DKK 32.2 million in the account.

### Ad Section 06.39.02 Extraordinary humanitarian contributions and International Humanitarian Service

	Appropriation (FL+TB)	Accounts	Deviation (DKK million)	Deviation (%)
Expenditure	1,002.3	968.7	33.6	3%

The deviation between the appropriation and accounts is due primarily to the repayment in 2009 of financial commitments totalling DKK 29.7 million in the account. A list of outstanding financial commitments under the MFA's grant account with reserved appropriations is presented in table 17 below.

**Table 17 Outstanding financial commitments (DKK million)**

		Opening balance 01.01.2009*	Annual commitments**	Annual commitments***	Closing balance 31.12.2009****
<b>Financial commitments, total</b>		<b>-19,498.4</b>	<b>-11,358.34</b>	<b>11,336.7</b>	<b>19,520.3</b>
06.31.79	Reserves			0.0	0.0
06.11.19	Bilateral Neighbourhood Programme	-343.5	9.6	126.2	-207.6
06.32.01	Developing countries in Africa	-9,015.2	-3,812.4	2,784.3	-10,043.3
06.32.02	Developing countries in Asia and Latin America	-4,800.2	-569.9	1,469.4	-3,900.7
06.32.04	Personnel assistance	-123.6	-291.3	286.6	-128.3
06.32.05	The Business-to-Business Programme, etc.	-470.9	-204.7	211.3	-464.3
06.32.06	Mixed credits	0.1		-0.1	-0.0
06.32.08	Other assistance	-657.9	-662.4	539.1	-781.1
06.32.10	Transitional assistance to the Western Balkans	-0.5		0.0	-0.5
06.32.11	The Neighbourhood Programme	0.0	-196.9	48.2	-148.7
06.33.01	Assistance through private organisations (NGOs)	-668.9	-1,088.6	1,032.1	-725.4
06.34.01	Environment and climate assistance in developing countries, etc.	-1,633.9	-414.7	744.7	-1,303.9
06.35.01	Research and information activities in Denmark, etc.	-407.3	-266.2	245.0	-428.5
06.35.02	International development research	-35.1	-50.1	45.6	-39.6
06.36.01	The UN Development Programme (UNDP)	-3.3	-372.2	361.9	-13.6
06.36.02	The UN Children's Fund (UNICEF)	-3.3	-209.2	209.0	-3.4
06.36.03	HIV/AIDS, Population and Health Programmes	-234.1	-685.0	652.0	-267.1
06.36.04	UN Agricultural, Food and Nutrition Programmes	-0.7	-175.0	100.0	-75.7
06.36.05	Global Environmental Programmes	-155.2	1.0	107.2	-47.0
06.36.06	The UN's other development programmes and various multilateral contributions	-104.3	-123.4	165.0	-62.7
06.37.01	The World Bank Group	-77.6	-615.0	586.0	-106.2
06.37.02	Regional development banks			31.3	-69.2
06.37.03	Regional development funds, debt relief initiatives and other funds	-100.5	-272.3	197.3	-75.0
06.38.01	Multilateral regional and reconstruction assistance	-165.4	31.2	36.6	-97.6
06.38.02	Stability and security oriented efforts	-55.8	0.5	40.0	-15.3
06.38.03	Various multilateral contributions	-99.2	2.3	19.4	-77.5
06.39.01	Contributions to humanitarian organisations under the UN system	0.0	-425.0	425.0	-0.0
06.39.02	Extraordinary humanitarian contributions and International Humanitarian Service	-342.1	-968.9	872.9	-438.1
06.39.03	Special export promotion grants	-41.9	50.9	35.0	-57.5

\*) The opening balance as of 01.01.2009 is calculated as the closing balance as of 31.12.2008 with respect to outstanding financial commitments per main account in UM-Finans, account group 77.2.

\*\*) The annual financial commitments are calculated as the year's movements from 01.01.2009 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 Table 16.

\*\*\*) The annual disbursement is calculated as the year's movements from 01.01.2009 to 31.12.2009 in account 779592 in UM-Finans, disbursements concerning financial commitments, incl. any adjustments.

\*\*\*\*) The closing balance as of 31.12.2009 is calculated as the sum of the three other columns.

## 6.6 Presented investments

**Table 18 Completed projects (DKK million)**

Completed projects	Commencement of construction	Expected completion at time of construction commencement	Actual completion period	Total expenditure originally budgeted	Total expenditure	Appropriation received
Embassy building, New Delhi	2009	2010	2009	10	0	2005, cf. Appropriation Note 178

\*) *In 2005, the MFA planned to enter into a 15-year lease of the Dutch Embassy as a replacement for the present Embassy building, and in 2005 the Finance Committee gave its approval to this lease agreement. However, the MFA has since been offered the opportunity by the Indian Government to enter into a purchase-style agreement regarding a plot of land that would be able to house the Embassy building and four staff residences. This solution was deemed to be the most cost-effective. The construction work is due to commence in 2010.*

**Table 19 Capital projects in progress (DKK million)**

Capital projects in progress	Commencement of construction	Expected completion	Annual expenditure	Expected total expenditure
Embassy building, Dhaka	2010	2012	0	7.0, cf. Appropriation Note 178, 2005
Acquisition of land plot for construction of Embassy building and 4 staff residences in New Delhi	2010	2012	0	136.0, cf. Appropriation Note 178, 2005

## 6.7 List of annual reports, etc. within the MFA's sphere

- Beretning til Folketinget om udviklingen i EU i 2009 (Report to the Folketing (Danish Parliament) on developments in the EU in 2009) [www.um.dk/da](http://www.um.dk/da), June 2009.
- Danidas Årsberetning 2009 (Danida Annual Report 2009) [www.um.dk/da](http://www.um.dk/da), June 2009.
- Danmark og EF-Domstolen i 2009 (Denmark and the European Court of Justice in 2009) [www.um.dk/da](http://www.um.dk/da), May 2009  
Updated annually, expected transmission to the Folketing at the end of April.
- Handelspolitisk Orientering 2009 (Trade Policy Briefing Report 2009) [www.um.dk/da/menu/Udenrigspolitik/Handelspolitik](http://www.um.dk/da/menu/Udenrigspolitik/Handelspolitik).
- 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](http://www.um.dk/da), May 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/da](http://www.um.dk/da), April 2009.
- Udførsel af våben og produkter med dobbelt anvendelse fra Danmark i 2009 (Export of Arms and Products with Dual Purpose from Denmark in 2009) [www.um.dk/da](http://www.um.dk/da), May 2009.
- Årsberetning for Danida Fellowship Center 2009 (The Danish Fellowship Centre – Annual Report 2009) [www.dfcentre.com/](http://www.dfcentre.com/), April 2009.
- Årsberetning 2009 for Rehabiliterings- og Forskningscentret for Torturofre (RCT) (The Rehabilitation and Research Centre for Torture Victims (RCT), Annual Report 2008) [www.rct.dk/](http://www.rct.dk/), June 2009.
- Årsberetning 2009 for Danish Seed Health Center (Danish Seed Health Centre, Annual Report 2009) [www.dshc.life.ku.dk/](http://www.dshc.life.ku.dk/), May 2009.

- Årsberetning 2009 for Mellemfolkeligt Samvirke (MS-Danish Association for International Cooperation – Annual Report 2009)  
[www.ms.dk/](http://www.ms.dk/), June 2009.
- Årsberetning for Industrialiseringsfonden for Udviklingslandene 2009 (The Industrialisation Fund for Developing Countries – Annual Report 2009)  
[www.ifu.dk/dk](http://www.ifu.dk/dk), April 2009.
- Årsberetning for Investeringsfonden for Østlande 2009 (The Investment Fund for Central and Eastern Europe – Annual Report 2009)  
[www.ioe.dk/](http://www.ioe.dk/), May j 2009.
- DBL – Institute for Health Research and Development – Annual Report 2009  
[www.dbl.life.ku.dk/](http://www.dbl.life.ku.dk/), April 2009.
- Årsskrift for Center for Kultursamarbejde med Udviklingslandene 2009 (The Centre for Cultural Cooperation with Developing Countries 2009)  
[www.cku.dk/dccd/cku.nsf](http://www.cku.dk/dccd/cku.nsf), August 2009.





*Claus Grube  
Permanent Secretary of  
State for Foreign Affairs  
Ministry of Foreign Affairs  
of Denmark*

In 2009, the Ministry of Foreign Affairs again experienced a high level of activity across a broad front, including the implementation of the largest organisational reform of the home service since 1991. Nevertheless, the MFA satisfactorily met the goals and performance objectives set for the year, and at the same time demonstrated sound business practice in its management of resources.

In the foreword, the Minister for Foreign Affairs and the Minister for Development Cooperation have already mentioned the key items in the MFA's activities. In this respect, it should be noted that the work on preparing and holding the UN Climate Change Conference (COP15) in December 2009 absorbed considerable resources. The MFA was responsible for handling, among other things, the practical arrangements for this conference, which was the largest international event ever held in Denmark. Work has already begun on preparing Denmark's EU Presidency in 2012. The lessons learned from COP15 will be valuable, particularly the highly praised use of digital media, which included a website that had millions of visitors as well as innovative use of Facebook, Twitter and YouTube.

2009 was the year which saw the extensive reorganisation of the home service fall into place, in which a new structure was established with an overall corporate leadership, 11 centres as well as corporate HR, finances and services. The reorganisation was a natural consequence of the adaptation process that the MFA had driven forward in recent years, especially in the service abroad, to meet the challenges posed by globalisation. The result is a stronger Foreign Ministry that is ready to meet the challenges of globalisation at home and abroad. Contrary to conventional management theory, the large-scale annual staff satisfaction survey also revealed a rising level of satisfaction among staff at the MFA despite the major upheaval.

As part of the reform, a study of the MFA's HR activities has also been launched, with the aim of ensuring that in the future the MFA also has a good match between staff competencies and both present and future tasks. Therefore, among other things, an overall HR strategy has been formulated, HR consultants have been recruited, and stronger focus on competence and manager development has been initiated together with single-stringed and modernised financial management.

The past year also showed – unfortunately – that there continues to be a need to pay great attention to the security of staff when it comes to running our Embassies, Consulates General and other Missions. In certain places, there is a substantial and recognised threat of terrorism to Danish nationals and Danish interests. The work on adapting the Missions to the new security challenges continues unabated, as does the strengthening of corporate security. Furthermore, 11 regional security advisers have been recruited and posted to Missions in all relevant regions.

The rolling out of the MFA's new structure and the reforms within HR and other areas will continue and will be adjusted on an ongoing basis as further lessons are learned. The aim is to strengthen the MFA as a workplace both here and now and also for future generations of staff. The MFA therefore continues to be well equipped to meet the challenges presented by the outside world and the natural demands that the Government places on us in our capacity as the Foreign Ministry of the entire Central Administration.

Finally, I would like to express my gratitude for the great trust and support that I have received as new Permanent Secretary of State for Foreign Affairs in the discharge of the immense responsibility that has been entrusted in me.

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