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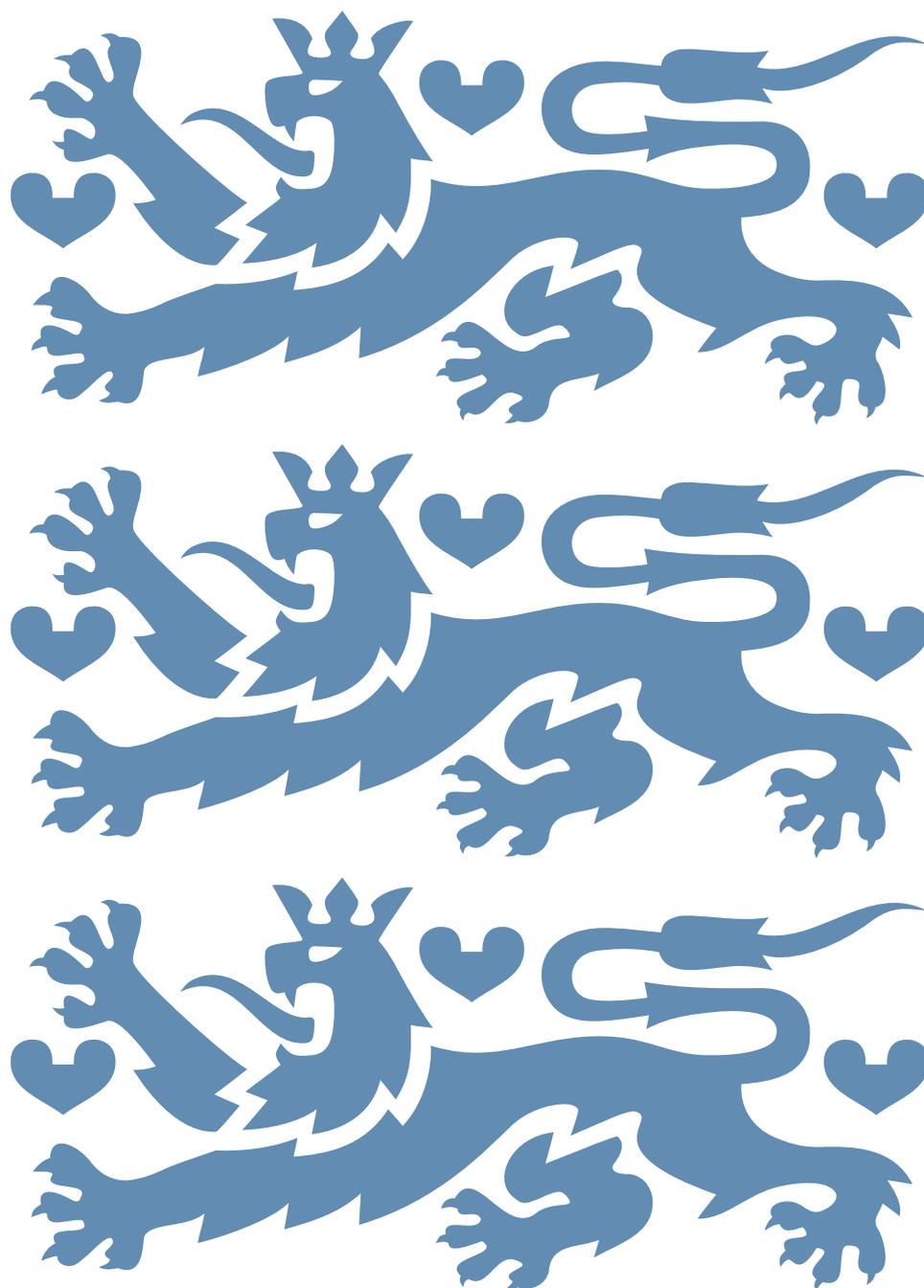


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1. INTRODUCTION

Herewith is presented the Annual Report of the Ministry of Foreign Affairs of Denmark (MFA) for 2010.

The MFA is an integrated organisation comprising one single department and associated Missions abroad 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. However, in respect to appropriations, the Danish Centre for International Studies and Human Rights (DCISM) belongs under the MFA. The 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 with a coherent and cross-cutting financial picture of the MFA's most important results in 2010 and 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 Danish 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/en. Performance reporting is solely comprised of 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.

Questions concerning the MFA's Annual Report may be addressed to the MFA's Financial Department 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. 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).

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..

2.1.2 Organisation

The MFA comprises the Ministry in Copenhagen and Embassies, Consulates General and Trade Commissions abroad, as well as Missions at the most important international organisations. Added to this are a large number of Honorary Consulates. The entire corporation has approx. 2,750 employees, of whom approx. 900 are located at the Ministry in Copenhagen and approx. 1,850 are employed abroad. Of the 1,850 employees based abroad, approx. 1,300 are locally employed staff. The MFA is an integrated organisation, which means that the staff works in one and the same organisation, regardless of where they are located. This means that a single-stringed approach is adopted in regard to the safeguarding and promotion of Denmark's international interests, whether it be in the realm of foreign and security policy, EU policy, development policy, trade policy, support given to promoting the internationalisation of Danish companies, assistance to Danes in distress abroad, or public diplomacy.

The organisational structure makes it possible to deliver solid responses to international and global challenges in step with developments across operational areas, without organisational or administrative obstacles.

The global network of Missions is the hallmark of the MFA and provides the basis for enabling the MFA to safeguard and promote Denmark's international interests. With in-depth knowledge of local conditions and the right networks, the Missions contribute to ensuring the quality and validity of the flow of information that serves as the basis for shaping Danish policy and a number of other policy aspects in Denmark. The number, size and location of the Danish Missions are reviewed and prioritised on an ongoing basis according to Denmark's foreign policy interests and goals.

The Ministry in Copenhagen is organised according to a centre structure with 11 centres. Each centre has either a functional, geographical or customer-oriented focus. The purpose of this 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 corporate and integrated approach to task performance, which is the MFA's comparative advantage and prerequisite for being able to tackle present and future challenges effectively.

More information about the MFA's organisational set-up may be found on the MFA website at www.um.dk/en.

The MFA Annual Report 2010 is submitted for the following three main accounts on the Finance and Appropriation 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 2010

According to the “*Guidelines for Writing Annual Reports*” (*Vejledning om udarbejdelse af årsrapport*), issued by the Danish Agency for Governmental Management (Økonomistyrelsen), “*all goals and performance requirements that have been agreed or determined by another party than the organisation*” must be reported on. The external determination of goals takes place for the MFA primarily through ministerial and Government decisions, foreign policy and development policy reports, parliamentary decisions, and decisions adopted within international fora. These goals are communicated internally via the announcement of the MFA’s strategic goals and priorities, specifically in the form of a priority plan for 2010. The goals are designed to ensure the delivery of real effects, products and services of benefit to the Government and other public authorities as well as 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 2010.

payroll expenditure of approx. DKK 4 million in relation to 2009. In 2010, a recruitment freeze was introduced. In addition, the MFA carried out a series of staff reductions during autumn 2010, which led to the closure of positions that will gradually take effect during 2011.

2.3 The financial results in 2010

The MFA’s operating result in 2010 shows a deficit amounting to DKK 50.2 million after an adjusted provision concerning reserved appropriations at the end of 2010.

The operating profit for 2010 includes DKK 47.6 million in COP15-related expenditure. In connection with the Government’s responsibility for hosting COP15, the MFA incurred a number of expenditures for logistics, servicing of the press, IT, etc. in the period 2008-2010. At the end of 2010, the total expenditure incurred in relation to COP15 amounted to DKK 416.6 million out of a total appropriation of DKK 435 million that had been earmarked for these purposes. To this may be added other COP15-related expenditures totalling DKK 47.7 million in the period for, among other things, civil society activities, website, etc. that are not financed by the special appropriation of DKK 435 million earmarked for the Government’s joint expenditure related to COP15.

The MFA’s total payroll expenditure totalled approx. DKK 687 million, which is DKK 18.2 million more than the MFA’s payroll ceiling specified in the Finance and Appropriation Act for 2010. The expenditure increase is financed by the MFA’s payroll saving, which at the end of 2010 amounted to DKK 10 million. In 2010, there was a small increase in the MFA’s

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

Profit/Loss Account – Main Figures	2008	2009	2010
Ordinary and other operating income, total	-1,887.3	-2,481.4	-2,049.5
Appropriations booked as income	-1,709.7	-2,308.8	-1,862.2
External income	-177.6	-172.6	-187.3
<i>Other operating income is booked under operating items</i>			
Ordinary operating costs, total	1,823.4	2,345.8	2,064.9
Salaries and wages, as well as other personnel costs	632.0	692.6	696.3
Depreciation	89.0	98.6	101.8
Other costs	1,102.4	1,554.5	1,266.8
Result of ordinary operations, total	-63.8	-135.6	15.5
Result before financial items, total	-134.6	-188.0	-53.5
Year-end profit/loss*	-38.6	-95.0	50.2**
Balance	2008	2009	2010
Fixed Assets	1,958.9	2,193.3	2,151.4
Current assets	539.8	941.2	609.3
Equity	-60.9	-158.3	-107.6
Provisions	-49.1	-52.0	-50.5
Long-term liabilities	-1,926.6	-2,144.1	-2,112.7
Short-term liabilities	-462.1	-780.1	-490.0
Borrowing limit	2,217.6	2,217.6	2,453.6
Borrowing limit (FF4) – balance 31.12	1,918.6	2,137.8	2,107.8
Financial Key Figures	2008	2009	2010
Rate of utilisation of borrowing limit	86.5%	96.4%	85.9%
Negative fluctuation***	0.00	3.8	2.3
Profit margin	2.0%	3.8%	-2.4%
Appropriation proportion	90.6%	93.0%	90.9%
Personnel Information	2008	2009	2010
Full-time equivalents	1,394.0	1,450.0	1,439
Full-time equivalent cost (DKK thousand)	453.0	478.0	484
Payroll cost percentage	33.5%	27.9%	34.0%
Payroll ceiling	624.3	689.4	668.8
Payroll expenditure in relation to payroll ceiling	620.6	683.0	687.0

*A positive figure equals deficit, and a negative figure equals surplus

**In addition, DKK 18.2 million was appropriated in connection with the appropriation settlement for 2010.

*** The carry-forward surplus has not been adjusted for the expenditure related to COP15

2.4 Functions and resources

This section reports 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 functions to which a reserved appropriation was 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 paragraph 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
General foreign policy	669.3	-102.1	718.7	-116.8	34.7
Administration of development assistance	786.3		797.0		10.7
Export and investment promotion, etc.	386.6	-85.6	379.4	-81.5	-3.1
Consular services	217.9		217.3		-0.6
MFA Competence Centre	22.5	-6.9	28.0	-6.9	5.5
MFA Language Centre	14.7	-14.7	14.1	-16.3	-2.2
Government's joint expenditure related to the UN Climate Change Conference (COP15)			47.6		47.6
Fee-financed activities, consular service fees		-55.0		-68.2	-13.2
Adjustment of reserved appropriation				-29.2	-29.2
Total	2,097.3	-264.3	2,202.1	-318.9	50.2

Note: *A positive figure equals deficit, and a negative figure equals surplus

2.4.2 Explanation of reserved appropriations

In connection with the completion of the financial accounts for 2010, 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	2010	10.8	10.8	0.0	2010
VIS	2010	10.9	10.9	0.0	2010
Embassy security	2010	43.6	43.6	0.0	2010
Total reserves, as of 01.01.2010		65.4	65.4	0.0	
Enhanced promotion of DK	2011	38.1	31.2	6.9	2011
VIS	2011	10.9	5.9	5.0	2011
Embassy security	2011	96.0	71.6	24.4	2011
Total reserves and special appropriations, 2010-2011		145.0	108.8	36.2	

Remarks on the specific reserved appropriations

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

- 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 27.3 million in 2010 and a reserved appropriation of DKK 10.8 million from 2009, DKK 31.2 million was used in 2010. As a result, a reserved appropriation of DKK 6.9 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). The entire amount was reserved in 2009, of which DKK 5.9 million was spent in 2010. As a result, a reserved appropriation of DKK 5.0 million has been provisioned for 2011.
- 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. The MFA was also allocated DKK 74.5 million in 2010 and thereafter DKK 85.5 million annually in Finance and Appropriation Act 2010. Furthermore, a reserved appropriation of DKK 43.6 million was provisioned at the beginning of 2010. From 2010, no appropriations are reserved to cover ongoing interest and depreciation, as they are included in the annual operating expenditure of approx. DKK 20 million. In addition, adjustments totalling DKK 20 million have been made to cover interest and depreciation concerning 2009. In 2010, an expenditure of DKK 71.6 million was incurred, as a result of which a reserved appropriation of DKK 24.4 million has been provisioned.

2.5 Cost-based main accounts

The table below presents the cost-based main accounts of the MFA.

Table 4. The MFA's administered cost-based main accounts (DKK million)

Main account	Type of appropriation	Income/ Expenditure	Appropriation	Accounts 2010
06.11.03 Foreign Service buildings	Capital appropriation	Expenditure	-	-
		Income	-	-
06.11.06 Interest revenues from diverse receivables	Income appropriation	Expenditure	-	-
		Income	-28.0	-38.4
06.11.15 Non-statutory grants	Reserved appropriation	Expenditure	36.5	33.5
06.11.19 The Bilateral Neighbourhood Programme	Reserved appropriation	Expenditure	-	-6.4
06.11.21 Repayments from the Investment Fund for Developing Countries (IFU) and the Investment Fund for Central and Eastern Europe (IØ)	Income appropriation	Income	-100.0	-100.0
06.11.79 Reserves and budget adjustments	Income appropriation	Expenditure	-	-
06.21.01 The Nordic Council of Ministers	Statutory	Expenditure	135.6	132.7
06.22.01 Peacekeeping operations*	Statutory	Expenditure	242.5	396.0
06.22.03 Other organisations	Statutory	Expenditure	248.7	240.1
06.22.05 The European Investment Bank	Income appropriation	Expenditure	4.6	0.5
06.31.79 Reserves	Reserved appropriation	Expenditure	-	-
		Income	-	-
06.32.01 Developing countries in Africa	Reserved appropriation	Expenditure	2,825.1	2,803.3
06.32.02 Developing countries in Asia and Latin America**	Reserved appropriation	Expenditure	1,280.9	1,345.5
06.32.04 Personnel assistance***	Reserved appropriation	Expenditure	289.4	400.6
06.32.05 The Business-to-Business Programme, etc.**	Reserved appropriation	Expenditure	232.0	232.8
06.32.06 Mixed credits	Reserved appropriation	Expenditure	350.0	349.7

Main account	Type of appropriation	Income/ Expenditure	Appropriation	Accounts 2010
06.32.07 Loan assistance**	Reserved appropriation	Expenditure	80.0	257.2
		Income	-	-
06.32.08 Other assistance	Reserved appropriation	Expenditure	643.8	616.6
06.32.10 Transitional assistance to the Western Balkans	Reserved appropriation	Expenditure	-	-
06.32.11 The Neighbourhood Programme	Reserved appropriation	Expenditure	150.0	148.4
06.33.01 Assistance through private organisations	Reserved appropriation	Expenditure	1,023.0	1,011.0
06.34.01 Environment and climate assistance in developing countries, etc.**	Reserved appropriation	Expenditure	856.8	888.3
06.35.01 Research and information in Denmark, etc.	Reserved appropriation	Expenditure	204.7	195.8
06.35.02 International development research**	Reserved appropriation	Expenditure	59.9	60.0
06.36.01 UNDP	Reserved appropriation	Expenditure	391.9	379.4
06.36.02 The UN Children's Fund (UNICEF)	Reserved appropriation	Expenditure	182.3	182.3
06.36.03 HIV/AIDS, Population and Health Programmes	Reserved appropriation	Expenditure	750.1	749.7
06.36.04 UN Agricultural, Food and Nutrition Programmes	Reserved appropriation	Expenditure	30.1	30.0
06.36.06 Other UN development programmes and various multilateral contributions**	Reserved appropriation	Expenditure	206.9	209.9
06.37.01 The World Bank Group****	Reserved appropriation	Expenditure	579.1	580.0
		Income	-	-1.2
06.37.02 Regional development banks	Reserved appropriation	Expenditure	318.9	318.9
06.37.03 Regional development funds, etc.	Reserved appropriation	Expenditure	266.5	265.8
06.37.04 Assistance through the European Union (EU)**	Reserved appropriation	Expenditure	442.5	446.2
		Income	-2.0	-2.0
06.38.01 Regional and reconstruction assistance	Reserved appropriation	Expenditure	-	-0.4

Main account	Type of appropriation	Income/ Expenditure	Appropriation	Accounts 2010
06.38.02 Stability and security oriented efforts	Reserved appropriation	Expenditure	-0.5	-0.5
06.39.01 Humanitarian organisations	Reserved appropriation	Expenditure	460.0	460.0
06.39.02 Extraordinary humanitarian contributions	Reserved appropriation	Expenditure	974.1	954.5
06.41.02 Trade Commissioners	Reserved appropriation	Expenditure	67.3	64.7
		Income	-25.2	-22.5
06.41.03 Special export promotion grants*****	Reserved appropriation	Expenditure	61.4	63.8

* The expenditure increase concerning Section 06.22.01 (Peacekeeping operations) primarily concerns the rising dollar rate, and that the 2009 expenditure due to UN procedures associated with approval of the revised scale of assessments regarding Member State contributions has been postponed until 2010.

** The expenditure increase under these main accounts is financed by the carry-forward surplus from 2009.

*** The financial commitments under Section 06.32.04 (Personnel assistance) totalling DKK 150 million were booked twice. This amount is re-entered in 2011.

**** The expenditure increase under Section 06.37.01 (The World Bank Group) is financed via transfer from other accounts.

***** The expenditure increase under Section 06.41.03 (Special export promotion grants) relates to the absence of financial commitment repayment.

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 2011, although a small part of the accumulated surplus from previous years is expected to be used. The preparations for the Danish EU Presidency will entail an increased pull on resources in the MFA already in 2011. However, it is expected that this can be kept within the appropriations. However, unforeseen situations may arise that either lead to an expenditure decrease or will make it necessary to draw further on the accumulated surplus.

2.6.2 Main priorities

The MFA has identified a number of main priorities for 2011. These priorities 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 main priorities for 2011 are described in the following sections.

Denmark's foreign policy must make its full contribution to **Danish economic growth and employment in Denmark**. In 2011, as follow-up on the Trade Council's new strategy, special focus will be placed on increasing the number of export-bearing Danish enterprises, on integrating the MFA's commercial activities targeted at enterprises with the public diplomacy work and other political work performed at Embassies, on developing the Trade Council's sector competences, and on strengthening the outreach of the Trade Council's services through the provision of free services. In parallel with these efforts, Invest in Denmark will continue its pro-active efforts to attract knowledge-intensive investments to Denmark, including from the BRIC countries of China and India. The unique Danish profile of green technology and the Danish comparative advantages within energy, environment and climate change solutions must be used pro-actively. Within the EU, Denmark must press for a retained focus on targeted economic consolidation as well as an ambitious, reform-oriented and sustainable growth strategy with emphasis on research and development, innovation, education, and further development of the Single Market. Also in relation to developing countries, Denmark will, on the basis of a new strategic framework, place emphasis on growth and employment, and at the global level seek to advance the reforms of the global architecture, including in the UN, the World Bank, the IMF and

G20, the need for which has been underlined by the economic crisis

The vast majority of Danish exports go to neighbouring markets, but the greatest growth potential lies further beyond Denmark's borders. This applies in particular to the BRIC countries (Brazil, Russia, India and China), but also to "second-wave emerging economies", such as Indonesia, South Africa, South Korea, Turkey, Vietnam, Mexico and the Gulf States. The cooperation with these countries must be enhanced in 2011, both commercially and politically. At the same time, EU cooperation with the emerging economies must be strengthened.

For Denmark, a key foreign policy priority is to **strengthen the role of the EU**. 2011 will be an important year for the EU's foreign policy, in which the European External Action Service will be rolled out. Denmark will continue to support the establishment process with a view to promoting an enhanced European profile on the international stage and at the same time ensuring that the European External Action Service becomes embedded in close cooperation with the national foreign services, locally and in Brussels as well as at the political level. In light of the Danish EU Presidency, it will also be important throughout 2011 to initiate constructive processes that can actively underpin the EU's global role. Denmark will, through the EU in particular, strive to ensure the best possible preparations for the UN Conference on Sustainable Development (Rio+20), which is expected to take place during the Danish EU Presidency in 2012. Denmark will also continue its active efforts, particularly through the EU, to influence the international negotiation process regarding environment, energy and climate change.

Preparations for the Danish EU Presidency, which is due to be held during the first six months of 2012, will be a central task for the entire MFA in 2011 and require careful prioritisation of resources across the organisation. With the Lisbon Treaty's commencement and the introduction of Trio Presidencies, the Presidency function will change character. The MFA is expected to continue undertaking the full Presidency for, among other things, development, trade, enlargement, and terrorism, and also has a significant inter-ministerial coordination and advisory task. The logistical organisation of the Presidency for the entire Central Administration will be concentrated in the MFA, including the planning of meetings held on Danish soil, the

creation of a Presidency website, as well as press relations. In 2011, as much clarity as possible must be ensured regarding division of labour with the European External Action Service, including the scope of tasks for the Foreign and Development Ministers of Member States. The MFA will also have a key role to play in the handling of major horizontal issues, including the negotiation of the financial perspectives for 2014-20, as well as the accession negotiations with Iceland, Turkey, and Croatia. During the Danish EU Presidency, more emphasis will furthermore be placed on institutional issues as a result of the extended powers afforded to the European Parliament in the Lisbon Treaty. In 2011, special focus will be placed on formulating the Danish Presidency programme, and throughout the year, input will need to be submitted towards formulating the joint Trio Presidency programme.

Development policy is an integral part of Danish foreign and security policy. In 2011, **the implementation of the new strategy for Denmark's development cooperation**, "Freedom from Poverty – Freedom to Change", and the specific roadmaps for the five political priorities, will gather pace. In 2011, it will be particularly important to carry out a prioritisation partly to ensure effective impact of the Danish efforts and partly to free up resources for the work in weak and fragile states. In extension of the work carried out by the Africa Commission, focus will be placed on growth, employment, and private sector involvement in Africa. Similarly, efforts to enhance regional economic integration and promote the climate and security dimension will be central. The EU is envisaged an increasingly greater role and is to be placed at the centre of overall Danish development cooperation. Similarly, there will be increased focus on efforts to communicate the results of development cooperation.

The Danish engagement in Afghanistan in 2011 will also be Denmark's largest and most important security policy effort. Opportunities will be examined for further reorganisation and potential reduction of the Danish force contributions in Helmand. In this respect, the transition planning will enter its crucial phase in 2011. The Danish engagement must contribute to creating the preconditions for the transfer of responsibility to the Afghans – for political, civilian, and military affairs. A gradual reorganisation benefiting the civilian reconstruction efforts must be carried out in a responsible manner, in full harmonisation with the developments on the ground and in close consultation with NATO and Denmark's allies. In addition, greater focus must be placed in 2011 on engaging in greater regional dialogue and cooperation regarding the stabilisation of Afghanistan and Pakistan.

In 2011, the upheavals in the Arab world will be the subject of focus for Danish Middle East policy. The Danish efforts to support reforms and democracy (through the Partnership for Dialogue and Reform programme) and to support the freedom efforts in the region (with funds from the Freedom Pool) will be targeted and strengthened. Denmark will contribute actively to the implementation of the Security Council's Libya Resolutions of 1970 and 1973 in the form of political, humanitarian, and military contributions.

Within the security policy sphere, **the response to the new threat picture** will be prioritised. With globalisation, security policy threats, such as international terrorism, proliferation of weapons of mass destruction, fragile states, and attacks in cyberspace are gaining increasing importance – threats that will often need to be tackled far beyond our borders. The most important channels for tackling these challenges are the UN, NATO, and the EU. Besides reform processes in the multilateral organisations that are aimed at adapting these organisations to the new challenges, the efforts in fragile states will be assigned high priority in 2011, including the Horn of Africa. Likewise, the considerable Danish efforts to combat piracy off the Horn of Africa, and in the Indian Ocean will be a high priority focus area in 2011. The efforts will be multi-pronged and the new cross-ministerial coordination structure will play an important role. In addition, the Middle Eastern peace process and developments in Iran will continue to be monitored closely. Lastly, it will continue to be important to tackle foreign-based threats satisfactorily, through a pro-active crisis preparedness and response capability and a continued prioritisation of the MFA's own security, which enables the MFA to handle consular tasks by means of providing specific advice and consular assistance to citizens in distress abroad.

The Arctic is a strategically important neighbouring region for Denmark, particularly because climate change contributes to increasing the region's accessibility in the future and accentuates questions regarding, for example, continental shelf boundaries, new sailing routes, and sustainable development. In 2011, a new strategy for the **Unity of the Realm's policy in relation to the Arctic** will need to be formulated in collaboration with Greenland and the Faroe Islands. Similarly, the Danish Chairmanship of the Arctic Council will culminate with a meeting of Foreign Ministers on May 12th in Greenland jointly hosted by Denmark and Greenland. In connection with the Foreign Ministers' meeting, attempts will be made to clarify the issue of observers in the Arctic Council, to reach a decision regarding the institutional strengthening of the Arctic Council,

and to adopt an agreement between the Council Member States regarding maritime rescue.

The increased global diffusion of power challenges **the universal rights and fundamental values as well as the international legal order**. In 2011, Denmark will also play a role in advancing the fundamental human rights and freedoms as well as democratic forms of governance, particularly through the EU and UN. An effective value-based policy must be pursued that focuses on results and utilises the opportunities for alliance and dialogue that arise in a multipolar world. The ambition to maintain Denmark's role as one of the leading energies in the work on further strengthening the international legal order entails, for example, the continuation of the Danish chairmanship of the international working group on legal aspects of counter-piracy, as well as an ambition to finalise the Danish-led process on standards for handling of detainees in international military operations ("The Copenhagen Process").

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.

Six strategic goals have 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 for each specific unit. Within the spheres of export and investment promotion and consular services, centrally determined performance objectives have been established 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. The quantitative element of the performance reporting is described in detail below, after which a qualitative elaboration and assessment of the results that serve as the basis for determining the overall level of goal attainment is provided in section 3.3.

3.2 Goal and performance – a schematic overview

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

Table 5. Goal Attainment and Performance in 2010

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	B	C	
1. A competitive, visible and active Denmark in a globalised world	94	337	263	32	42	B
2. Denmark at the heart of Europe	56	144	140	3	1	A
3. International security and stability	92	246	224	18	4	A
4. A freer, fairer more economically and environmentally sustainable world	86	261	223	28	10	A
5. The citizens' Foreign Service	84	115	108	5	2	A
6. A flexible and well managed global network for the entire Government	88	213	191	5	10	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 units¹ 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. 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 2010 is therefore deemed in general to be satisfactory.

¹ It should be noted that the Embassies in Algiers and Amman were closed in 2010 and thus do not contribute to the overall measurement of goal attainment.

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 2010, multi-faceted efforts were made in relation to export promotion and internationalisation, attraction of foreign investments, 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 that the global financial crisis continues to present in relation to export and investment promotion. A total of 94 units contributed to the goal attainment.

In 2010, the Trade Council, as an integrated part of the MFA, launched a new strategy towards 2015: Value, Growth and Knowledge for Denmark. The strategy contains clear strategic targets for the MFA's contribution to promoting growth and employment in Denmark, defined as helping Danish companies to increase their exports by DKK 30 billion and to create more than 1,000 knowledge-intensive jobs each year. Another target is to provide consulting support to more export companies. Besides general consulting support, the Trade Council has launched a number of free services aimed at making it easier for companies to obtain answers to the most frequently asked and immediate questions. In 2010, the MFA provided advice to almost 5,300 enterprises.

The Trade Council delivers customised consulting support to companies on political, economic and commercial matters in the export markets. A special priority is the small and medium-sized enterprises, in relation to which the Trade Council launched the Vitus Programme in 2010. Vitus is a close partnership between the Trade Council and 20 companies annually with the aim of securing specific export orders within nine months.

With the new strategy, the Trade Council will focus the efforts in the most important markets for Danish export. This applies to traditional neighbouring markets, which also in the future are expected to account for a large percentage of Danish exports. In addition, there exist a number of new growth markets that have the potential to comprise a considerable part of the growth in export of goods.

After the strategy's first year (2010), the result shows a total export effect of DKK 27.5 billion and the creation of 865 knowledge-intensive jobs, both reflecting a partial attainment of the respective targets. The figures also reflect the fact that the economic crisis in 2010 still had a hold on many companies, particularly among small and medium-sized enterprises, and that the crisis had made foreign companies reluctant to invest. The increasing turnover during the second half of 2010 is a sign that the negative impact of the crisis on Danish exports is waning.

In 2010, the first action plan for assertive global marketing of Denmark 2007-2010 was evaluated. The evaluation resulted in a continuation of the action plan in 2011 and 2012 in the following MFA spheres of activity: media and public diplomacy, Invest in Denmark, and export promotion.

With a view to establishing a new platform for all MFA websites and a website for the Danish EU Presidency in 2012, the MFA has launched an extensive web-development project. The project reached important milestones in 2010. For example, two EU-wide tender procedures were carried out, and the extensive development of the forthcoming platform was initiated. Furthermore, the existing web content was subjected to a detailed analysis in order to obtain an optimal structure and user-friendliness in relation to the future websites.

In 2010, the MFA continued its efforts to promote Denmark in the international media. This took place, for example, by means of organising a number of visits by foreign journalists to Denmark. The objective of the visits was to raise interest in Denmark among foreign enterprises and investors, among tourists, and among young people looking for a job and education opportunities. In particular, climate and environment, architecture, gastronomy, and welfare were spotlighted. At the same time, the MFA placed emphasis on generating more debate and disseminating knowledge about foreign policy issues, such as

development assistance, building of new democracies, trade, the EU, the UN and new threats, such as piracy. There is need for greater insight in these important global themes, which already now, but also in the future, will impact on living conditions in Denmark. Among other things, a series of interviews conducted with Danish Ambassadors in nationwide media has illustrated the situation in their host countries.

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 aimed at strengthening bilateral relations with a number of countries and regions, partly through visits and consultations. This required a major, targeted effort by the MFA as a whole, and the Missions in these regions in particular. In addition, concerted efforts have been made to implement the ambitious action plans for enhancing relations with China and India, to implement efforts in Africa, and to develop relations with the Gulf States. Work has been carried out to develop the potential in relation to Mexico, Indonesia, South Korea, and Japan, and work has begun on formulating a policy document that identifies opportunities for developing the potential in relation to Brazil.

STRATEGIC GOAL 2:

Denmark at the heart of Europe

In 2010, success was achieved in promoting Danish viewpoints and interests in a large number of important areas and 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 56 units contributed.

The work carried out by the MFA has primarily been characterised by the debt crisis, which struck Europe in 2010. In collaboration with the Ministry of Finance, the MFA was involved in the preparation of a rescue package for Greece and the establishment of an interim mechanism for tackling acute need for credit in May, as well as a rescue package for Ireland in November 2010, to which Denmark had made a bilateral contribution. At the same time, a taskforce led by the permanent President of the European Council, Herman Van Rompuy, worked on enhancing the EU's economic-political cooperation. In December 2010, the EU Heads of State and Government reached consensus to adopt a treaty amendment that is to pave the way for the establishment of a permanent crisis mechanism that can provide financial support in response to future debt crises. In general, the work carried out within the economic sphere has proceeded

in a positive direction for Denmark, with increased focus on budget accountability and sustainability, which is a longstanding Danish priority.

Over the past year, the growth agenda has determined the framework for the work carried out by the MFA. At the meeting of the European Council in June 2010, agreement was reached regarding a new strategy for promoting growth and employment, the Europe 2020 Strategy. The new strategy is to contribute to enabling the EU to emerge stronger from the economic and financial crisis and to promote the EU's long-term growth potential, among other things by tackling the challenges that the EU faces in relation to changing demographics, climate change and competition from new emerging economies. In the Europe 2020 Strategy, EU-wide targets are set out on employment, R&D/innovation, climate change/energy, education and poverty/social inclusion, which will all be monitored by the Commission and which are to be implemented in the Member States through the formulation of national reform programmes.

In close collaboration with the rest of the Central Administration, the MFA has also had continued focus on 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. Success was also achieved in ensuring the increased involvement of the Folketing in the work of the European Court of Justice. In this respect, a continued significant rise in the number of cases for the European Court of Justice can be generally observed.

The work on implementing the Lisbon Treaty was a major task for the MFA in 2010. This applies, for example, to the implementation of the Treaty's provisions regarding comitology, the European Citizens' Initiative, and to the monitoring of compliance with the subsidiarity principle. One of the most important institutional innovations in the Lisbon Treaty is the establishment of a European External Action Service, which was to be implemented during the course of 2010. During the first half of 2010, intensive negotiations took place regarding the legislative act that was to establish the European External Action Service. The Danish permanent representative to the EU, Poul Skytte Christoffersen, was appointed as special adviser on the establishment of the European External Action Service by Catherine Ashton, the High Representative of the Union for Foreign Affairs and Security Policy. Through concerted efforts, success was achieved in securing the formal establishment of the European External Action Service on December 1st 2010. Alongside these efforts, continuous efforts were made between

the Member States, the High Representative, the Commission and the new permanent President to get the cooperation to fall into place. In addition, considerable work still remains to be done in relation to, for example, recruitment for the European External Action Service, the adaptation of the EU's external representation, and the EU's status in the UN in the period up to 2013, by which time the European External Action Service is expected to have been fully rolled out.

With Denmark's assumption of the EU Presidency during the first half of 2012, the preparations for the Presidency were intensified in 2010. Organisationally, the MFA has set up a central logistics unit for the Central Administration and a communication unit that is to coordinate the communication efforts during the Danish EU Presidency. A logo for the EU Presidency was also chosen following a design competition. In addition, the MFA has established close contact with Poland and Cyprus, which are the other parties forming Denmark's Trio Presidency and countries which Denmark will need to work closely together with in the process of planning the Presidencies from July 2011 to 31st December 2012. During 2010, the MFA made considerable progress in the planning of the Presidency.

The continued work with the EU enlargement was also a major priority for the MFA in 2010. This applied in particular to the accession negotiations with Croatia, which are reaching closure, and the negotiations with Turkey, which, despite the adoption of a wide-reaching constitutional reform, has been characterised by the otherwise slow pace of Turkey's reform efforts. 2010 also saw the award of candidate status to, and the opening of negotiations with, Iceland. In relation to the approximation process between the EU and the countries in the Western Balkans, Montenegro was awarded candidate status in December 2010. In 2010, Serbia was also rewarded for its reform efforts in the form of the Council's decision to request the Commission for the statement regarding the Serbian membership application that precedes the award of candidate status to Serbia. The negotiations regarding EU association agreements with Moldova, Ukraine, Georgia, Armenia and Azerbaijan continue. The further development of the Eastern Partnership was a high Danish priority in 2010, particularly with respect to democracy and human rights. Prioritised Danish efforts under the Neighbourhood Programme were implemented with the aim of promoting open democratic rule-based societies based on stable political and economic development.

The Danish Government has assumed a major responsibility for the implementation of the EU Baltic Sea Strategy, which the European Council adopted in October 2009. Denmark has

coordination responsibility for six of the strategy's 15 priority areas (climate change, energy, growth, safe shipping, clean shipping, and maritime accident response and protection), three of them in cooperation with Latvia, Germany and Finland, respectively, as well as a leadership role for a large number of the strategy's approx. 80 flagship projects. In October 2010, the Commission presented its first interim report, which shows good progress in the work, including in relation to the six Danish priority areas.

During the Danish chairmanship of the Nordic foreign policy cooperation, substantial progress has been made in implementing the proposals contained in the Stoltenberg Report regarding Nordic foreign policy and security policy cooperation. Denmark also participated actively in the ongoing Nordic/Baltic cooperation. As a Baltic initiative, a Nordic-Baltic expert group was set up in June 2010 and tasked with evaluating the Nordic-Baltic (NB8) foreign policy cooperation and presenting recommendations for new initiatives. From Nordic quarters, the former Danish Minister of Defence, Søren Gade, was appointed, whilst the Baltic countries appointed Latvia's former Head of State and Foreign Minister, Valdis Birkavs. The final Gade/Birkavs report was received very positively by all Foreign Ministers in connection with its presentation on August 27th 2010. The report's 38 proposals are being implemented on a gradual basis, as a number of proposals, for example, revolve around the celebration of the 20th anniversary of the Baltic countries' regaining of independence in 2011.

STRATEGIC GOAL 3:

International security and stability

In 2010, wide-ranging efforts were made to promote international security and stability, including both through an active involvement in international organisations and through contributions to peace and stabilisation initiatives in, for example, Africa and Afghanistan. The overall level of goal attainment in this area is 'A' (full attainment), to which 92 units contributed.

An important challenge was to secure NATO's role as an effective security guarantor in a world of new threats, new capabilities, and new partners. The MFA and the Missions thus worked actively with the preparations for the NATO summit in Lisbon, which provided the setting for a number of important decisions of relevance to the future of the Alliance. At the summit, a new strategic concept was adopted as well as a reform package designed to slim and streamline NATO's structures and working methods.

In addition, it was decided to establish a missile defence system to protect the Alliance's territory and populations. Denmark left a clear mark on the proceedings at the summit, for example in connection with promoting key Danish priorities, such as coordination in the Strategic Concept.

After a decade of rapid development, the EU's security and defence dimension has entered a consolidation phase, with focus on developing and streamlining ongoing efforts and instruments. Denmark contributed actively to this process in 2010. In the institutional sphere, the efforts of EU Member States to improve their civilian crisis management capabilities were assessed during the year. Denmark is one of the leading countries when it comes to training and deployment of crisis management personnel to EU civilian missions. In 2010, a total of 193 Danes were deployed to civilian crisis management missions and election observer missions through the International Humanitarian Service (IHB), the majority of whom to operations in the EU domain.

The Danish contributions to international peace and stabilisation efforts also comprise personnel contributions deployed under the mantle of NATO and the EU. Denmark provides a substantial contribution to NATO efforts in Afghanistan, with a total force contribution of approx. 750 persons, to NATO's counter-piracy operation, Ocean Shield, off the Horn of Africa, as well as for the operation in Kosovo, KFOR, although it was decided to scale down this operation in 2010. Within the UN, Denmark furthermore contributes with 140 persons to the international UN Interim Force in Lebanon (UNIFIL).

In 2010, a new policy was drawn up for Denmark's efforts in fragile states, in which coordination will be the integrating theme. In addition, a cross-ministerial coordination structure was set up comprising representatives of the Prime Minister's Office, the MFA, the Ministry of Defence and the Ministry of Justice, whose task is, among other things, to establish priorities for the new Global Fund for civil-military integration, to which has been earmarked DKK 150 million annually. The Global Fund entails new opportunities for stabilisation efforts in the field of tension between security and development.

Denmark's efforts in Afghanistan in 2010 are a good example of an integrated effort. In Afghanistan, Denmark worked to strengthen the coordination of the various efforts, including supporting a more effective international structure built up around the UN. Furthermore, Denmark deployed personnel to strengthen the NATO Senior Civilian Representative in Afghanistan. This contributed to enhanced coordination of

the military and civilian efforts between ISAF and the UN. Together with the EU Special Representative, Denmark played a prominent role in important areas within elections, re-integration, police reform and human rights.

In order to promote international security and stability, a number of new initiatives were launched in several regions. For example, a special effort was made to create coherence between the efforts in Afghanistan and the engagement in Pakistan, as well as further out in the region. An extensive regional analysis was conducted in relation to Afghanistan and Pakistan, and regional efforts, designed to contribute to stabilisation and thus greater regional and global security, were launched. For Pakistan, an updated Danish policy document was formulated, and a development aid programme for the period 2010-2012 was launched in collaboration with, for example, the UN and the World Bank. Through the Global Fund, projects, among other things, were launched with respect to strengthening border surveillance between Afghanistan, Pakistan, Iran and Tajikistan and thereby counter the drug shipments that partly finance the activities of rebel groups in Afghanistan. Furthermore, from Danish quarters, the efforts in the Horn of Africa have been strengthened and especially in Somalia on the basis of the Government's new integrated efforts and the Somalia policy document in order to promote coordination and use of all relevant instruments. Through the Global Fund, Denmark, among other things, supported police training in southern and central Somalia, the rehabilitation of the Gardo prison in Puntland, as well as the establishment of the coastguard in Aden. Lastly, the Africa Programme for Peace was continued to the second phase, through which the African Union and the African regional organisations are supported with an opinion to strengthening their capacity to take personal responsibility for security challenges on the African continent. In relation to the Middle East conflict, Denmark contributed with policy input to promote a solution to the conflict by strengthening the regional approach and generating synergy with the USA's Middle East policy. In the field of counter-terrorism, initiatives were launched concerning national capacity building, whose geographical target is South and Southeast Asia as well as East Africa at regional level.

In October 2010, the MFA, in collaboration with the US Embassy in Copenhagen, held an international high-level conference in Copenhagen on the role of women in global security.

Throughout 2010, Denmark pursued an active and substantive policy in relation to disarmament and non-proliferation at, among other things, the NTP Review Conference, through its membership of the Governing Boards of IAEA and OPCW,

and in connection with the imposition of EU sanctions against Iran in light of Iran's atomic programme. In addition, Denmark sharpened its profile within the disarmament field with the appointment of a Disarmament Ambassador in 2010.

STRATEGIC GOAL 4:

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

The formulation of a new strategy for Denmark's development cooperation, "Freedom from Poverty – Freedom to Change", was finalised in 2010. The strategy lays down five overarching priorities for Denmark's development cooperation: freedom, democracy and human rights; growth and employment; gender equality; stability and fragility; and environment and climate. In the follow up on the Strategy for Danish Humanitarian Action from 2009, a five-year action plan was formulated in 2010 for the roll-out of the strategy. As part of this process, a partnership was entered into with UNICEF among others.

The efforts to achieve the Millennium Development Goals (MDGs) lay at the heart of development policy in 2010, not least in connection with the UN summit in September, when Denmark played a decisive role in fostering consensus regarding the outcome document. In 2010, Denmark continued to ensure momentum in the reform processes in the UN and the World Bank Group and in relation to specific development policy issues, such as gender equality, climate and environment.

The implementation and widespread international adoption of the Africa Commission's recommendations to promote private sector-led growth and job creation was a central task in 2010. Three of the international initiatives were launched, and the Africa Commission's recommendations were reflected in the development of new bilateral business and education programmes. Internationally, the Africa Commission served as a platform for generating visibility and influence in international fora, for example in connection with the UN summit on the MDGs.

In 2010, high priority was assigned to the follow-up on the Accra Agenda for Action, partly in connection with competence development and support for the Embassies, and partly in the international donor cooperation regarding the promotion of the goals in the Accra Agenda for Action concerning, for example, civil society support. Focus on and dissemination of the results of Danish development assistance were enhanced in

2010 in connection with the launch of an extensive updating of the performance framework and the guidelines. Initiatives were carried out to promote communication regarding results on the website as well as regarding specific initiatives carried out at the Embassies. Danida was revitalised as a brand, which from a future perspective will provide a stronger platform for communication regarding national development cooperation.

In 2010, the MFA worked in the EU and other international organisations for an increased focus on promoting energy efficiency and renewable forms of energy, for example in the form of the Danish proposals for the EU's new energy strategy. In the development cooperation, there was increased focus on climate, including climate change adaptation activities in the poorest countries, as well as efforts to reduce CO2 emissions.

In 2010, Danish foreign policy maintained focus on strengthening the international legal order, partly in relation to counter-piracy (prosecution and imprisonment of pirates), on promoting due process protection in the UN's sanction regimes within the UN's terrorist lists, and on maintaining a high Danish profile in the field of human rights. At the same time, negotiations took place regarding a Danish draft concerning common standards for prisoner treatment. Lastly, an important priority in 2010 was Denmark's Chairmanship of the Arctic Council, in which Denmark, for example, prioritised the work on establishing a legally binding agreement between the eight Arctic states regarding maritime rescue in the Arctic.

In 2010, the Folketing adopted one of the parliamentary bills put forward by the Minister for Development Cooperation, regarding the establishment of the Danish Institute for Multiparty Cooperation. The institute has the aim of strengthening the development of democratic political parties and multi-party systems in developing countries.

The overall level of goal attainment for Strategic Goal 4 is classified as 'A' (full attainment), to which 86 units contributed.

STRATEGIC GOAL 5:

The citizens' Foreign Service

2010 represented another busy year within the field of consular services, both at home and abroad. The Contingency Planning Unit (BBB) in the Centre for Consular Services handles, with the Missions, the provision of assistance to Danes who find

themselves in distress abroad. In 2010, the Danish Missions assisted approx. 3,800 distressed Danes abroad. To this may be added many cases resolved by the Danish Honorary Consulates and directly by the MFA's 24/7 Operations Centre, as well as the ongoing assistance provided by the Missions to resident Danish nationals living abroad.

In 2010, Consular Services used many resources on helping distressed Danes abroad in connection with major natural disasters and security-related crises. These include, for example, the earthquakes in Haiti, Chile, and New Zealand, tourist bus accidents in Europe, political disturbances in Thailand, and the Icelandic ash cloud, which affected air traffic, not only in Europe, but in large parts of the world.

The efforts in 2009 to provide assistance to citizens, to ensure a crisis preparedness and response capability, and to 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.

The preventive efforts against abduction of children and forced marriages were scaled up in 2010. In early summer 2010, Consular Services held a conference on these issues and strengthened cooperation with both public authorities and NGOs, partly through participation in small working groups and networks.

The further development of the crisis preparedness and response capability of Missions was also a priority in 2010. All Embassies were required to update their crisis contingency plan during the year. In addition, a number of Embassies took part in local crisis response exercises.

In 2010, Consular Services used many resources to process a steadily increasing number of requests for access to personal files.

In 2010, Consular Services carried out the preparations of the Missions' capacity to register biometric data for the issuance of visas and passports, partly with the development of IT systems as well as development of a large-scale training programme for Mission staff. However, due to delays in the time schedules of the National Danish Police and the EU Commission, it was not possible to roll out biometric data in passports and visas at the selected pilot Missions, as planned. The centrally determined goals relating to this area in the performance contracts of Missions were therefore not considered relevant, and consequently the target was not included in the performance reporting.

Within visa administration, continued focus in 2010 was placed on further streamlining visa processing procedures through the development of IT auxiliary systems and the outsourcing of responsibility for receiving visa and residence permit applications to private firms specialising in this area. For example, a new IT system was introduced, VISA Self Service, whereby it is now possible to apply for a visa online at approx. 20 Missions. This has contributed to an increased level of service for the business community, tourist visits and private visits.

In 2010, the Danish Missions received approx. 86,000 visa applications, corresponding to the level in 2008. In addition, the Danish Missions received almost 22,000 applications for residence and/or work permits to Denmark. Denmark has signed additional Mission agreements with other Schengen countries, thus enabling applicants the opportunity to submit visa applications at places where Denmark does not have a duly authorised Mission. Similarly, Denmark receives applications on behalf of other Schengen countries.

Due to the rising number of asylum seekers in Denmark, Consular Services experienced a dramatic increase in its workload in 2010 in connection with the processing of specific asylum cases following requests by the Danish immigration authorities.

The efforts towards the digitisation of legalisation procedures continued in 2010, including in relation to the goal of introducing common European guidelines in this area.

With contributions from 84 units (83 Missions and the Centre for Consular Services), the overall level of goal attainment for Strategic Goal 5 was measured to be 'A' (full attainment).

STRATEGIC GOAL 6:

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

In 2010, a central goal continued to be the streamlining of the overall efforts to safeguard and promote Danish interests at a global level. In 2010, the MFA, both in the home service and the service abroad, continued efforts to strengthen dialogue with the other government ministries and public authorities with the aim of meeting the strategic goal of the MFA as the entire Government's Foreign Service. The overall level of goal attainment is classified as 'A' (full attainment), to which 88 units have contributed. Within the EU sphere in particular, a user survey was conducted among government ministries and

public agencies concerning satisfaction with the MFA's service delivery in the EU sphere. In general, the survey results gave an impression of very large satisfaction with the work of the EU Departments, the EU Representation and the EU Embassies in relation to EU policy issues. The satisfaction survey serves as a useful tool for ensuring that the MFA acts as the foreign service for the entire Central Administration in the period leading up to the Danish EU Presidency in 2012.

The Danish network of Missions abroad should at all times be a guarantee for appropriate and cost-effective safeguarding and promotion of Danish interests. This applies both to the general political and economic interests, for the interests of the Danish business community and in relation to the need to assist Danes abroad. The Mission culture is therefore subjected to ongoing consideration and adjustment. In 2010, it was decided to implement a number of changes to the Danish Mission structure in certain countries. In this respect, a new Embassy was opened in Abu Dhabi in 2010, whilst the Embassies in Amman and Algiers were closed. As part of this decision, further adjustments are planned in the coming years.

The MFA's multi-annual agreement with the Ministry of Finance entails a reduction of the payroll expenditure over the next three years. In order to facilitate this reduction, the MFA began already at the end of 2010 an adjustment of the organisation in the form of a number of position closures in the home service.

The security of the Foreign Service's staff was also a top item on the agenda in 2010. The efforts to upgrade the physical surroundings at Danish Missions in the most high-risk countries had made considerable progress. The decision to close the Embassies in Algiers and Amman and to relocate the Embassy in Baghdad inside the British Embassy complex, however, resulted in significant changes being made to the planning and budgeting of the security work. In future, focus will increasingly be on upgrading security at Missions in medium-risk areas. In 2010, the efforts led to the development of a new concept for security-related competence development, as well as improvements of guard schemes and emergency procedures at a number of Missions.

As part of the efforts to professionalise and streamline the HR field, a number of resource-demanding HR processes were digitised, including the external and internal recruitment processes as well as the introduction of e-learning via the common governmental learning portal CAMPUS. As part of the implementation of the MFA's general HR strategy, a personnel policy was formulated for high-risk job positions and a policy

for tackling bullying and sexual harassment. Within the sphere of job satisfaction and well-being, developments in 2010 meant that focus had to be directed at the handling of cutbacks and redundancies. In this regard, for example, an extensive HR toolbox was developed containing tools for Heads who are to handle redundancies and a range of support services offered to staff who are facing redundancy.

As planned, a number of the MFA's tasks within the financial administration sphere were transferred to the new government finance service centre, Statens Administration (SAM – formerly called The Danish Governmental Centre for Financial Shared Services (ØSC)). These concerned registration and accounting routines, as well as balancing of financial accounts. The practical cooperation takes place in the day-to-day exchange of documents in electronic form. The MFA remains responsible for the actual accounting case processing, supervision and filing.

The MFA's first regional administrative service centre (ASC) was established in North America in 2009, and in 2010 the centre's procedures and system support were consolidated. The centre handles tasks relating to the accounting field. A good and solid basis has now been created for extending the idea of administrative service centres to the service abroad, in which it is expected that the first centre in Europe will open in September 2011. The establishment of these centres provides the opportunity to enhance the quality of MFA accounting and streamline the administrative procedures.

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 (Økonomistyrrelsen). 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 Danish 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.
- In 2010, the MFA made a change to the principles for provisions made at the end of the calendar year, whereby provisions are no longer specified concerning owed flexitime and special care days. This change has led to a reduction in provisions for payroll amounting to approx. DKK 9.7 million.

4.2 The profit and loss account

The MFA's profit and loss account for the years 2009-2011 is presented below in table 6.

Table 6. The MFA's profit and loss account 2009-2011 (DKK million)

Profit/loss as of 31.12.2010	2009	2010	2010 excl. COP15 joint income and expenditure*)	2011
Ordinary operating income				
Appropriations booked as income				
Appropriations	-2,266.7	-1,833.0	-1,833.0	-1,811.0
Amount spent of previous year's reserved appropriations	-107.5	-65.4	-65.4	-36.2
Amount reserved of current year's appropriations	65.4	36.2	36.2	36.2
Appropriations booked as income, total	-2,308.8	-1,862.2	-1,862.2	1,811.0
Sale of goods and services	-111.1	-119.0	-119.0	-111.6
Fees/charges	-61.5	-68.2	-119.0	-55.0
Ordinary operating income, total	-2,481.4	-2,049.5	-2,049.5	-1,977.6
Ordinary operating costs				
Consumption costs				
Rent	281.3	257.0	257.0	263.3
Other consumption costs	133.7	11.0	3.0	
Consumption costs, total	415.0	268.0	260.0	263.3
Personnel costs				
Salaries and wages	689.5	680.8	680.8	676.9
Pension	101.8	108.8	108.8	108.0
Reimbursement of pay	-99.6	-93.6	-93.9	-94.0
Other personnel costs	0.9	0.5	0.5	3.3
Personnel costs, total**)	692.6	696.3	696.3	694.2
Other ordinary operating costs	1,139.5	998.7	958.4	901.2
Depreciation and amortisation	98.6	101.8	101.8	97.5
Ordinary operating costs, total	2,345.8	2,064.9	2,016.6	1,956.2
Result of ordinary operations, total	-135.6	-15.5	-32.9	-21.4
Other operating items				
Other operating income	-88.8	-94.5	-94.5	-90.3
Other operating costs	36.4	25.5	26.3	18.7
Other operating items, total	-52.4	-69.0	-68.3	-71.6
Result before financial items, total	-188.0	-53.5	-101.1	-93.0
Financial items				
Financial income***)	-3.5	-1.0	-1.0	0.0
Financial costs	100.4	109.7	109.7	108.0
Financial items, total	96.9	108.7	109.7	108.0
Result before extraordinary items, total	-91.1	55.2	7.6	15.0
Extraordinary items				
Extraordinary income	-5.3	-7.0	-7.0	0.0
Extraordinary costs	1.5	2.0	2.0	0.0
Extraordinary items, total	-3.9	-5.0	-5.0	0.0
Year-end profit/loss****)	-95.0	50.2*****	2.6	15.0

*) In 2010, the MFA also incurred large expenditure relating to the COP15 Climate Change Conference in December 2009. This expenditure has been deducted from this column, so as to provide a year-end profit/loss figure excluding the COP15-related cost burden.

**) The MFA's personnel costs also contain pay relating to commercial activities and therefore exceeds the actual payroll, cf. section 4.6, table 11.

***) The amount in 2010 contains DKK 0.05 million in interest revenues in a set of cost-based sub-accounts under the operating framework.

****) A positive figure equals deficit, and a negative figure equals surplus.

*****) DKK 18.2 million was also appropriated in connection with the appropriation settlement for 2010.

4.3 The balance sheet

The MFA's balance sheet for 2009-2010 is presented below in table 8. Notes to the balance sheet can be found in section 6.1.1.

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

	2010
Appropriated earned surplus	0
Transferred to reserve equity	0
Transferred to dividends to Treasury	0
Transferred to carry-forward surplus (retained earnings)	50.2*)

*) In addition, equity totalling DKK 18.2 million was appropriated in 2010 in connection with the appropriation settlement for 2010.

Table 8. The MFA's balance sheet 2009-2010 (DKK million)

Balance Sheet as of 31.12.2010	2009	2010
Assets (DKK million)		
Fixed assets		
Intangible fixed assets		
Completed development projects	62.1	51.2
Acquired concessions, patents, licences, etc.	3.0	2.9
Development projects under implementation	26.2	48.2
Intangible fixed assets, total	91.3	102.3
Tangible fixed assets		
Land, space and buildings	1,855.9	1,835.9
Transport equipment	34.7	25.2
Plant and machinery	15.0	13.3
Fixtures and fittings, tools and (IT) equipment	137.2	132.8
Projects in progress financed by own capital	26.3	9.2
Tangible fixed assets, total	2,069.1	2,016.3
Financial fixed assets		
Government bonds	32.8	32.8
Other financial fixed assets	0.0	0.0
Financial fixed assets, total	32.8	32.8
Fixed assets, total*)	2,193.3	1,151.4
Current assets		
Accounts receivable	270.7	208.7
Securities	0.0	0.0
Liquid assets		
FF5 Non-Interest Bearing Accounts	99.2	21.3
FF7 Financing Account	471.2	331.0
Other liquid assets	99.7	48.4
Liquid assets, total	670.5	400.6
Current assets, total	941.2	609.3
Assets, total	3,134.4	2,760.8

*) Fixed assets are specified in separate notes 1 and 2.

Balance Sheet as of 31.12.2010	2009	2010
LIABILITIES (DKK million)		
Equity		
Adjusted equity	-32.8	-32.8
Carry-forward surplus	-125.5	-74.8
Equity, total	-158.3	-107.6
Provisions		
	-52.0	-50.5
Long-term liabilities		
Mortgage debt and long-term debt	-6.3	-4.9
FF4 Long-Term Debt	-2,089.3	-2,107.8
FF6 Construction and IT Credit	-48.5	0.0
Long-term liabilities, total	-2,144.1	-2,112.7
Short-term liabilities		
Suppliers of goods and services	-224.0	-85
Other short-term liabilities	-337.5	-111.3
Holiday money payable	-148.1	-144.8
Reserved appropriation	-65.4	-136.2
Pre-payments, liabilities	-5.2	-112.7
Short-term liabilities, total	-780.1	-490.0
Debt, total	-2,924.1	-2,602.6
Liabilities, total	-3,134.4	-2,760.8

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 was calculated to be DKK 158.1 million in the appropriation settlement. 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 2010 (DKK million)

	2009	2010
Equity, year-beginning	60.9	158.3
Initial capital, year-beginning	-	
+ alteration of the amount of initial capital	-	
Initial capital, year-end	60.9	158.3
Revaluations, year-beginning	-	
+ change in revaluations	-	
Revaluations	-	
Reserved equity, year-beginning	-	
+ change in reserved equity sum	-	
Reserved equity, year-end	-	
Carry-forward surplus, year-beginning	-	
+ adjustment year-beginning/transfer between bookkeeping units	-	
+ adjustment of the carry-forward surplus	2.4	-0.5
+ Carried forward from the year-end result	95.0	-50.2
Appropriated earned surplus	-	
Dividends to the State	-	
Carry-forward surplus, year-end	97.4	-50.7**
Equity, year-end	158.3	107.6

*) Adjusted in 2010 by DKK 150,000 in accordance with agreement with the Danish Agency for Governmental Management (Økonomistyrrelsen), added to which is an incorrect account entry of DKK 0.3 million.

***) In addition, equity totalling DKK 18.2 million was carried forward as appropriation in 2010 in connection with the appropriation settlement for 2010.

4.5 Follow-up on the liquidity scheme during 2010

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.

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

	2010
Balance on FF4 as of 31.12.2010	2,107.8
Borrowing limit on FL10 (Finance and Appropriation Act 2010)	2,453.6
Rate of utilisation in %	85.9%

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 2010 totalled DKK 687 million, which meant an expenditure increase of approx. DKK 18.2 million, which was financed by previous years' surplus of DKK 28.2 million.

Table 11. Follow-up on payroll ceiling

	2010
Main account – DKK million	Section 06.11.01
Payroll ceiling (FL – Finance Act)	668.5
Payroll ceiling, including supplementary appropriation/appropriation notes	668.5
Payroll expenditure under payroll ceiling *)	687.0
Difference (year-end expenditure increase)	-18.2
Accumulated saving, year-end 2010	28.2
Accumulated saving, year-end 2010	10.0

*) The payroll is calculated according to a re-transfer of provisions for flexitime and special care days, totalling approx. DKK 9.7 million.

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 2010.

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

	2009	2010 Appropriation	Accounts	Difference	2011
Net cost appropriation	2,266.7	1,833.0	1,912.4	-79.4	1,811.0
Net expenditure of reserve	42.1		29.2	-29.2	
Income	265.9	264.3	289.7	-25.4	263.9
Expenditure	2532.6	2,097.3	2,202.2	-104.9	2,074.9

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 explanations², which are to be presented to Rigsrevisionen (National Audit Office of Denmark) in connection with the appropriation audit inspection for 2010.

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, April 13th 2011



Claus Grube
Permanent Secretary of the Ministry of Foreign Affairs
Ministry of Foreign Affairs of Denmark



Grete Sillasen
Head of Finance

² The accounting principle explanations exclude Section 06.11.13 - The Danish Centre for International Studies and Human Rights (DCISM).

6.1 Notes to the profit/loss account and balance sheet

Table 6a Extraordinary accounting items in 2010 (Profit/Loss Account)

	Income (DKK million)	Expenditure (DKK million)
Completed analysis of EU Council travel reimbursements	-1.6	
Public Diplomacy expenditures in 2009 transferred to COP15 Joint Expenditure.	-1.7	
Reimbursement of directors' fees	-0.3	
Service abroad: reimbursement of VAT and other taxes abroad, etc.	-1.8	
Reimbursement from supplier, old debt	-0.5	
Other extraordinary income		
Compensation in connection with court case		1.1
Primarily extraordinary staff-related expenditure in the service abroad		0.9
Total	-7.0	2.0

Extraordinary income in 2010 totalled approx. DKK 7.0 million, whilst extraordinary expenditure was incurred for a total of approx. DKK 2.0 million. Both items are specified in the main groups above.

Depreciation

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

Loss on receivables (balance sheet)

The entered loss on receivables for 2010 amounted to approx. DKK 2.1 million, to which is added DKK 0.2 million as loss for various other accounts receivable, approx. DKK 2.3 million in total. The loss is a consequence of the financial crisis, in that final depreciation was made in 2010 regarding a number of old debts, especially from small and medium-sized enterprises.

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 50.5 million as of 31.12.2010, which corresponds to a reduction of approx. DKK 1.5 million in comparison to the previous year.

Mortgage debt (balance sheet)

Mortgage debt was incurred in regard to the Embassy in Berlin, which falls due in 2014.

New financial data after balance date

No new financial data in the profit and loss accounts 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 01.01.2010	133.9	3.3	137.1
Corrections and transfer between bookkeeping units, year-beginning	0.0	0.0	0.0
Additions	7.5	0.0	7.5
Disposals			0.0
Cost price as of 31.12.2010	141.3	3.3	144.6
Accumulated depreciation	-90.2	-0.3	-90.5
Accumulated amortisation			0.0
Accumulated depreciation and amortisation as of 31.12. 2010	-90.2	-0.3	-90.5
Financial value as of 31.12.2010	51.2	2.9	54.1
Annual depreciation	-18.4	-0.1	-18.5
Annual amortisation	0.0	0.0	0.0
Annual depreciation and amortisation	-18.4	-0.1	-18.5
Depreciation period/year	5-8	80	

Development projects under implementation	DKK million
Opening balance as of 01.01.2010	26.2
Additions	29.5
Amortisation	0.0
Transferred to completed development projects	-7.5
Cost price as of 31.12.2010	48.2

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 01.01.2010	1,995.2		44.1	62.4	435.7	2,537.5
Adjustment/transfer between bookkeeping units, year-beginning	0.0		0.0	0.0	0.0	0.0
Additions	42.9		1.0	7.9	29.1	80.9
Disposals	-373.9			-6.2		-40.1
Cost price as of 31.12.2010	2,004.2	0.0	45.0	64.2	464.9	2,578.3
Accumulated depreciation	-168.4	0.0	-31.8	-39.0	-332.1	-571.3
Accumulated amortisation	0.0					0.0
Accumulated depreciation and amortisation as of 31.12.2010 (net)	-168.4	0.0	-31.8	-39.0	-332.1	-571.3
Financial value as of 31.12.2010	1,853.9	0.0	13.3	25.2	132.8	2,007.0
Annual depreciation	-46.5	0.0	-2.7	-13.2	-16.9	-79.4

Annual amortisation	0.0		0.0	0.0	0.0	0.0
Annual depreciation and amortisation	-46.5	0.0	-2.7	-13.2	-16.9	-79.4
Depreciation period/year	50 / 20 / 10 / 0	None	10	5 / 8	3 / 5 / 10 / 10+	

Projects in progress financed by own capital	DKK million
Opening balance as of 01.01.2010	26.3
Additions	23.1
Amortisation	0.0
Transferred to completed tangible fixed assets	-40.2
Cost price as of 31.12.2010	9.2

6.2 Commercial activities

A statement of the MFA Competence Centre's commercial activities is presented below in table 13.

Table 13. Commercial activities 2007-2010 (DKK)

	2007	2008	2009	2010
Language training, annual net profit/loss ("-" sign = surplus)	-451,795	1,489,141	-1,451,603	-2,182,344
Language training, accumulated annual net profit/loss ("-" sign = surplus)	-3,140,220	-1,651,080	-3,102,683	-5,285,027

6.3 Fee-financed activities

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

Table 14. Fee-financed activities 2007-2010 (DKK)

	2007	2008	2009	2010
Fees - Passports	-7,174,562	-8,296,242	-7,343,077	-8,604,321
Fees - Legalisations	-8,209,370	-11,310,699	-10,444,033	-11,059,860
Fees - Assistance Cases	-499,051	-383,428	-277,480	-288,836
Fees - Visas	-39,319,613	-38,582,984	-41,742,053	-46,980,261
Other fee revenues	-1,896,618	-1,422,718	-1,668,784	-1,285,108
Total	-57,099,214	-59,996,070	-61,475,428	-68,218,386

6.4 Grant-financed activities

The accounting explanations for the schemes for which the MFA receives grants are presented below.

Re. Section 06.11.01. The Danish Foreign Service

	Appropriation (Finance and Appropriation Act + Supplementary Appropriation Act)	Accounts	Deviation (DKK million)	Deviation (%)
Net	1,888.0	1,933.0	45.0	2%

See the review of the financial results for 2010 in section 2.3.mio. kr. Afvigelse

Re. Section 06.11.04. The Government's joint expenditure related to the UN Climate Change Conference (COP15) ct.

	Appropriation (Finance and Appropriation Act + Supplementary Appropriation Act)	Accounts	Deviation (DKK million)	Deviation (%)
Expenditure	0	47.6	47.6	0%

The financial accounts for COP15 were completed in 2010. The expenditure in 2010 was financed under Section 06.11.01 - The Danish Foreign Service, which is the corporate main account. villing kab Afvigelse

Re. Section 06.11.05. Income from consular services Bevilling (F

	Appropriation (Finance and Appropriation Act + Supplementary Appropriation Act)	Accounts	Deviation (DKK million)	Deviation (%)
Income	-55.0	-68.2	13.2	24%

L+TB) Regnskab Afvigelse

In 2010, there was additional income of DKK 13.2 million in the account. The income generated in the consular field is demand-driven.

Re. Section 06.11.15. Non-statutory grants for international purposes and institutions Bevilling (FL+TB)

	Appropriation (Finance and Appropriation Act + Supplementary Appropriation Act)	Accounts	Deviation (DKK million)	Deviation (%)
Expenditure	36.5	33.5	-3.0	-8.0

In 2010, there was a decrease in expenditure in the account of DKK 3 million. This can be predominantly attributed to an expenditure decrease 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.

Re. Section 06.41.02.Trade Commissioners Bevilling (F

	Appropriation (Finance and Appropriation Act + Supplementary Appropriation Act)	Accounts	Deviation (DKK million)	Deviation (%)
Net expenditure	42.1	42.3	-0.2	0%

L+TB) Regnskab Afvigelse mio. kr.

6.5 Presented investments**Table 15.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
New Delhi	2010	2012	0	136.0, cf. Appropriation Note 178, 2009