

MINISTRY OF FOREIGN AFFAIRS OF DENMARK



ANNUAL REPORT 2007



*Per Stig Møller
Minister for Foreign Affairs*



*Ulla Tørnæs
Minister for Development
Cooperation*

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

In 2007, Denmark continued its sustained focus on global responsibility and involvement in the foreign policy and development policy sphere. The year was characterised by continuity, but also by new initiatives aimed at promoting Danish interests and values in a rapidly changing world in the best possible manner.

The underlying conditions governing Denmark's interaction with other countries continue to change, placing demands on both foreign and development policy. We must constantly appraise developments, so that we exploit the opportunities and tackle the challenges in due time. We must also constantly ensure the closest possible interaction between all our instruments.

2007 was the year when the EU finally adopted a durable and long-term treaty framework. The new treaty – the Treaty of Lisbon – now needs to be ratified by all EU Member States before it hopefully enters into force on 1 January 2009. The Lisbon Treaty will make the EU more transparent, democratic, efficient and globalisation-ready. It provides the EU with a solid foundation and effective tools for looking ahead and focusing on the EU's primary purpose: to achieve results that benefit everyone.

Denmark expanded its involvement in Afghanistan, both militarily and in terms of development assistance. It will probably be a long time yet before the situation in Afghanistan is stable enough that the Taliban no longer present a threat to Afghan society. Consequently, there is a need for a long-term Danish effort together with our partners. The Government presented a comprehensive plan for our involvement in the Helmand Province in southern Afghanistan with specific objectives, in which the coordination between the military operations and the civilian operations is a bearing element.

In 2007, the Government also presented strategies for Denmark's cooperation with Africa, Asia and Latin America. In addition, Denmark opened embassies in Argentina, Australia, Jordan, Lebanon and Morocco as well as an Innovation Centre in Shanghai so as to ensure a high profile in some of the world's growth spots and hot spots.

Development assistance is an important component of the Danish efforts to secure peace, progress and reconciliation. In 2007, the Government continued to enhance focus in the areas where the need is greatest. Focus on Africa was strengthened, among other things at the EU-Africa Summit, with the aim of supporting the ability and determination of African countries to combat poverty and secure a better future for themselves. At the heart of the development assistance efforts are three special priority areas: good governance, women and HIV/AIDS. In 2007, Danish development assistance was reviewed by the OECD and highly commended. We now have the OECD's word that Danish development assistance ranks among the best in the world.

It is crucial for our welfare that the Danish business community has a strong standing internationally. Pursuing an assertive trade policy, promoting the internationalisation of Danish enterprises and attracting foreign investments are key tasks in an increasingly interconnected global economy. In 2007, the export and investment promotion activities were further developed and strengthened in line with the Government's Action Plan for the Global Marketing of Denmark.

Today, man-made climate change is one of the greatest challenges facing global prosperity and security. In 2007, Denmark assumed responsibility as host of the UN Climate Change Conference in 2009. This gives us a key role in the efforts to secure a new global climate agreement. Already the passed year, the foreign policy and development policy sphere has been characterised by active climate change diplomacy and new climate change adaptation initiatives. These efforts will be intensified further in the years ahead.

DENMARK'S MISSIONS

April 2008

■ EMBASSIES (78)

- Accra
- Hanoi
- Addis Ababa
- Helsinki
- Algiers
- Islamabad
- Anman
- Jakarta
- Ankara
- Kabul
- Athens
- Kampala
- Baghdad
- Kathmandu
- Bamako
- Kiev
- Bangkok
- Kuala Lumpur
- Beijing
- La Paz
- Lisbon
- Belgrade
- London
- Berlin
- Ljubljana
- Bern
- Lusaka
- Brasilia
- Stockholm
- Bratislava
- Luxembourg
- Madrid
- Brussels
- Managua
- Bucharest
- Maputo
- Budapest
- The Hague
- Buenos Aires
- Mexico DF
- Cairo
- Moscow
- Canberra
- Nairobi
- Cotonou
- New Delhi
- Damascus
- Nicosia
- Oslo
- Dar Es Salaam
- Ottawa
- Dhaka
- Quagadougou
- Dublin
- Washington DC
- Vienna
- Zagreb

■ MULTILATERAL MISSIONS (7)

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

■ MISSION OFFICES (5)

- Khartoum Phnom Penh Thimphu
- Niamey Ramallah

■ CONSULATES GENERAL (9)

- Flensburg Hongkong Saint Petersburg
- Guangzhou Milan São Paulo
- Hamburg New York Shanghai

■ TRADE COMMISSIONS WITH CONSULAR SERVICE DEPARTMENTS (8)

- Chicago
- Dubai
- Istanbul
- Kuwait
- Munich
- Sydney
- Taipei
- Toronto

■ OTHER TRADE COMMISSIONS (11)

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

○ INNOVATION CENTRES (3)

- München*
- Shanghai
- Silicon Valley

* To be established in 2008.

	Foreword	2
	Denmark's Missions	3
1.	Introduction	5
2.	Report	6
2.1	Presentation of the Ministry of Foreign Affairs of Denmark	6
2.2	The Operational Results in 2007 – Reporting Conditions and Framework	7
2.3	The Financial Results in 2007	8
2.4	The Budget Framework and its Significance for 2007	10
2.5	The Operational Challenges in 2008	11
3.	Performance Reporting	18
3.1	Performance Reporting	18
3.2	Appropriations Reserved for Specific Purposes in 2008	32
4.	Key Financial Information	34
4.1	The Profit and Loss Account	34
4.2	The Balance Sheet	36
4.3	Explanation of Equity	37
4.4	Follow-up on the Liquidity Scheme during 2007	37
4.5	Follow-up on the Payroll Ceiling	38
4.6	The Appropriation Accounts	38
5.	Management Report	39
6.	Annexes	40
6.1	Notes to the Profit/Loss Account and Balance Sheet	40
6.2	Commercial Activities	42
6.3	Fee-Financed Activities	42
6.4	The MFA's Grant Schemes and Statutory Schemes under Budget Framework 1, Section 06.1, Section 06.2 and Section 06.4	43
6.5	The MFA's Grant Schemes under Section 06.3 Development assistance to developing countries	46
6.6	Presented Investments	50
6.7	Key Figures	50
6.8	The MFA's Strategic Priorities and Overarching Goals in 2008	50
6.9	List of Annual Reports, etc.	54
	The Ministry of Foreign Affairs in Copenhagen	55
	Epilogue	56

MINISTRY OF FOREIGN AFFAIRS
OF DENMARK
ANNUAL REPORT 2007
APRIL 2008

PUBLISHER:
MINISTRY OF FOREIGN AFFAIRS
OF DENMARK
ASIATISK PLADS 2
DK-1448 COPENHAGEN K
DENMARK

PHONE: +45 33 92 00 00
FAX: +45 32 54 05 33
E-MAIL: UM@UM.DK
INTERNET: WWW.UM.DK

DESIGN: DESIGNGRAFIK
THE TEXT MAY BE FREELY QUOTED

ISBN: 978-87-7667-959-0

Herewith is presented the Annual Report of the Ministry of Foreign Affairs of Denmark (MFA) for 2007.

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

In regard to the MFA's Annual Report, we have, however, established a practice whereby we report on all MFA main activity areas, including the departmental functions and responsibilities which are otherwise exempted from the reporting obligation. This we do as part of the ongoing development of the MFA's performance reporting procedures. However, we also do this in order to provide all those with a professional or personal interest in the MFA's activities a coherent and cross-cutting financial picture of the MFA's most important results in 2007 – and in order to document the governance that has laid the foundation for their achievement.

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

The Annual Report solely reports on the strategic goals of the past year. Subsequently, not all MFA activity areas are presented and described in the Annual Report. Several of these areas are, however, described in the annual reports, etc. compiled on a number of the MFA's activity areas. In order to provide interested readers easy access to detailed information on the specific areas, Annex 6.8 contains a list of annual reports, etc. published within the MFA's sphere and for related institutions.

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

2. REPORT

The Annual Report is submitted for two main accounts:

- Section 06.11.01. The Danish Foreign Service
- Section 06.11.05. Income from Consular Services

2.1. Presentation of the MFA

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).¹

The MFA is an integrated service, whereby all international tasks are gathered in one single integrated structure. This means a single-stringed approach is adopted in regard to the safeguarding and promotion of Denmark's international interests, whether it be in the realm of foreign and security policy, EU policy, development policy, trade policy, support given to promoting the internationalisation of Danish companies, assistance to Danes in distress abroad or public diplomacy. The organisational structure makes it possible to deliver solid responses to international and global challenges across operational areas, without organisational or administrative obstacles. The gathering of governmental export promotion activities in the MFA in 2000 and environmental

assistance to developing countries in 2001 has been part of this strategic development.

In the globalised world, other ministerial areas are gaining increasing importance as independent international operators within their own operational fields. By virtue of the MFA's integrated approach, close collaboration with the other Ministries and physical presence abroad, it is possible to promote and pursue general and cross-cutting Danish interests across sector-specific policy areas. This combination strengthens the ability of the entire Unity of the Realm to promote and safeguard interests in relation to the outside world.²

The MFA has a key role to play in relation to the new challenges posed by globalisation. This role is described in the Government's Globalisation Strategy – "Progress, Innovation and Cohesion" (April 2006) and the MFA's globalisation analysis, "Den grænseløse verden – Udenrigsministeriet og globalisering"³ (October 2006). During the past year, the MFA has already taken further steps to ensure that Denmark is well represented in the hot spots of globalisation.

For example, the MFA's presence and thereby political-strategic efforts to promote and safeguard interests have been strengthened in Asia, Africa and the Middle East. In this respect, new Embassies have been opened in Amman, Beirut, Buenos Aires, Canberra and Rabat. A permanent Embassy has been established in Addis Ababa and the Embassies in Beijing and New Delhi have been strengthened. Lastly, an Innovation Centre has been established in Shanghai.

Within the consular services field and in line with a recommendation set out in the globalisation analysis, the MFA established a 24/7 Operations Centre in Copenhagen in autumn 2007, whose task is to provide assistance to Danes who find themselves in need of emergency assistance abroad.

In 2007, Denmark assumed responsibility as host for the UN Climate Change Conference in 2009 (COP15). The MFA will, in particular, be required to undertake tasks and

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

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

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

responsibilities relating to both the communication of the COP15 agenda and the logistics of running the conference. The MFA will also undertake tasks in relation to the negotiation track as well as business-related tasks.

2.1.2. Organisation

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

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

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

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

The principle regarding an integrated service is applied in the relationship to the international activities of other Ministries, whereby Danish Missions constitute a platform abroad for the Government and the Central Administration. This can be seen, for example, in the staff composition of the Missions, where around 20 per cent of the posted junior diplomats are special attachés from other Ministries.⁴

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

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

The North Group and the South Group have overall responsibility for handling Denmark's foreign, development and security policy relations in relation to the surrounding world, including bilateral relations to other countries and relations to a large number of international organisations. The Trade Council of Denmark handles matters relating to trade policy as well as export and investment promotion. Consular Services handles tasks relating to travels and stays abroad of citizens, including assistance to Danes who find themselves in distress. Public Diplomacy handles the contact and dialogue with the Danish and foreign publics, resident diplomats as well as the press. Public Diplomacy also handles official visits to Denmark. The Administration and Services Secretariat discharges the common administrative functions for the entire MFA organisation. More information about the MFA's organisational set-up in Copenhagen can be found on the MFA website.⁶

2.2 The Operational Results in 2007 – Reporting Conditions and Framework

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

The external determination of goals takes place for the MFA primarily through ministerial and Government decisions, foreign policy and development policy reports, parliamentary decisions, and decisions adopted within international fora.

4) As of 3 March 2008.

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

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

These goals are communicated internally via the announcement of the MFA's Action Plan. The strategic priorities for 2007 and their operationalisation into goals were announced to MFA staff in October 2006. The goals are designed to ensure the delivery of real effects, products and services of benefit to the Government, other authorities, citizens and enterprises in Denmark. The goals are specified in concrete detail in one-year performance contracts between the MFA's Senior Management and all Heads of Unit at home and abroad.

Chapter 3 of the Annual Report reports on the aggregate level of achievement regarding all goals set out in the announcement for 2007⁷.

2.3. The Financial Results in 2007

The MFA's operating result in 2007 shows a planned expenditure increase of DKK 56.9 million after an adjusted provision concerning reserved appropriations of DKK 30.6 million for earmarked purposes in 2008. In 2007, the net expenditure effect constitutes DKK 10.6 million, as the first provision of DKK 19.5 million has at the same time been carried back. The expenditure increase covers a deficit before extraordinary items of approx. DKK 66 million and extraordinary income of approx. DKK 10 million (relating to foreign VAT refunds in the service abroad). The expenditure increase is financed by the MFA's appropriations surplus from 2006 of DKK 48.8 million and a temporary pull on the Foreign Service's government bond of DKK 8.1 million.

The expenditure increase relates primarily to:

- Set-up costs in connection with the opening of the new Embassies – which took place on the basis of the recommendations set out in the Government's globalisation analysis on strengthening the MFA's presence in the hot spots of globalisation.
- Investments and operating costs for increased measures to secure the MFA's Missions against terrorist attack.
- Initiatives for continued modernisation and efficiency enhancement of the MFA, including extraordinary maintenance of properties in the service abroad as well as innovation and enhancement of the IT infrastructure.

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

FIGURE 1
Income and expenditure 2006-08 (DKK million)

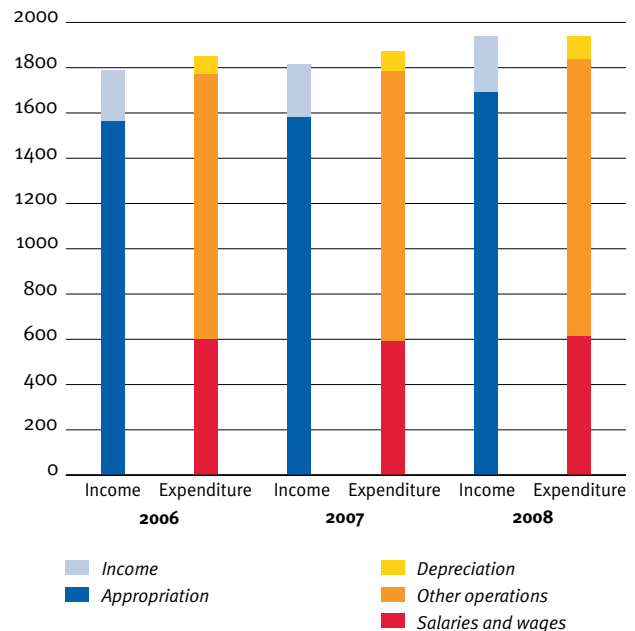
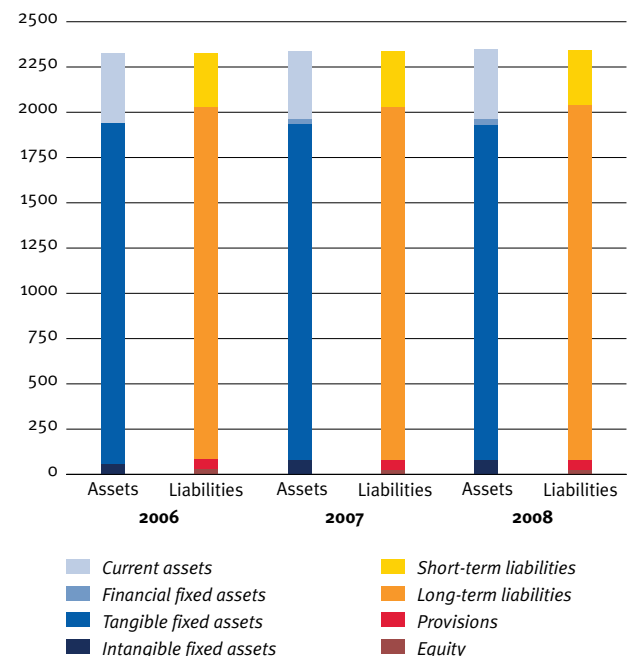


FIGURE 2
The MFA's balance sheet 2006-08 (DKK million)



- Rising interest and depreciation costs as a result of investments in buildings and IT, etc.
- Extraordinary costs in connection with the outgoing state visit to South Korea.

The MFA's income and expenditure for the period 2006-08 are illustrated in Figure 1.

With the appropriations reform, a number of accounting principles were fundamentally changed. For example, appropriations are now recorded as income, which also includes the staggering of reserved appropriations. To facilitate the comparison of accounting figures across the years 2006-08, the profit/loss account and the balance sheet are drawn up according to the current accounting principles. This means that the profit/loss account and the balance sheet for 2006 contain a number of elements that are new in relation to the Annual Report for 2006. A significant element in this regard is that an interest expense has been incorporated with the aim of showing a cost-based result that corresponds to the result reached on the basis of appropriation-related principles in 2006.

The MFA's balance in 2007 has been drawn up in accordance with the appropriation reform's rule changes concerning the statement on equity, long-term debt and debt concerning IT and construction projects, etc. As of 31 December 2006, equity has been calculated as the sum of the carried-forward surplus and adjusted equity, in accordance with the Agency for Governmental Management's announcement on this matter in spring 2007. The total equity has thereby been reduced substantially in relation to the Annual Report for 2006, cf. Figure 3.

The MFA's development trend in regard to the borrowing limit and SKB-debt (debt to the National Concern Payment System) is illustrated in Figure 4.

The MFA assumed that the initial cash flow provided by the Agency for Governmental Management for operations in the first quarter of 2007 would take into account the fact that approx. 90 per cent of the large liquid (bank) funds in the service abroad related to the grants sphere, which is not covered by the scheme on independent liquidity. Consequently, in the first quarter of 2007, funds were drawn from the FF7 account under independent liquidity for the purpose of covering expenditures concerning both operations and grants.

FIGURE 3
The MFA's year-end equity 2006-08 (DKK million)

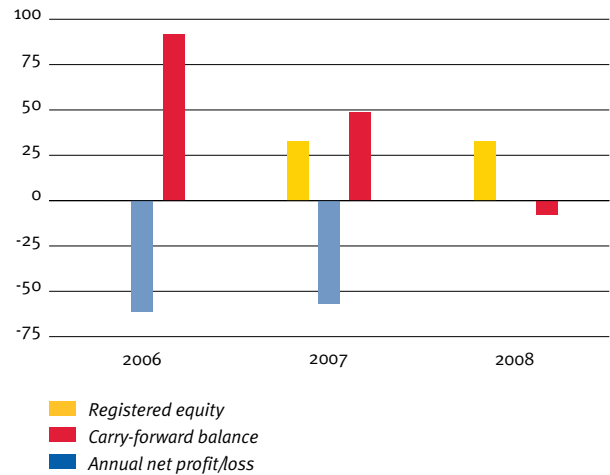
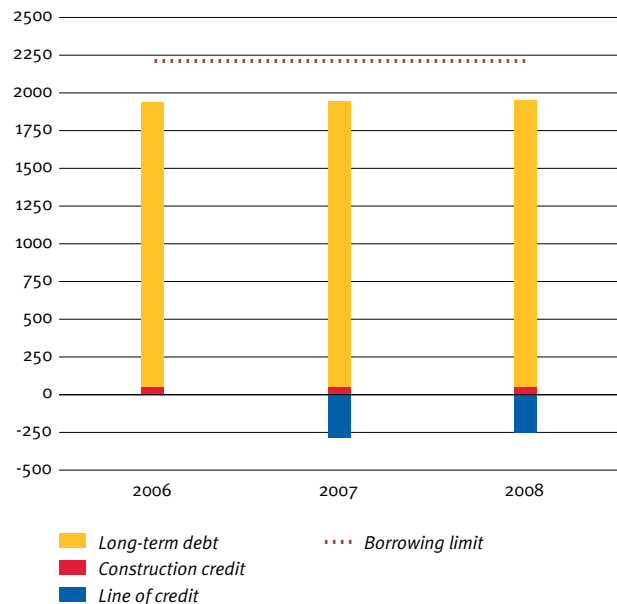


FIGURE 4
The MFA's borrowing limit and SKB-debt 2006-08 (DKK million)



This procedure resulted in temporary large liquidity withdrawals on the FF7 account, which were later settled via a liaison account between two bookkeeping units for operations and grants, respectively.

The procedure was changed from the beginning of the second quarter of 2007.

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

Table 1. Grant schemes and statutory appropriations in 2007 (DKK million)

Account	DKK million	Type of appropriation	Carry-forward balance	Appropriation	Total appropriations	Accounts	Result	Carry-forward balance
06.11.15	Non-statutory grants for international purposes and institutions	Reserved appropriation	0.2	13.6	13.8	11.8	2.0	2.0
06.11.19	Bilateral Neighbourhood Programme	Reserved appropriation	70.2	192.2	262.4	247.1	15.3	15.3
06.11.27	Climate projects in developing countries	Reserved appropriation	0.7	92.7	93.4	82.2	11.2	11.2
06.21.01	Nordic Council of Ministers	Statutory	-	143.1	143.1	147.7	-4.6	-
06.22.01	Peacekeeping operations under the UN	Statutory	-	39.5	39.5	70.6	-31.1	-
06.22.03	Other organisations	Statutory	-	199.3	199.3	209.4	-10.1	-
06.22.05	The European Investment Bank, expenditure	Other type of appropriation	-	4.3	4.3	4.1	0.2	-
06.22.05	The European Investment Bank, income	Other type of appropriation	-	4.3	4.3	0.0	4.3	-
06.41.02	Trade Commissioners (net) ¹	Reserved appropriation	10.6	48.0	58.6	44.3	14.3	14.3
06.41.03	Special export promotion grants	Reserved appropriation	0.8	45.8	46.6	46.0	0.6	0.6

1) A special appropriations provision applies to the account, whereupon additional income can be used to increase the expenditure appropriation. In 2007, there was an additional income of DKK 3.4 million, which is why the total carry-forward surplus totals DKK 17.7 million.

2.4 The Budget Framework and its Significance for 2008

The Foreign Service's base appropriations in 2008 are generally determined by a multi-year agreement (2006-09) that the MFA concluded with the Ministry of Finance in connection with Finance Act 2006. The agreement gives the MFA the opportunity to effect long-term planning of the operations situation in both the home service and the service abroad. At the same time, the operating appropriations of the MFA will be subject to adjustment, as is the case regarding other government areas of operation.

In addition, the Foreign Service in 2007-08 has been allocated extra appropriations that have been earmarked for the following purposes: for strengthening the Missions network

and the provision of consular services, etc. based on the recommendations set out in the Government's Globalisation Strategy and the MFA's globalisation analysis; for strengthening efforts to promote Denmark, cf. the Government's Action Plan for the Global Marketing of Denmark; for securing the service abroad against terrorist attack; for administering the increased level of development assistance; and for implementing a new visa administration system (VIS).

In 2008, the Foreign Service will become subject to the scheme regarding the compulsory saving of 1 per cent on the operating appropriation in 2008 and to the Ministry of Finance circular on how this is to be achieved.

As described in the recommendations set out in the MFA's globalisation analysis, measures will be launched to stream-

line the MFA's presence in Europe with the aim of reprioritising resources for the benefit of the new initiatives that are to be carried out in the hot spots of globalisation. As the compulsory saving scheme and the financial results for 2007 have hastened the need for the reprioritisation measures already planned, such streamlining efforts have been launched in 2008 and further measures will be instituted in 2009. In addition, a number of internal budget-related constraints will be introduced in 2009 with swift effect aimed at ensuring compliance with the appropriations framework.

2.5. The Operational Challenges in 2007

With a point of departure in the Government Platform, the MFA has laid down 11 overall strategic priorities that apply for the period 2007-09. The priorities constitute the strategic framework of the entire Foreign Service's activities, in which the three-year strategy period ensures a certain planning horizon. For 2008, the framework has been supplemented by an extra priority concerning the global efforts to combat climate change.⁸

For each of the now 12 priorities that are used in the MFA's target and performance management in 2008, one or more overarching goals have been formulated. Within the framework of these overarching goals, the Missions can formulate independent and individual performance objectives as well as success criteria that reflect the Missions' opportunities and contributions to the MFA's overall fulfilment of the Government Platform. In certain areas within trade, consular service and administrative issues, a number of performance objectives have been set at centralised level. The strategic priorities and overarching goals are reproduced in Annex 6.8.

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

The efforts to combat the threat of international terrorism will also be an issue to which the MFA will assign high priority in 2008. This will take place through the integrated use of security, development and EU policy measures as well as public diplomacy initiatives. At the same time, action will be taken to ensure that human rights are respected in connection with the efforts to combat terrorism. In specific terms, priority will be assigned to the implementation of, for

example, the UN Global Counter-Terrorism Strategy – which will be reviewed in autumn 2008 – and the EU strategies regarding counter-terrorism and the fight against radicalisation and recruitment. In these efforts, priority will partly be given to enhancing cooperation with EU actors, including the EU Counter-Terrorism Coordinator. There will be a need for more targeted efforts in relation to particularly vulnerable areas in especially Africa and Asia. In order to increase the Foreign Service's contribution to Danish security, priority will also be given to enhancing the cooperation with the security services in Denmark, including the Centre for Terrorism Analysis (CTA), and the relations to the research community, especially the Danish Institute for International Studies (DIIS).

In 2008, Denmark will contribute actively to the international efforts in the field of disarmament and non-proliferation. The operational challenge will be to find ways of strengthening the international non-proliferation efforts. Denmark will, bilaterally and in relevant international fora, continue to pursue an active results-oriented and consensus-oriented approach to the efforts to address specific proliferation risks emanating from, for example, Iran. Denmark will seek to promote a positive and constructive preparation process in the period leading up to the next Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) in 2010. Preventative and capacity building initiatives carried out in cooperation with developing countries, for example within the field of arms export control, will continue to be given priority. At the same time, NATO will continue to contribute to the efforts within arms control, disarmament and non-proliferation.

Priority 2: An effective and integrated effort to safeguard and promote Danish interests in the EU, with special focus on finding a solution concerning the EU Constitutional Treaty

The EU Heads of State and Government concluded the negotiations on the new EU treaty framework with the signing of the Treaty of Lisbon in December 2007. After the ratification in the Member States, the Treaty is expected to enter into force on 1 January 2009. Denmark's ratification of the Treaty of Lisbon is a key task for the MFA, and already on 9 January 2008 a parliamentary bill was presented to the Folketing (Danish Parliament) on the Treaty.

8) Priority 4 has been added in 2008.

The political agreement of 21 February 2008 concluded between the Government (the Liberal Party and the Conservative Party), the Social Democratic Party, the Socialist People's Party, the Social Liberal Party and New Alliance on Danish EU policy in a globalised world is expected to be included in the European Affairs Committee's consideration of the bill. In 2008, the MFA will also continue to engage in active efforts to safeguard and promote Danish interests in the EU in an effective and comprehensive way, taking a point of departure in the Folketing's resolutions of 31 May 2006 (V81) and 11 October 2007 (V4) and in the priorities and parameters set out in the EU policy agreement reached in February 2008. In the EU, the MFA will continue to promote the realisation of the Government's Globalisation Strategy by contributing to an increased focus on the "Achieving Europe" and on the Lisbon Strategy's approach to addressing the challenges of globalisation. The MFA has a coordinating role within energy and climate change and will strive not only to ensure effective preparations regarding the EU's contribution to the UN Climate Change Conference (COP15) in Copenhagen in 2009, but also that the EU assumes a leading role in the international cooperation on climate change. Denmark will also support efforts to strengthen European competitiveness based on knowledge and innovation. In the EU, the MFA's focus will continue to be directed at promoting growth and employment, protecting the environment, improving health, improving regulation – e.g. easing the burden of administrative procedures imposed on the business community – and protecting consumers.

Priority 3: Establishment of partnerships, nationally and internationally, in order to safeguard and promote Danish interests in the best possible way and in this way act as adviser, coordinator and strategic sparring partner on international issues

The ongoing efforts to strengthen networks, both nationally and internationally, will also be the centre of focus in 2008. The MFA, in its capacity as the foreign service of the entire Government, will continue to further enhance the extensive cooperation with the rest of the Central Administration – especially in relation to EU matters. The enhanced dialogue and cooperation with other Ministries concerning coordination, consultancy and assistance from Missions will be continued and developed on the basis of the acquired experiences. Taking into consideration the allocation of resources

and balancing of expectations, the intention is to optimise the efforts to safeguard and promote Danish interests. Effort will be made to make broader use of networks in relation to the general public in Denmark. Internationally, greater priority will be given to partnerships that contribute to promoting Danish viewpoints in both bilateral and multilateral settings. This applies also in the enlarged EU. The MFA will endeavour to strengthen Denmark's cooperation with – and role in – Africa, Asia and Latin America as part of the implementation of the Government's strategies for these regions. Priority will also be given to building new networks with countries and other important international actors. The positive cooperative relations with the Faroese Home Rule Government and the Greenland Home Rule Government will continue to have high priority. In regard to the Faroe Islands, relations to EFTA and the EU will be central. In relation to Greenland, relations to the USA and the EU will be central. Also matters concerning the sustainable utilisation of marine mammals will require close and regular contact.

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

A key challenge will be to contribute to the negotiation track in the foreign and development policy areas towards securing an international climate agreement at COP15 in Copenhagen in 2009. Through active diplomatic efforts at all levels, the MFA will strive to ensure the adoption of a new, ambitious and global climate agreement. This will include the involvement of Embassies and Danish/international civil society organisations as well as servicing of, and participation in, the cross-ministerial climate policy networks. An overarching goal will be to continue efforts to strengthen the integration of climate change considerations in Denmark's international relations. In particular, priority will be given to promoting linkage between climate change and foreign policy and in the areas of energy supply, security and trade/investments. The MFA will also support the work on securing a new global climate agreement; through efforts carried out under the MFA's Climate and Development Action Programme, which supports developing countries in their efforts to adapt to climate change; through contributions to the establishment of an international framework for international financing, including for climate change; and lastly, through support for developing countries' participation and inclusion of civil society in the dialogue and the negotiations. Climate change considerations will be inte-

grated in development assistance, and efforts will be made to optimise the use of bilateral and multilateral development policy instruments to support a future climate agreement.

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

A key challenge in 2008 will be to maintain Denmark's active civil and military involvement in conflict-hit areas. As part of the efforts in this regard, guiding principles will be formulated aimed at ensuring strengthened and coherent Danish development efforts in fragile states. Focus will be on Afghanistan and the conflict regions in the Middle East and Africa. Experience from previous conflicts shows that security and development go hand in hand, and that coordination between civil and military operations in disaster and conflict situations is crucial for effective crisis management at both the planning and implementation stages.

With respect to the further integration of civil and military operations in disaster and conflict situations, DIIS will conduct an analysis of national and international experiences with integration with a view to strengthening future integration efforts. In Afghanistan, the inadequate capacity of the local administrations and the continued instability in most of the country has prevented the more visible reconstruction that is meant to demonstrate that the present Afghanistan government has control over the whole country. A key challenge will thus be to build on the efforts so far in Afghanistan and in particular ensure visible reconstruction and development in the provinces.

In the Middle East, the focal point of Denmark's efforts will be the reconstruction of Iraq, with the aim of promoting continued stability and democratic development. At the same time, the stabilisation of the situation in Lebanon and the promotion of the Israeli-Palestinian peace process through support targeted at building operational institutions in the Palestinian self-governing areas will continue to be areas where Denmark will engage in active efforts.

Through the Neighbourhood Programme, Denmark will continue to provide assistance to the many internally displaced and minority groups in the Balkans and thereby contribute to promoting inter-ethnic reconciliation and post-conflict integration of refugees in the region. In relation to Africa, Denmark will continue its strong involvement, both

in relation to the African Union (AU), the regional organisations and the African countries, especially Sudan, where Denmark provides support towards implementing the North-South Peace Agreement. The cooperation with the AU and the regional organisations, which aims to strengthen the ability of these organisations to deal with conflicts, is expected to be expanded. Through the UN Peacebuilding Commission and the Peacebuilding Fund, Denmark also contributes to peacebuilding efforts in Burundi and Sierra Leone, among other places.

Priority 6: Strengthened international rule of law as well as promotion of open, democratic, law-governed societies based on respect for human rights, good governance and stable political and economic development

Strengthening the international rule of law is one of Denmark's most important foreign policy priorities. In 2008, Denmark will continue its active and targeted efforts to consolidate, strengthen and ensure respect for the international legislative framework for transnational cooperation and protection of the individual. Among the special priority areas will be the continuation of the "Copenhagen Process" on establishing a common international platform for treatment and protection of detainees in armed conflicts; the establishment of international rules of law within the framework of the UN system forbidding the use of cluster munitions that cause unacceptable humanitarian harm; and the fight against maritime piracy, including efforts to strengthen the international framework within this area.

In the human rights field, effort will be made, among other things, to secure the establishment of an effective and independent system for monitoring compliance of states with their human rights obligations, by responding firmly and consistently to violations of human rights and by actively promoting key Danish priorities. The EU and the UN will provide the platform for the Danish efforts, including the work in the Human Rights Council. This will be supplemented by efforts to promote international law as well as support for specific initiatives designed to promote democracy, human rights and good governance in developing countries.

Among main Danish priorities can be mentioned the fight against torture and defence of freedom of expression and religion, including resistance to efforts to dilute them. Similarly, action will be taken to ensure that the efforts to

combat terrorism are carried out with full respect for human rights.

Within the framework of the development policy, steps will be taken to formulate a strategy for promoting democracy and law-governed societies in developing countries as well as a set of guiding principles for promoting more effective and more coherent development efforts in fragile states. Lastly, programmes for promoting democracy, human rights and good governance in all Danish programme countries will continue to be implemented, and, similarly, a series of targeted initiatives in a number of other countries will be continued. The Neighbourhood Programme will continue to incorporate active efforts to promote democratisation, good governance and respect for human rights in the neighbourhood countries. Within the Partnership for Progress and Reform initiative, efforts will be made to maintain and strengthen the established partnerships, with focus on the initiative's chosen themes. In addition, a programme in Lebanon will be implemented.

Priority 7: Targeted poverty reduction and achievement of the other Millennium Development Goals, with special focus on Africa, through the delivery of effective and focused development assistance within the framework of 0.8% of GNI

In 2008, a UN summit will be held in New York to take stock of the progress in relation to achieving the UN Millennium Development Goals (MDGs). A key development policy task during the year will therefore be to take a sharp look at the challenges associated with reaching the MDGs. Achieving the MDGs requires a strengthened global partnership, which is why Denmark will work to ensure that the developing countries assume greater responsibility themselves and to bring about an increase in the global level of development assistance. In specific terms, Denmark will press for an increase in the number of rich countries that meet the UN target of awarding 0.7 per cent of GNI in development assistance. Furthermore, the Government wishes to aim at increasing development assistance from the present level of 0.8 per cent.

The thematic areas of the MDGs will be at the heart of Danish development assistance. In particular, Denmark will make a special effort in relation to MDG 3 on gender equality and women's rights and opportunities, allocating addi-

tional resources to this thematic area. At the same time, it is clear that environmental and climate change issues constitute a special challenge in the efforts to assist the developing countries in reaching the MDGs. The challenge of climate change is therefore assigned particularly high priority in 2008, during which a new climate change fund will be established, among other things.

Africa is the continent that lags most behind in relation to reaching the MDGs. Therefore, Denmark will significantly increase its development assistance to the continent in conjunction with the launch of the work in the Africa Commission. Focus will be on presenting new and forward-looking proposals aimed at revitalising and strengthening the international development cooperation with the African countries.

The efficiency enhancement agenda will be a focal point in 2008 in several ways, both nationally in Danish development assistance and internationally, where for example at a high-level meeting in Accra, action will be taken to follow up on the Paris Declaration of 2005. There is still a need to keep up pressure so as to ensure a better adaptation of the recipient countries' own national systems and procedures and a more sensible division of labour among the donors. From Danish quarters, efforts will be made to make Denmark a leading donor in one, and possibly two, sectors in each of the programme countries. At the same time, Denmark will endeavour to ensure the allocation of effective and targeted Danish development assistance to the multilateral organisations and place focus on the linkage between bilateral and multilateral assistance.

Priority 8: Attainment of the best possible international framework conditions, inter alia through the pursuance of a proactive trade policy

A number of important trade policy challenges lie ahead. From Danish quarters, efforts will be made to secure a successful conclusion of the Doha Development Round that will enhance the global market access of the Danish business community, contribute to integrating developing countries in the global trade and strengthen the multilateral rule-based trade policy frameworks. An important supplement to the multilateral track is the EU's bilateral negotiations with a number of countries and regions regarding free trade agreements. These agreements aim at strengthening the

access of Danish and foreign enterprises to, among other things, important growth markets such as China, India and South Korea. Lastly, the efforts to dismantle specific barriers in the export markets will be strengthened in line with the Government's Assertive Trade Policy Strategy.

In addition, attracting and recruitment foreign labour will be an important societal task in the years ahead. The MFA will contribute actively to the Government's initiatives and has launched a three-year marketing campaign to attract high-skilled labour and thereby strengthen Denmark in the international competition in this field. The campaign will be run in our neighbouring countries, selected countries in Central and Eastern Europe as well as in India and Vietnam. It will be targeted at the job sectors where the shortage is most pronounced, i.e. engineers, IT specialists and health sector personnel.

The establishment of a "Work-in-Denmark Centre" at the Embassy in New Delhi based on the "one-stop-shop" concept as part of the Government's job creation plan is an innovation that is designed to make it easier for foreign job-seekers to come to Denmark in order to work and live. Consultancy and concrete assistance to Danish enterprises in connection with recruiting labour is taking up a steadily increasing proportion of the task portfolio at many Missions.

Priority 9: Active utilisation of globalisation's opportunities by increasing the internationalisation of the Danish business community, in particular small and medium-sized enterprises, by strengthening commercial innovation, and by increasing the attraction of foreign investments to Denmark

The public sector export and investment promotion activities will be further developed and enhanced in the years ahead in accordance with the Action Plan for the Global Marketing of Denmark. Within the field of export promotion, business consultancy is strengthened, sector specialisation is strengthened and the MFA's presence in the important growth markets is being upgraded further with the establishment of new Trade Commissions.

The strengthening of the innovation and competitiveness of Danish companies is closely bound to access to foreign know-how, technology, networks and capital. In 2008, a new Innovation Centre will be opened in Munich. This will increase the opportunities to assist companies with building bridges and forging closer ties to potential business partners and also to provide strategic consultancy support on innovation and internationalisation. Assistance to small and medium-sized enterprises (SMEs) will continue to be a vital task. This will be achieved, for example, by means of a strengthened Export Preparation Programme as well as the further development of the Incubator Programme, which allows companies to lease office premises in an export market and obtain consultancy support and guidance.

In 2008, within the field of investment promotion, Invest in Denmark (IDK) will strengthen the outreach efforts in relation to knowledge-intensive companies in countries such as the USA, the UK, Canada, Germany, China, Japan and India. In Denmark, focus will be placed on developing the sector knowledge of staff and on delivering improved service to the foreign companies already established in the country. In line with the Government's Globalisation Strategy, IDK will strengthen its role as the nationally coordinating investment promotion organisation with responsibility for marketing and sale of Danish cutting-edge competences and expertise abroad. This will be achieved by expanding the very smooth cooperation with the three west Danish regions regarding investment promotion in West Denmark with a similar agreement with Region Zealand. In addition, there is ongoing cooperation with the Greater Copenhagen Region's investment promotion agency, Copenhagen Capacity.

Lastly, a major challenge will be to maximise the opportunities created by the UN Climate Change Conference in Copenhagen in 2009. Concerted efforts are being made to take advantage of this unique platform to increase awareness and knowledge of Denmark abroad, including the cutting-edge competences and expertise possessed by Danish firms.

Priority 10: Effective support to Danes in distress abroad; a strengthened crisis response capability for assisting Danes abroad in the wake of major natural disasters, terrorist attacks, accidents, political and military crises, etc.; strengthened European and Nordic cooperation regarding such assistance; and strengthened EU- and Nordic visa cooperation which meets the challenges of globalisation

In 2008, there will continue to be focus on providing the best possible assistance to Danes in distress abroad and on further strengthening the emergency preparedness and response capability of Embassies and Consulates General. Measures will be instituted in Consular Services as well as abroad at the Danish Embassies and Consulates.

Within the emergency preparedness field, the greatest challenge in 2008 will be to further develop and test framework concepts for holding crisis response exercises at Embassies and Consulates General. The objective of the exercises is to further develop the crisis contingency plans of Missions and the crisis management competences of staff. The Embassies and the Consulates General participate in their own crisis response exercises as well as crisis responses exercises run in collaboration with local authorities as well as local Nordic and EU partners.

In 2008, a large number of new initiatives will be implemented within visa administration. The rolling-out of the new EU Visa Information System (VIS) constitutes the most important challenge. In the first half of 2008, the new system will be installed at a large number of Embassies and Consulates General, and at the same time visa staff at Missions will undergo instruction and training in the use of the new system.

In 2008, focus will also be placed on streamlining the visa processing procedures: firstly, by entering into Mission agreements, primarily with other Nordic countries, whereby countries can process or further expedite visa applications as well as work and residence permits on each other's behalf; secondly, by examining the effect of letting private companies take over responsibility for that part of the servicing of visa customers that does not concern the decision-making process itself – e.g. receipt of visa applications and telephone-based servicing. Many EU Member States have for several years used this procedure, to the great satisfaction of

visa customers. In the first half 2008, pilot outsourcing projects will be carried out in New Delhi and Moscow; and thirdly, Consular Services will, in collaboration with the Danish Immigration Service, implement a number of specific initiatives designed to increase the efficiency and flexibility of visa administration.

Priority 11: Strengthened communication efforts, at national and international level. This includes using public diplomacy to promote knowledge abroad about Denmark and about Denmark's competencies, culture and key priorities

In 2008, the MFA, in particular the Missions, will need to continue and intensify the public diplomacy efforts from 2007 onwards as part of the implementation of the Government's Action Plan for the Global Marketing of Denmark. Attempt will also be made to strengthen the more general communication activities targeted at the Danish and international publics.

A challenge in the public diplomacy work will be to utilise the momentum achieved and the positive experiences gained in 2007 to optimise the effectiveness and impact of the public diplomacy efforts. In 2007, the work will be carried out within four priority theme areas: "The Environment, Energy and the Climate", "The Danish Societal Model", "Denmark's Global Responsibility and Commitment" and "Creative Denmark". The exhibition materials prepared specifically for use in the MFA's work will in 2008 need to be used to the widest possible extent by the Missions in their public diplomacy activities.

The UN Climate Change Conference (COP15) in Copenhagen at the end of 2009 will attract increasingly greater national and international attention in 2008. This offers major communication opportunities and challenges – from the creation of a permanent COP15 website and the development of a design manual for the conference's visual identity to intensified efforts within the press and public diplomacy field.

The work on implementing the MFA's Communication Policy for 2007-09 will continue, with focus on external communication in relation to other countries, communication with the Danish media and general public, and internal communication.

Priority 12: The MFA as a steadily more open, transparent, efficient and competence-building organisation as well as a good workplace that shows consideration for the work-family balance

In 2007, the MFA followed up on recommendations set out in the globalisation analysis and strengthened the Danish presence in the hot spots of globalisation, among other things through the opening of new Embassies. The reprioritisation activities will continue in 2008. Like the follow-up on the globalisation analysis, the objective in 2008 is to complete the work on formulating a comprehensive and modern staff and family strategy, the aim of which is partly to contribute to ensuring a sensible balance between private life and work life and improving the flexibility and global mobility of staff (and their families). Using the new MFA Competence Centre as the platform, extra focus will be placed on developing the competences of the MFA's staff, so as to ensure that they are optimally equipped also in the future to meet the challenges presented by globalisation.

In 2008, the greatest challenge in relation to adapting the Missions' security will be to further upgrade security measures, including anti-terrorism security measures. Such measures have been implemented on an ongoing basis in recent years. The many measures taken to upgrade security include, among others, the installation of modern technology such as advanced camera surveillance and alarms as well more conventional methods of security such as access control, higher perimeter walls, gates, grills and professional security guards. At the most high-risk locations, the buildings will also be secured against explosions and weapons fire. In addition, special effort will be made to ensure a high-level of security consciousness among staff. Education and training will thus be in focus – for posted members of staff as well as their families.

In the period leading up to and including 2009, the preparation and implementation of the UN Climate Change Conference (COP15) will be a key challenge. In this connection, the MFA is responsible for the principal areas, logistics and communication, and in collaboration with other Ministries undertakes tasks relating to negotiation and business-oriented activities. The MFA's activities are coordinated by the MFA's representative in the Government's Climate Secretariat, in that different Units are drawn upon for their respective expertise within logistics, IT, press and communication activities, export promotion and international environmental and climate change policy, including the EU.

Lastly, an extensive process will be launched to streamline the administrative tasks in both the home service and the service abroad, partly with the aim of ensuring that the MFA contributes proactively to the establishment of administrative service centres in central government.

3. PERFORMANCE REPORTING

3.1 Performance Reporting

The MFA's performance reporting takes place on the basis of the MFA's Action Plan from autumn 2006. The strategy announcement seeks to ensure clear coherence between the Government's political priorities and the goals and objectives that are inserted into the MFA's performance contracts for the Missions abroad and the MFA's Units in Copenhagen. The MFA's performance management in 2007 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. As a result, the Annual Report covers all aspects of the MFA's administration and service delivery.

The performance reporting for 2007 is formatted around the MFA's 11 strategic priorities, for which a number of overarching goals have been formulated. With a point of departure in these goals, the Missions have formulated individual performance objectives and success criteria in those areas where they have been naturally able to contribute.

After in-depth dialogue between the MFA and the respective Missions, these objectives have then been incorporated into a performance contract. In this way, direct linkage is established between the Government's political priorities and the reality within which particular the Mission finds itself. In the spheres of export and investment promotion and consular services, centrally determined performance objectives have been established for how the individual Missions are to contribute to the MFA's overall level of goal attainment. For this reason, a more detailed reporting for these areas is provided underneath the relevant tables. The aggregated level of goal attainment is measured on the basis of the particular Missions' full-year reporting, on which the relevant Units in the home service have conducted an overall assessment. For certain goals of a qualitative nature, the attainment level is measured on the basis of a concrete, qualitative assessment in the relevant Units at home, typically supported by input from one or more Missions.¹ The individualised performance contracts mean that the number of contributing Missions varies for each overarching goal.

Underneath certain priorities, important goals are subjected to a brief analysis, in which the attainment level is described in more detail.

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

Overarching Goals	Goal Attainment and Performance
<p>A. Contribute to strengthening global cooperation against terrorism and proliferation of weapons of mass destruction, including the implementation of assistance-related efforts in this area, and to enhancing the MFA's efforts to protect Danish interests.</p>	<p>A. Through broad efforts, the MFA has promoted Danish views and contributed to strengthening the global cooperation within the field of counter-terrorism and non-proliferation. In total, 73 Units and Missions have contributed to the attainment of the goal: 59 with an A-level performance and 8 with a B-level performance. The performance level of 6 contributors has not been measurable.</p>
<p>B. Make a Danish contribution to the broad transformation of NATO, which will be an issue up to the summit in 2008.</p>	<p>A. With explicit Danish support, a reform of NATO has been re-launched, for which support was expressed in the declaration made at the Foreign Ministers' Meeting on 6-7 December 2007. In addition, Denmark has actively contributed to streamlining NATO's defence planning efforts, to NATO's prioritisation of Afghanistan and to the integration of civil-military operations. In total, 35 Units and Missions have contributed to the attainment of the goal: 32 with an A-level performance and 3 with a B-level performance.</p>
<p>C. Continued efforts to develop the EU-USA relationship, partly with focus on the conflicts in the Middle East and Iran.</p>	<p>A. Danish interests have been met in several areas, for example in regard to the Danish input to EU/USA cooperation on climate change issues. This was reflected in the EU's internal preparation and relevant places in the US administration and in the adoption of an EU/USA framework agreement on crisis management and conflict prevention. In total, 34 Units and Missions have contributed to the attainment of the goal: 31 with an A-level performance and 3 with a B-level performance.</p>

1) The measurement methods used vary depending on the goals, in that for certain goals a qualitative assessment of the attainment level is conducted, whilst for others a quantitative measurement is carried out.

This applies, for example, to goals concerning Consular Services, in which a weighted calculation has been used, whereby the attainment level for each performance objective is calculated according to a points system: A = 1 point, B = 2 points and C = 3 points.

Ad. Priority 1.a.

In general, the Danish efforts have contributed to supporting and strengthening international consensus regarding effective efforts to combat terrorism. This has been achieved in particular by means of contributing actively to the implementation of the UN's Global Counter-Terrorism Strategy in both New York and the particular countries. In addition, Denmark has contributed to strengthening the legitimacy of counter-terrorism by ensuring greater rule of law both in the EU and the UN concerning registration and removal from terrorist organisation lists. The work with a number of development programmes has been continued, and Denmark has, particularly within the EU, contributed to ensuring a better understanding of how development assistance efforts can be used in the fight against terrorism. Lastly, intensified cooperation and interaction with intelli-

gence services has contributed to a better understanding of the complex nature and extent of the threat posed by terrorism to peace and security.

In the non-proliferation field, Denmark has worked in UN and EU fora to ensure Iran's compliance with Security Council resolutions. In particular, within the area of delivery means, Denmark has assumed the chairmanship of the export control association, the Missile Technology Control Regime (MTCR). As part of Denmark's involvement in the international efforts within the field of nuclear non-proliferation and disarmament, Denmark has decided to contribute DKK 7 million in support to the Nuclear Security Fund (NSF) of the International Atomic Energy Agency (IAEA), which is to be awarded in two instalments of DKK 3.5 million in 2007 and 2008, respectively.

Priority 2: An effective and integrated effort to safeguard and promote Danish interests in the EU, with special focus on finding a solution concerning the EU Constitutional Treaty

Overarching Goals	Goal Attainment and Performance
<p>A. Contribute to ensuring that the EU's pause for reflection leads to greater clarification of the Constitutional Treaty and the EU's future in accordance with Danish priorities in EU policy.</p>	<p>A. Through active efforts, Danish priorities in relation to the development of the EU's treaty framework and the enlargement process have very much been met, including in connection with the European Council meeting in 2007 and during the subsequent intergovernmental conference that resulted in political agreement on the Lisbon Treaty in October 2007. A total of 36 Units and Missions have contributed to the attainment of the goal: 34 with an A-level performance, 1 with a B-level performance and 1 with a C-level performance.</p>
<p>B. Support the Government's globalisation efforts by helping to ensure that EU cooperation focuses on the "Achieving Europe" strategy and globalisation's challenges, including via the Lisbon Process.</p>	<p>A. The MFA has contributed to ensuring focus on the <i>Achieving Europe</i> and globalisation's challenges. There has been particular focus on the challenges within the spheres of energy and climate change as well as labour market reforms in the EU cooperation. In addition, the work on formulating a Danish Latin America strategy has also focused very much on addressing globalisation's challenges. A total of 46 Units have contributed to the attainment of the goal: 45 with an A-level performance. In only 1 case has it not been possible to measure the performance.</p>

Ad. Priority 2.a.

Based on a proposal from the German EU Presidency, an intergovernmental conference was convened on 23 July 2007 to discuss the EU's future treaty framework. The intergovernmental conference ended at the Lisbon European Council on 18-19 October 2007. The Treaty of Lisbon could hereinafter be signed at a ceremony for EU Heads of State and Government on 13 December 2007. It must be regarded as very satisfactory that the work on adapting EU practices and procedures to 27 Member States or more is now drawing near to its conclusion, thus allowing the EU cooperation to concentrate on delivering concrete results of benefit to the EU's citizens.

Priority 3: Establishment of partnerships, nationally and internationally, in order to safeguard and promote Danish interests in the best possible way and in this way act as adviser, coordinator and strategic sparring partner on international issues

Overarching Goals	Goal Attainment and Performance
<p>A. Satisfaction in the Central Administration with the MFA's assistance and advisory services, including EU coordination.</p>	<p>A. The MFA's efforts in relation to the assistance and advisory services delivered to the rest of the Central Administration were also a centre of focus in 2007. The activities have included, among other things, the delivery of reports prior to sector council meetings in the EU, assistance in connection with ministerial visits, and consultancy in connection with the handling of a large number of cases in the EU and the UN. Feedback from partners in the Central Administration reveals great satisfaction with the efforts. A total of 63 Units and Missions have contributed to the attainment of the goal: 61 with an A-level performance and 2 with a B-level performance.</p>
<p>B. Contribute to ensuring satisfaction among parties to the Unity of the Realm with the cooperation.</p>	<p>A. In 2007, the MFA contributed to ensuring satisfaction among the parties to the Unity of the Realm by means of continued focus on promoting Faroese and Greenlandic interests, for example in relation to whaling and sealing as well as assistance in connection with various events. A total of 21 Units and Missions have contributed to the attainment of the goal: 17 with an A-level performance and 3 with a B-level performance. In 1 instance, the level of performance has not been measurable.</p>
<p>C. Strengthen partnerships and alliances, especially with the USA, central European partners and selected partners in the south as well as through an actively innovative and agenda-setting involvement in resolving global issues, including in multilateral organisations.</p>	<p>A. The MFA has implemented extensive activities aimed at strengthening partnerships and alliances, and in doing so has contributed actively to promoting Danish views and interests. A total of 64 Units and Missions have contributed to the attainment of the goal: 58 with an A-level performance and 5 with a B-level performance. In 1 instance, the level of performance has not been measurable.</p>
<p>D. Work to strengthen the global efforts to combat climate change.</p>	<p>A. Climate change diplomacy and reporting activities within the fields of energy and climate change were substantially upgraded in 2007 throughout the service abroad. Many Embassies have expended considerable effort in preparing and implementing climate change-related (ministerial) visits from Copenhagen. Within development cooperation, the work of Embassies on implementing the Climate and Development Action Programme proceeded as planned. The same applies to the governmental purchase of CO₂ credits under the Clean Development Mechanism (CDM). Besides the home service, 41 Missions have contributed to the attainment of the goal: 36 with an A-level performance, 2 with a B-level performance and 2 with a C-level performance. In 1 instance, the goal lost its relevance during the course of the year.</p>

Ad. Priority 3.a.

The MFA has as an objective to be the foreign service of the entire Central Administration. National policies are increasingly formed in the light of international agreements and conditions. At the same time, it is in Denmark's interest within a large number of policy areas to influence international policy. In 2007, by means of reports, analyses and consultancy regarding the handling of specific cases, as well as preparation and implementation of ministerial visits, the MFA contributed to an active Danish effort in relation to influencing international negotiations, strengthening bilateral relations and gathering information for the Central Administration within all relevant sectors. In addition, a process was launched involving increased dialogue with other government Ministries concerning the cooperation,

with special focus on EU matters. The process comprises, furthermore, the conclusion of pilot agreements with selected ministries on prioritisation and balancing of expectations. An external review of the MFA's EU-oriented activities in relation to the rest of the Central Administration was completed in February 2008. The results show that among the MFA's partners in the Central Administration there is great satisfaction with the cooperation with MFA staff. In total, 94 per cent of those interviewed find the cooperation satisfactory or very satisfactory.

Priority 4: Active involvement in conflict resolution, stabilisation, rehabilitation, humanitarian and reconstruction efforts in crisis-hit areas

Overarching Goals	Goal Attainment and Performance
<p>A. Ensure continued active Danish participation in conflict prevention, conflict management and reconstruction efforts, with particular geographical focus on Africa and the Middle East, and at the same time ensure coherence between security and development as well as between civilian and military operations.</p>	<p>A. Denmark has participated actively in conflict prevention and reconstruction efforts through a number of concrete initiatives and has broadly contributed to strengthening coherence between civil and military operations. A total of 64 Units and Missions have contributed to the attainment of the goal: 56 with an A-level performance, 5 with a B-level performance and 1 with a C-level performance. In 2 instances, the level of performance has not been measurable.</p>
<p>B. Contribute to ensuring the Afghan government's control over all parts of Afghanistan, and to ensuring that the political process leads to a democratic development which includes all population groups, and to ensuring targeted Danish reconstruction efforts.</p>	<p>A. Denmark has contributed to upgrading the international efforts through foreign policy efforts as well as the implementation of security oriented efforts and development cooperation. Partly through active Danish participation in conferences and meetings, the MFA has been successful in influencing the international partners in relation to Danish viewpoints, including the importance of Afghan leadership of the development process. In its relationship with the Afghan government, Denmark has registered its viewpoints and drawn attention to deficiencies in the progress of development and human rights. In 2007, special focus was placed on communicating the principle of integrating civil and military operations, both internationally and nationally. Similarly, Danish development cooperation was upgraded, with targeted efforts carried out in a few selected areas. A special plan for the efforts in Helmand has been published. Besides the home service, a total of 22 Missions have contributed to the attainment of the goal: 21 with an A-level performance and 1 with a B-level performance.</p>
<p>C. Contribute to ensuring that Iraqi forces assume responsibility for the country's security as quickly as possible; that the political process leads to a democratic Iraq, which includes all population groups; and that the Danish reconstruction efforts are consolidated and finalised.</p>	<p>A. From Danish quarters, the military presence in Basra and the training of Iraqi security forces has contributed to enabling the Iraqi forces to assume increasingly greater responsibility for security. Through political dialogue and reconciliation activities, effort has been made to advance the political process, and the reconstruction efforts have been further consolidated, cf. positive consultancy report on these efforts in April 2008. Besides the home service, a total of 18 Missions have contributed to the attainment of the goal: 16 with an A-level performance and 2 with a B-level performance.</p>

Priority 5: Strengthened international rule of law as well as promotion of open, democratic, law-governed societies based on respect for human rights, good governance and stable political and economic development

Overarching Goals	Goal Attainment and Performance
<p>A. Promote democracy and human rights, for example through ensuring the establishment of an effective Human Rights Council, and promote strengthened dialogue and development cooperation with the Arab world – e.g. through the Wider Middle East Initiative – and the EU's eastern neighbours.</p>	<p>A. It is too early yet to determine whether the efforts to strengthen the human rights activities have become more effective with the establishment of the new UN Human Rights Council, even though the newly created institutional framework appears sensible. In both individual cases and in the question of the establishment of an institutional framework, Denmark has lived up to its key priorities in the UN. Danish priorities such as non-use of torture and freedom of religion and expression are deemed to have been advanced, predominantly in the form of decisions by consensus. At the bilateral level, Denmark has worked effectively to promote the overarching goals, for example through increased dialogue, through development assistance activities and through active efforts in the host countries via the Missions. A total of 86 Missions have contributed to the attainment of the goal: 72 with an A-level performance, 10 with a B-level performance and 2 with a C-level performance. In 2 instances, the level of performance has not been measurable.</p>

Overarching Goals	Goal Attainment and Performance
B. Strengthen focus on, and collecting knowledge about political Islam and building a preparedness to respond to its growth.	A. The MFA has drawn up an analysis of the regional development in the Middle East and North Africa with recommendations for Danish policy. The MFA has also contributed significant input to the cross-ministerial working group concerned with the prevention of extremist attitudes and radicalisation among young people. Reports from the Missions have contributed to the development of Danish policy, including the Partnership for Progress and Reform. In addition, reports from Missions have been important for the ongoing preparations regarding participation in international meetings and in bilateral consultations, information sharing with Danish researchers, intelligence services, etc. Besides the home service, a total of 47 Missions have contributed to the attainment of the goal: 34 with an A-level performance, 9 with a B-level performance, and 1 not achieving its performance objective. In 3 instances, the goal has not been measurable.
C. Contribute to creating effective, transparent and responsible public administration as well as fostering anti-corruption in Danish programme countries.	B. It is the MFA's overall assessment that all relevant Units have given priority to the work on promoting effective, transparent and responsible public administration and anti-corruption. The overall assessment is based on the progress that has been made and also on recognition that the goal has not been fully attained in all areas. Besides the home service, a total of 32 Missions have contributed to the attainment of the goal: 20 with an A-level performance and 12 with a B-level performance.

Priority 6: Targeted poverty reduction and achievement of the other Millennium Development Goals, with special focus on Africa, through the delivery of effective and focused development assistance within the framework of 0.8% of GNI

Overarching Goals	Goal Attainment and Performance
A. Focus and improve the effectiveness of the development assistance by, for example, engaging in specific initiatives with other donors regarding increased division of labour.	A. The work on focusing and improving the effectiveness of development assistance continued at full speed in 2007. At country level, the locally based dialogue continued regarding the formulation of common country strategies as a basis for adapting the recipient countries' own systems and priorities and in the form of intensified discussions on division of labour between donors. At international level, the European Council in May 2007 adopted conclusions on a Code of Conduct on division of labour in development policy. This is expected to act as a lever for the Danish efforts in countries where the agenda for improving the effectiveness of development assistance and implementation of the Paris Agenda has not advanced very far. Besides the home service, a total of 36 Missions have contributed to the attainment of the goal: 30 with an A-level performance, 5 with a B-level performance, and 1 not achieving its performance objective.
B. Focus on Africa by maintaining and supporting the continent's responsibility of ownership for its own development.	A. In 2007, international activities were implemented in, among other places, the Africa Partnership Forum, focusing on development potential in Africa and on strengthening national and regional development. As a follow-up to the Paris Agenda, the MFA has worked actively to strengthen the partnership in the Danish programme countries through supporting the implementation of national poverty reduction strategies and activities within the specific sector programmes. Besides the home service, a total of 22 Missions have contributed to the attainment of the goal: 19 Missions with an A-level.
C. Target the efforts relating to the crosscutting issues and priority areas, in particular translating women's potential into a driving force for development and intensifying the global efforts to fight HIV/AIDS, with special focus on Africa.	A. In 2007, the Government's priorities concerning women and HIV/AIDS were realised through special activities in the programme countries and a strong focus on the incorporation of gender equality and HIV/AIDS considerations into conventional programmes. At the same time, the Danish priorities were key items in the ongoing dialogue with, for example, large international organisations, such as the World Bank. Besides the home service, a total of 29 Missions have contributed to the attainment of the goal, for which a total of 42 performance objectives were formulated. Of these objectives, 33 were fully achieved (A), 7 were partially achieved (B), while 2 were unachieved.

Priority 7: Attainment of the best possible international framework conditions, inter alia through the pursuance of a proactive trade policy

Overarching Goals	Performance Objectives	Success Criteria	Goal Attainment and Performance
A. Promote global and regional free, inter alia through securing a positive outcome of the Doha Round, through securing supplementary regional and bilateral trade agreements, and through offering better market access conditions and transition arrangements for the poorest developing countries.	Active Danish trade policy effort in the Doha negotiations and other free trade negotiations with a view to, inter alia, increased international market opening for Danish enterprises as well as broad political support for the Danish trade policy line in the Danish trade policy environment.	Positive final outcome to the Doha Round. Bilateral trade negotiations initiated with the EU and third countries. Proactive trade policy strategy formulated. A. At least 2 out of 3 criteria fulfilled. B. 1 out of 3 criteria fulfilled. C. 0 out of 3 criteria fulfilled.	A. An Assertive Trade Policy Strategy formulated and presented in June 2007. The EU has initiated bilateral negotiations regarding free trade agreements with South Korea, India and the ASEAN countries. The Doha Round negotiations are still continuing in the WTO.
B. Serve Danish companies in the best possible way by eliminating specific trade barriers, providing targeted political business consultancy for Danish companies, and maintaining an effective emergency preparedness and response capability.	1. Maintain an effective emergency preparedness and response capability for the business community. An action plan must be formulated within 24 hours for the continued work insofar it has proved impossible to solve the problem within this time-frame.	A. Crisis solved or action plan formulated within 24 hours. B. Within 72 hours. C. Later than 72 hours.	A. No crises, 3 standard meetings held in the Emergency Preparedness and Response Task Force.
	2. Dismantle trade barriers for individual enterprises.	A. Contributed to resolving 3 or more cases. B. 1-2 cases. C. No cases.	A. 5 cases resolved.
	3. Political business consultancy.	A. 112 or more cases with political business consultancy. B. 8-11 cases. C. Less than 8 cases.	A. 19 cases resolved.

Ad. Priority 7.a.

In June 2007, the Government presented a new policy paper, An Assertive Trade Policy Strategy. The strategy aims at dismantling trade barriers along three tracks: the multilateral track in the WTO; the bilateral and regional track in the EU, in particular via the EU's bilateral trade agreements; and the concrete efforts in the export markets, often with a point of departure in the specific problems faced by the particular company. In summer 2007, the multilateral trade negotiations experienced a setback, when at a meeting between four central actors – the EU, the USA, India and Brazil – agreement could not be reached to continue the negotiations. Since then, the negotiations have continued in Geneva. In the bilateral sphere, the EU, in line with the Government's Assertive Trade Policy Strategy, initiated negotiations in 2007 with, among others, South Korea, the ASEAN countries and India. On the business track, the Trade Council of Denmark (TCD) continuously works both in Copenhagen and out in the markets to eliminate the barriers encountered by Danish companies.

Ad. Priority 7.b.

In 2007, no major crisis situations arose in relation to Danish interests in the agricultural and food sector. In the permanent Emergency Preparedness and Response Task Force for this sector, three standard meetings were held, where topical issues were discussed between the relevant authorities and business sector organisations – particularly a number of cases concerning export to Russia and China – and where Danish measures aimed at avoiding problems were coordinated. A total of five cases concerning trade barriers facing single enterprises were tackled, of which two extensive cases were completed in 2007. Of the three new cases that materialised, two were brought by business sector organisations. The cases concern the introduction of a disadvantageous new practice for Danish agricultural and food exporters in Norway and Russia, respectively. In addition, a total of 19 cases within political business consultancy were tackled, of which 14 were processed to completion. The cases vary considerably in nature, both in terms of subject matter and geography. Five cases arose out of the Cartoon

Crisis, whilst other cases focused on issues such as intellectual property rights and anti-dumping. Similarly, the scope of the five ongoing cases is large and some of the cases are huge in terms of the economic significance for the companies and the resources that the MFA has used to date in resolving the cases.

Priority 8: Active utilisation of globalisation’s opportunities by increasing the internationalisation of the Danish business community, in particular small and medium-sized enterprises, by strengthening commercial innovation, and by increasing the attraction of foreign investments to Denmark

Overarching Goals	Performance Objectives	Success Criteria	Goal Attainment and Performance
A. Contribute to increasing the exports and competitiveness of Danish companies, particularly in high-growth economies, for example in Asia, and implement innovation project.	1. Increase internationalisation of Danish enterprises.	Baseline target has been drawn up.	Due to methodological difficulties in developing a new internationalisation measurement, the form and content of the baseline measurement has changed.
	<ul style="list-style-type: none"> • Increase international turnover. • Increase internationalisation rate. • Market share. 		
	2. Strengthen commercial innovation.	A. 3 or more projects implemented.	A. 4 projects implemented.
	<ul style="list-style-type: none"> • Implement innovation projects. 	B. 2 projects. C. Fewer than 2 projects.	
	<ul style="list-style-type: none"> • Establish Innovation Centres. 	A. 1-2 Innovation Centres established. B. 1 Innovation Centre. C. No Innovation Centres.	A. 2 Innovation Centres established.
	3. Ensure high level of satisfaction among Trade Council of Denmark (TCD) customers.	A. Satisfaction level of 90% or higher. B. Satisfaction level of 75-89%. C. Satisfaction level below 75%.	B. Satisfaction level of 88%.
	<ul style="list-style-type: none"> • Customer satisfaction. 		
	<ul style="list-style-type: none"> • Of whom very satisfied. 	A. 55% or higher. B. 45-54%. C. Below 45%.	B. 53% very satisfied.
	4. Increase awareness of the Trade Council of Denmark (TCD).	A. 80% of export officers know about TCD. B. 70-79%. C. Below 70%.	C. 62%.
<ul style="list-style-type: none"> • Awareness level among export officers. 			
5. Develop the competences of the organisation’s staff (participation in competence development activities).	A. 160 staff members or more. B. 144-159. C. Fewer than 144.	A. 230.	
6. Ensure and maintain a high level of staff satisfaction (state sector benchmark: 69).	A. Above 69. C. Below 69.	A. 78.	
7. Maintain a high level of quality and activity.	A. 25%. B. 22-24%. C. Below 22%.	A. 25%.	
<ul style="list-style-type: none"> • Own earnings level (revenue in relation to expenditure). 			

Overarching Goals	Performance Objectives	Success Criteria	Goal Attainment and Performance
B. Advise small and medium-sized enterprises (SMEs) on specific internationalisation activities, especially long-term projects, and assisting SMEs in preparing themselves for export activities.	1. Prepare SMEs for export activity. <ul style="list-style-type: none"> Number of enterprises assisted with export preparation packages. 	A. 250 or more enterprises assisted B. 225-249. C. Fewer than 225.	A. 263.
	2. Advise SMEs on specific internationalisation activities. <ul style="list-style-type: none"> Number of tasks performed. 	A. 3,000 or more tasks performed. B. 2,700-2,999. C. Fewer than 2,700.	B. 2,858.
	<ul style="list-style-type: none"> Average size of task measured in hours. 	A. More than 18 hours. B. 16-18. C. Fewer than 16.	A. 21,4.
C. Assist in attracting investments to Denmark, especially within selected knowledge-intensive sectors.	Assist in attracting investments to Denmark. <ul style="list-style-type: none"> Number of jobs, of which in West Denmark. 	A. More than 700 jobs, of which at least 150 in West Denmark. B. 600-699 jobs, of which at least 120 in West Denmark. C. More than 599 jobs, of which at least 100 in West Denmark.	A. 900 jobs, of which 420 in West Denmark.
	<ul style="list-style-type: none"> Investments from knowledge-intensive enterprises. 	A. At least 75%. B. 70-74%. C. Below 70%.	A. 77%.
D. Increase efforts to cooperate concerning environmental and energy-related technology, for example through the business instruments offered within development cooperation.			A. The overall assessment is that a great and valuable effort is carried out in the energy and climate sphere, also in relation to incorporating Danish technological solutions in the sphere. Besides the home service, a total of 26 Missions have contributed to the attainment of the goal: 24 with an A-level performance, 1 with a B-level performance, and 1 with a C-level performance.

Ad. Priority 8.a.

After the opening of Innovation Center Denmark in Shanghai in September 2007, the MFA is now represented by two Innovation Centres (Shanghai and Silicon Valley), to which the Ministry for Science, Technology and Innovation has also posted staff. A third Innovation Centre is due to be opened in Munich at the beginning of 2008. The innovation projects implemented were characterised by collaboration between a group of participants and a public authority and/or organisation as business partner. In 2007, the Trade Council of Denmark (TCD)'s online questionnaires to customers were reformulated to ensure a more true and accurate picture of customer satisfaction (five response categories compared to four previously). The year 2007, therefore,

entails a data break in relation to previous years. In 2007, 88 per cent of companies were satisfied with the chargeable tasks performed, and the proportion of very satisfied customers was 53 per cent.

The target whereby 80 per cent of export officers in Danish enterprises are aware of TCD was not achieved. The latest image measurement showed an awareness level of 62 per cent, which means that the awareness level has dropped by 5 per cent in relation to 2006. The drop in awareness can be explained by significantly increasing media hubbub. However, 75 per cent of export officers state that at one time or another they have made use of TCD, the MFA or Embassies, Consulates and Trade Commissions.

In total, 230 staff have participated in group-based competence development activities, where the participant's post-activity evaluation was at least 3.5 (on a scale of 1-4). In 2007, the MFA conducted a pilot staff satisfaction survey using a new concept. The result for the two Units in TCD lies above the state's benchmark of 69 points. In 2007, the total earnings for the home service and the service abroad amounted to DKK 96.8 million, which means that the Finance Act's earnings target of DKK 96.4 million was achieved. In relation to the earnings in 2006, this represents an increase of 0.5 per cent.

Ad. Priority 8.b.

In 2007, the target for export preparation assistance was 250 companies. The result was 263 companies, which were made ready for export activity through TCD's Export Preparation Programme. This result exceeds the target and by the same margin as last year. In 2007, TCD set itself a target of performing at least 3,000 tasks for small and medium-sized enterprises (under 50 employees and under DKK 50 million in turnover) with an average time of 18 hours spent on performing each task. In total, TCD performed 2,858 SME-related tasks in 2007, which is 4.5 per cent below the target figure. The result should be seen in connection with the average time spent on performing each task, which in 2007 was 21.41 hours, i.e. above the target of 18 hours per task. This means that more hours have been spent on fewer SMEs than expected in 2007, and thus overall, more resources have been devoted to servicing SMEs. This is a fully satisfactory result.

Ad. Priority 8.c.

In 2007, Invest in Denmark (IDK) achieved its strategic targets for the number of jobs created in general and the number of jobs created in West Denmark. The work with investment promotion around the world resulted in the creation of 900 foreign jobs in Denmark despite the tightly stretched labour market. This reflects a result significantly higher than the target of 700 jobs. The 900 jobs have been created via 31 successful investment projects. Measured by the number of jobs created per investment, there has been a rise from 12 jobs per investment in 2004 to 29 jobs per investment in 2007. Of the 900 jobs, 555 were newly created positions and 345 were jobs that were retained in Denmark. A significant reason why IDK in 2007 was also able to deliver a good result is the cooperation with the three west Danish regions on investment promotion in Denmark. The aim of the cooperation with the three regions in 2007 was to create or retain 125 knowledge-intensive jobs in West Denmark. In this regard, more than three times as many jobs were successfully created or retained in West Denmark – i.e. 420 jobs.

Priority 9: Effective support to Danes in distress abroad; a strengthened crisis response capability for assisting Danes abroad in the wake of major natural disasters, terrorist attacks, accidents, political and military crises, etc.; strengthened European and Nordic cooperation regarding such assistance; and strengthened EU- and Nordic visa cooperation which meets the challenges of globalisation⁹

Overarching Goals	Performance Objectives	Success Criteria	Goal Attainment and Performance
<p>A. Provide appropriate assistance, depending on the conditions at the location (illness, accidents, imprisonments, abductions, etc.).</p> <p><i>97 Missions and Consular Services</i></p>	<p><i>Missions:</i> After being notified of a major accident, the Mission must take steps to contact the local authorities, Consular Services, etc. as quickly as the situation allows, though no later than 3 hours after receiving notification.</p>	A.	<p>A. The level of goal attainment has been highly satisfactory with regard to providing assistance to Danes in distress abroad. The requirement that all travel advice notices be updated at least once every 3 months was not fully observed. However, all necessary substantive changes concerning the local security situation were carried out. The 24/7 Operations Centre was established on 1 September 2007 and was fully operational by 1 October 2007, at which point the MFA duty officer system ceased to exist. The pilot user survey of the general public's satisfaction with the assistance provided by the Mission was launched in 2007, but will not be completed until 2008.</p>
	<p><i>Missions:</i> After being notified of the hospitalisation of travelling Danes, the Mission must contact the ill or injured individual(s), or others acting on their behalf as soon as the situation allows, but no later than 24 hours after receiving notification.</p>	A.	
	<p><i>Missions:</i> After being notified of imprisonment or detention, the Mission must take steps to contact the person(s) being detained as quickly as the situation allows, but no later than 24 hours after receiving notification.</p>	A.	
	<p><i>Missions:</i> The Mission must at least once every three months and no later than 10 hours after an event that affects the security situation in the country notify Consular Services with a view to updating the travel advice notices.</p>	B. <i>25 Missions</i>	
	<p><i>Consular Services:</i> Consular Services will work to strengthen the Missions' competences, among other things through running internal courses for posted and local staff who will be dealing with assistance cases.</p>	A.	
	<p><i>Consular Services:</i> Consular Services will actively seek to minimise any difficulties arising from the Local Government Reform, in relation to swift contact and collaborative relations with relevant decision-makers in the new municipalities and regions.</p>	A.	
	<p><i>Consular Services:</i> Travel advice notices on the MFA's website for the most frequently visited countries, where the security situation may not be altogether stable.</p>	C.	
	<p><i>Consular Services:</i> Establishment of the 24/7 Operations Centre on 1 September 2007.</p>	B.	
	<p><i>Consular Services:</i> Improve the assistance provided to Danes abroad, assessed partly on the basis of user surveys.</p>	C.	
	<p><i>Consular Services:</i> Further preventative measures against Danes ending up in distress abroad, for example running information campaigns.</p>	A.	

Overarching Goals	Performance Objectives	Success Criteria	Goal Attainment and Performance
B. Strengthen the emergency preparedness and response capability of the Missions, i.a. through the centralised development and launch of a training exercise concept.	<i>Missions:</i> All bilateral Missions have an up-to-date crisis contingency plan adapted to the situation in the country.	A.	A. The level of goal attainment in the field of emergency preparedness and response has generally been satisfactory. A number of Missions did not have their satellite communication equipment tested as regularly as required. This will be followed up on in 2008.
	<i>Missions:</i> Cooperation with locally represented Nordic countries and EU Member States, etc., including participation in training exercises.	A.	
	<i>Missions:</i> All bilateral Missions are always able to use satellite communication equipment.	C.	
	<i>Consular Services:</i> The Contingency Planning Unit will devise and test a framework concept for holding crisis exercises at the Missions.	A.	
86 Missions and Consular Services	<i>Consular Services:</i> Consular Services will ensure that relevant staff who form part of the emergency preparedness and response capability in both the home service and the service abroad receive regular training and instruction.	A.	
	<i>Consular Services:</i> Actively participate in the EU and Nordic fora with a view to strengthening management of consular crisis situations.	A.	
C. Establish the Visa Information System (VIS) in accordance with the EU's plans and priorities.	<i>Missions:</i> The Visa Information System (VIS) is to be installed as follows: 1. in accordance with the MFA's roll-out plan; 2. the staff are to have received the necessary training and instruction; and 3. the system is to be taken into use on the announced date.	Not relevant (Postponed to 2008)	A. The level of goal attainment within visa administration has been satisfactory. With regard to the monitoring of visa processing procedures, a few Missions did not fully meet the goal. There will continue to be focus on this area. The national steering group under the leadership of the Ministry for Refugee, Immigration and Integration Affairs decided to postpone the roll-out of UM-VIS to 2008 (to be implemented in the first half of 2008).
	<i>Missions:</i> The Head of Mission's unannounced inspection of visa processing procedures in accordance with the rules laid down in the Visa Instructions. A report on the first unannounced inspection is to be submitted before 1 May/1 July and 1 October.		
	<i>Consular Services:</i> Implement the MFA's part of the prerequisites, so that the national component of the Visa Information System (UM-VIS) can be put into service at the Missions.		
	<i>Consular Services:</i> Give instruction about the Schengen acquis on internal courses and about the electronic visa processing system on courses run by the Personnel Department.		
76 Missions and Consular Services	<i>Consular Services:</i> Consular Services will conduct inspection trips with a view to ensuring the best possible case handling by Missions within visa administration.		
	<i>Consular Services:</i> Consular Services will monitor to ensure that Mission Heads at Missions authorised to process visa applications comply with the requirement of conducting at least one annual unannounced inspection of the Mission's visa issuance procedures.		

Ad. Priority 9.a.

In 2007, a large number of cases involving assistance to Danes in distress abroad were again performed. In the MFA, there is an ongoing wish to improve the assistance provided to Danes who find themselves in difficulty abroad. In 2007, therefore, the plan was to carry out a pilot user survey of the general public's satisfaction with the assistance given by the Danish Missions to Danes in distress abroad. Such a survey was initiated at the Embassy in Athens in autumn, but will not be completed until 2008. Based on the results of the pilot survey, consideration will be given as to whether, and if so in what way, user surveys can be used to improve the assistance provided by the Missions to Danes in distress abroad.

Ad. Priority 9.b.

In 2007, Consular Services and the Missions continued their efforts to enhance the emergency preparedness and response capability at Embassies and Consulates General. The crisis contingency plans of Missions were updated, the valuable cooperation with Nordic countries and EU Member States was continued, and Danish Missions participated in locally

run crisis exercises. Consular Services continued efforts to develop concepts for organising crisis exercises at Missions and implemented a successful crisis exercise at the Embassy in Madrid. The travel advice notices were the most read section on the MFA's website in 2007. The requirement that travel advice notices be updated at least once every three months was not fully observed. However, deadlines were only overrun in cases where there was no need for substantive changes to the travel advice notices.

Ad. Priority 9.c.

Within visa administration, 2007 saw considerable pressure put on the resources of Embassies and Consulates General. The Danish Missions processed almost 90,000 visa applications in 2007. With almost 12,000 applications, the Embassy in Moscow was the Mission that received the most visa applications. The majority of visa applications were submitted in China. In recent years, the Missions have processed an increasing number of visa cases. In this respect, the number of visa applications has risen approx. 29 per cent between 2003 and 2007. This trend is expected to continue in the years ahead.

Priority 10: Strengthened communication efforts, at national and international level. This includes using public diplomacy to promote knowledge abroad about Denmark and about Denmark's competencies, culture and key priorities

Overarching Goals	Performance Objectives	Success Criteria	Goal Attainment and Performance
A. Draw up and implement the first annual activity plan for the Unit's communication and public diplomacy activities.	The Unit/Mission is to implement the recommendations from among other things the Communication Action Plan for 2007 in an activity plan for the Unit's/Mission's communication, public diplomacy and cultural work.	A. The activity plan is drawn up. C. The activity plan is not drawn up.	A. The vast majority of Units, approx. 85%, drew up a communication activity plan in 2007. Trade Commissions were to a certain extent those places where no plan was drawn up.
B. Implement the recommendations from the Government's Action Plan for the Global Marketing of Denmark.	The Unit/Mission is to implement the recommendations from the Government's Action Plan for the Global Marketing of Denmark as part of the comprehensive activity plan for the Unit's/Mission's communication, public diplomacy and cultural work.	A. The recommendations are incorporated where possible. B. The recommendations are partially incorporated where possible. C. The recommendations are not incorporated where possible.	A. The recommendations were incorporated where possible. A very large proportion of the Units actively sought to contribute to the implementation of the recommendations in 2007, for example by planning and implementing concrete public diplomacy activities in the host country.

Ad. Priority 10.a and Priority 10.b.

As part of the initiative concerning public diplomacy in the Government's Action Plan for the Global Marketing of Denmark from spring 2007, Danish Missions carried out a large number of public diplomacy activities in 2007 with the aim of promoting Denmark and Danish strongholds. The activities partly took the form of exhibitions, conferences, seminars, workshops, media coverage, public appearances and network creation. The largest activities were financed using funds earmarked for such activities in the Action Plan (DKK 7.5 million annually from 2007 to 2010) – and were often accompanied by considerable local interest and media coverage.

For use in the public diplomacy activities abroad, the MFA, in collaboration with a private consultancy firm and relevant ministries, produced presentational materials, including in the field "The Environment, Energy and the Climate". The concept comprises an electronic platform for the web, a platform for print and a platform for exhibition. The materials are designed to support the Missions in their public diplomacy efforts and will make it possible even for small Missions to set up sophisticated exhibitions. The exhibitions can rotate from Mission to Mission and be used for different types of public diplomacy activity.

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

Overarching Goals	Performance Objectives	Success Criteria	Goal Attainment and Performance
A. Ensure effective follow-up on the MFA's globalisation analysis with broad inclusion both at home and abroad, and in this regard promote targeted development and utilisation of staff competences to tackle globalisation's special challenges and opportunities.	Staff development interviews (MUS) and staff appraisal interviews (MVS) conducted, and individualised development plans formulated for all staff.	A. Implemented in accordance with guidelines (each year for MUS/every second year for MVS). B. Partially implemented. C. Not implemented.	B. 52.3% of the Missions conducted MUS/MVS interviews and formulated individualised development plans for all staff (A). 36.4% only partially achieved the goal (B), and 11.4% failed to achieve the performance objective.
	B. Ensure alignment with the MFA's multi-year budget agreements, which includes identifying areas that can be assigned lower priority.	1. Compliance with budget frameworks. 2. Satisfactory evaluation by the National Audit Office and the Controller Team in the event of visits by auditors and controllers.	A. Budget frameworks observed. C. Budget frameworks not observed. A. A satisfactory evaluation. B. A not quite satisfactory evaluation. C. An unsatisfactory evaluation.

Overarching Goals	Performance Objectives	Success Criteria	Goal Attainment and Performance
<p>C. Maintain high operational stability and security, with an effective widespread adoption and use of new IT systems that support digital and mobile working methods globally.</p>	<p>On the basis of an inspiration paper produced by the Administration and Services Secretariat, the Unit/Mission no later than 1 March 2007 is to draw up guidelines for flexible working methods and work organisation that, among other things, enables staff to work from home.</p>	<p>A. Guidelines formulated. C. Guidelines not formulated.</p>	<p>C. On the basis of the inspiration paper, Units and Missions were required to formulate guidelines for flexible working methods and work organisation. However, this work has been postponed due to a wish to coordinate the formulation of the guidelines with the roll-out of VISTA. The VISTA project and the roll-out of the new IT platform have proceeded as planned in the home service and the service abroad. The entire home service and the majority of Missions have switched over to the new IT platform and the last Mission to switch over is expected to do so in the middle of May 2008.</p>
<p>D. Adapt the security of the Missions.</p>	<p>Implement the planned improvements to the Embassy's security through perimeter security, with the introduction of a new fence and a permanent security guard at the entrance to the Embassy premises during daytime hours.</p>	<p>Security installations carried out.</p>	<p>B. As part of the initiated tightening of security at the Missions with posted staff, the initial aim was for 66 Missions to conduct an internal security inspection in 2007, so as to enable the MFA to follow up on any observed deficiencies in the security field. Certain Missions had other performance objectives, such as the finalisation of specific security-related projects. The majority of Missions (65%) carried out the internal security inspection by 1 April 2007 (A), while a number of Missions (25%) carried out the inspections during 2007 (B), but not before 1 April. Lastly, 10% of Missions did not achieve the performance objective for 2007.</p>

3.2 Appropriations Reserved for Specific Purposes in 2008

In connection with the completion of the accounts for 2007, the MFA reserved a number of appropriations for specific purposes in the years ahead. These are specified in more detail in Table 2 below.

Table 2 Reserved appropriations for specific purposes under Section 06.11.01 The Danish Foreign Service (DKK million)

Purpose	Reserved Year	Reserve Appropriation/ Opening balance	Year Expenditure	Reserve Closing balance	Expected Expiry
Membership of UN Security Council	2007	0.3	0.7	0.0	2007
Danish MTCR Chairmanship	2007	0.6	0.6	0.0	2007
Satellite transmission net	2007	9.2	9.2	0.0	2007
Extraordinary maintenance	2007	4.4	3.6	0.8	2008
Competence development – export promotion	2007	4.1	3.9	0.0	2007
Anti-terrorism security	2007	0.9	0.9	0.0	2007
Total reserves, as of 01.01.2007	2007	19.5	18.9	0.8	2008
Establishment of emergency preparedness and response capability (special appropriation)	2008	5.0	3.4	1.0	2008
Enhanced promotion of DK (special appropriation)	2008	20.0	9.3	10.7	2009
Visa Information System – VIS (special appropriations)	2008	6.1	3.4	2.7	2008
Language and cultural competences (special appropriation)	2008	5.0	3.9	1.1	2009
Strengthened Embassies' network (special appropriation)	2008	36.9	24.8	12.1	2008
Anti-terrorism security (special appropriation)	2008	6.0	3.8	2.2	2008
Total reserves and special appropriations, 2007-2008	2007-08	98.5	67.5	30.6	2008-09

Remarks to the individual reserves

- In 2005-06, a total of DKK 29.7 million was earmarked for extraordinary expenditure in connection with Denmark's membership of the UN Security Council, cf. Finance Act 2006. This membership gave rise to a few additional items of expenditure in 2007.
- Denmark assumed the chairmanship of the Missile Technology Control Regime (MTCR) for a one-year period beginning September 2006. The reservation of DKK 0.6 million from 2006 – which was financed by the MFA's appropriations surplus – has been used for this purpose.
- DKK 4.4 million of the Foreign Service's appropriations surplus was set aside at the beginning of 2007 in a central fund for strengthening the maintenance of the Foreign Service's properties abroad. DKK 3.6 million was spent in 2007. The remaining funds are expected to be used in 2008.
- In 2002, a budget analysis of the Trade Council of Denmark (TCD) was conducted. In accordance with the results of the analysis, funds were channelled back for the purposes of continued organisational and competence development in parallel with the phasing in of higher earnings targets and cost recovery. A reserve was provided for corresponding to the expenditure decrease in 2006 of DKK 4.1 million, which was primarily used in 2007. From 2008, the costs for organisational and competence development will be financed by the MFA's Competence Centre.
- For the period 2005-06, DKK 44.1 million was set aside for a special programme for securing the Foreign Service's Missions, cf. Finance Act 2007. DKK 0.9 million of the funds for 2006 were not spent by the beginning of 2007 and were subsequently used for the designated purpose during the year.
- In connection with the operationalisation of the Globalisation Fund, DKK 5 million was set aside for the establishment of an emergency preparedness and response centre, cf. Finance Act 2007. DKK 1 million is reserved for the completion and running of this centre in 2008.
- In 2007, a further DKK 6.1 million was set aside for expenditure in connection with the MFA's contribution to the implementation of the new common European Visa Information System (VIS), cf. Document 127 of 16 May 2007. DKK 2.7 million of this special appropriation is reserved for expenditure that is expected to be incurred in 2008.
- In connection with the operationalisation of the Globalisation Fund, DKK 5 million was set aside to strengthening the Foreign Service's language and cultural competences, cf. Finance Act 2007. DKK 1.1 million was not used in 2007 and is thus reserved for this purpose in 2008.
- In connection with the operationalisation of the Globalisation Fund, a total of DKK 36.9 million was set aside to strengthening the Danish Foreign Service in the hot spots of globalisation. DKK 12.1 million was not used in 2007 and is thus reserved for this purpose in 2008.
- For the period 2005-07 – as previously mentioned – a total of DKK 44.1 million was set aside to a special programme designed to secure the MFA's Missions. DKK 2.2 million of the 2007 funds was not spent by the beginning of 2008 and has subsequently been reserved for the designated purpose during the year.

4. KEY FINANCIAL INFORMATION

As of 2007, the MFA follows government accounting rules for cost-based accounts and cost-based appropriations.

In connection with following the general government accounting rules for cost-based accounts and cost-based appropriation, the MFA attaches the following remarks:

- In conformity with the multi-year agreement with the Ministry of Finance, all properties were valued at market price according to a valuation carried out in 2005, the reason being that there exist no public valuations of all MFA properties abroad. No revaluations are made regularly in relation to market developments. The value of all properties is divided according to three categories: land, buildings and installations. The value of installations is fixed at 10 per cent of the value of the building.
- Only assets that fall under the operation and maintenance sphere are included.
- As a rule, IT equipment is depreciated in accordance with the guidelines laid down by the Danish Agency for Governmental Management. However, on the basis of a technical assessment, a number of the MFA's IT equipment items are determined to have a lifespan of longer than three years and thus a longer depreciation period. The reason is that the MFA uses special equipment for encryption and that the replacement of the IT equipment in the service abroad is a very expensive undertaking and therefore happens less frequently than is the norm in Denmark.
- Security equipment is entered in the accounts as "fixtures and fittings, tools and (IT) equipment"/(building components) with a 10-year depreciation period. On the basis of a technical assessment, certain security components are determined to have a lifespan of 15, 20 or 30 years and thus naturally a longer depreciation period.
- In 2006, the MFA's accounts were divided into two bookkeeping units, i.e. a bookkeeping unit for operation/maintenance and a bookkeeping unit for the grants sphere. The operation/maintenance accounts comprise Finance Act Section 06.11.01 (The Danish Foreign Service) and Finance Act Section 06.11.05 (Revenue from Consular Services). The MFA has entered into agreement with the Ministry of Finance and the Agency for Governmental Management regarding the continued use of joint bank holdings and cash holdings in the service abroad. Financing of the service abroad, calculation of bank balances, etc. as well as the distribution of interest in 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 above the *de minimis* figure.

See section 2.3 The Financial Results in 2007 for a closer analysis of the MFA's accounts for 2007.

4.1 The Profit and Loss Account

Table 3 The MFA's profit and loss account 2006-08¹

Profit/Loss and Balance as of 31.12.2007 compared to 2006	2006	2007	2008
Ordinary operating income			
Appropriations booked as income			
Appropriations ²			
Amount spent of previous year's reserved appropriations	-1,580,600,000	-1,590,200,000	-1,668,700,000
Amount reserved of current year's appropriations	19,500,000	30,600,000	10,600,000
Appropriations booked as income, total	-1,561,100,000	-1,579,100,000	-1,688,700,000

1) The table is calculated in accordance with bookkeeping practice (+ debit and - credit).

2) Adjustments are made for appropriation income in the figure quoted for 2006, as these are not included in the calculation method before 2007.

Profit/Loss and Balance as of 31.12.2007 compared to 2006	2006	2007	2008
Sale of goods and services	-105,342,871	-112,053,255	-116,800,000
Fees/charges	-44,726,127	-57,099,214	-55,000,000
Ordinary operating income, total	-1,711,168,998	-1,748,252,469	-1,860,500,000
Ordinary operating costs			
Consumption costs			
Rent	218,067,923	217,322,595	225,000,000
Other consumption costs	4,974,368	2,780,432	2,800,000
Consumption costs, total	223,042,291	220,103,028	227,800,000
Personnel costs			
Salaries and wages	563,323,369	562,802,330	577,800,000
Pension	76,063,264	79,213,429	84,500,000
Reimbursement of pay	-45,142,821	-50,423,140	-50,000,000
Other personnel costs ³	3,657,106	-289,232	0
Personnel costs, total⁴	597,900,918	591,303,387	612,300,000
Other ordinary operating costs ⁵	881,240,590	894,864,004	878,900,000
Depreciation and amortisation ⁶	81,199,978	91,080,477	97,800,000
Ordinary operating costs, total	1,783,383,778	1,797,350,896	1,816,800,000
Result of ordinary operations, total	72,214,779	49,098,428	-43,700,000
Other operating items			
Other operating income ⁷	-78,148,329	-69,223,917	-76,300,000
Other operating costs	12,018,665	10,438,040	10,000,000
Other operating costs, total	-66,129,665	-58,785,877	-66,300,000
Result before financial items, total	6,085,115	-9,687,449	-110,000,000
Financial items			
Financial income ⁸	0	-8,484,601	0
Financial costs ⁹	51,085,320	84,787,303	110,000,000
Result before extraordinary items, total	57,170,434	66,612,252	0
Extraordinary items			
Extraordinary income ¹⁰	-13,082,872	-10,378,723	0
Extraordinary costs ¹¹	17,312,438	698,360	0
Extraordinary items, total	4,229,566	-9,680,363	0
Result before end of financial year 2007 and after end of financial year 2006	61,400,000	56,931,889	0

3) The variation between the years stems from the fact that the first pension reimbursement from the State Employer's Authority (Personalestyrelsen) for both years is recorded as income in 2007.

4) The personnel costs comprise not only salaries and wages under Standard Account 18, but also grants to individuals and corresponding reimbursement under Standard Account 44.

5) This item excludes grant-financed activities, which is offset in the expenditure – corresponding to approx. DKK 45 million under Section 06.32.04 IT property, travel and communication costs.

6) In 2007, the MFA made many acquisitions in many different areas, resulting in increased depreciation in relation to 2006.

7) The amounts quoted in both financial years include income from internal governmental transfers, i.e. income for special attachés.

8) The budget for 2008 contains only net interest.

9) The figure for financial costs in 2006 is determined residually on the basis of the actual result and other OBR (cost-based accounting) items, in that the MFA was not subject to independent liquidity in 2006.

10) In 2008, the MFA has reorganised VAT reimbursement in the service abroad, whereby items are entered into the accounts on a net cost basis.

11) The extraordinary costs for 2007 are described in more detail in Annex 6.1.

4.2 The Balance Sheet

The MFA's balance sheet for the period 2006-07 is presented below in Table 4.

Table 4 The MFA's balance sheet 2006-07¹²

Balance Sheet	2006	2007
Assets		
Fixed assets		
Intangible fixed assets		
Completed development projects	36,042,508	31,959,882
Acquired concessions, patents, licences, etc,	3,197,744	3,129,837
Development projects under implementation	17,325,198	46,148,160
Intangible fixed assets, total	56,565,451	81,237,879
Tangible fixed assets		
Land, space and buildings	1,689,877,849	1,700,102,487
Transport equipment	20,613,021	20,205,433
Plant and machinery	14,967,697	13,862,976
Fixtures and fittings, tools and (IT) equipment	122,810,437	110,075,832
Projects in progress financed by own capital	30,373,455	6,254,972
Tangible fixed assets, total	1,878,642,458	1,850,501,700
Financial fixed assets		
Government bonds ¹³		32,796,000
Other financial fixed assets	0	0
Financial fixed assets, total	0	32,796,000
Fixed assets, total	1,935,207,909	1,964,535,579
Current assets		
Liquid assets		
FF5 Non-Interest-Bearing Account ¹⁴	-137,417,340	-179,304,000
FF7 Financing Account ¹⁵	-	288,737,018
Other liquid assets ¹⁶	124,505,933	92,115,988
Liquid assets, total	-12,911,408	201,549,006
Accounts receivable	400,426,956	170,685,990
Securities	0	0
Current assets, total	387,515,549	372,234,996
Assets, total	2,322,723,457	2,336,770,575
Liabilities		
Equity		
Adjusted equity	0	-32,796,000
Annual net profit/loss	61,400,000	56,931,889

12) The table is calculated according to bookkeeping practice (+ debit and – credit).

13) No amount has been inserted regarding government bonds in 2006, as this account type did not exist before 2007.

14) The amount for 2006 concerning the FF5 Non-Interest-Bearing Account is calculated on a residual basis, as this type of account did not exist before 2007.

15) See remarks to the specific FFx accounts in Table 6. The balance in the FF6 Construction and IT Credit Account is adjusted in the first quarter of 2008 in connection with the adjustment of the FF5 Non-Interest-Bearing Account.

16) The amount quoted for 2006 concerning other liquid assets has been calculated manually.

Balance Sheet	2006	2007
Carried-forward surplus	-92,037,990	-48,864,974
Equity, total	-30,637,990	-24,729,085
Provisions	-51,519,000	-52,718,000
Debt		
Long-term liabilities		
Mortgage debt and long-term debt	-10,927,873	-9,453,740
FF4 Long-Term Debt ¹⁷	-1,887,509,256	-1,888,657,528
FF6 Construction and IT Credit ¹⁸	-47,698,653	-53,101,494
Long-term liabilities, total	-1,946,135,782	-1,951,212,762
Short-term liabilities		
Suppliers of goods and services	-97,245,272	-86,678,540
Other short-term liabilities	-43,338,018	-67,081,416
Holiday money payable ¹⁹	-112,087,707	-117,241,739
Reserved appropriation ²⁰	-19,500,000	-30,600,000
Pre-payment, liabilities	-22,259,689	-6,509,032
Short-term liabilities, total	-294,430,686	-308,110,728
Debt, total	-2,240,566,467	-2,259,323,490
Liabilities, total	-2,322,723,457	-2,336,770,575

4.3 Explanation of Equity

The MFA's equity is presented in the Table 5 below.

Table 5 Explanation of the MFA's equity in 2007 (DKK million)

	DKK million
Equity, year-beginning	81,6
Initial capital, year-beginning	32,8
+ alteration of the amount of initial capital	-8,1
Initial capital, year-end	24,7
Carried-forward surplus, year-beginning	48,8
Adjusted equity	24,7
Equity, year-end	24,7

The equity in 2006 is not directly comparable with 2007, which is due to the new method used for calculating the balance in connection with the transition to cost-based accounting. The figures presented show adjusted equity as well as the carry-forward surplus amount determined at the beginning of 2007.

17) The amount quoted for 2006 concerning the FF4 Long-Term Debt Account has been calculated manually, as this type of account did not exist before 2007.

18) The amount quoted for 2006 concerning the FF6 Construction and IT Credit Account has been calculated manually, as this type of account did not exist before 2007.

4.4 Follow-up on the Liquidity Scheme during 2007

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 Foreign Service's Missions, where it does not make sense to physically separate grant funds from operation funds, as this would lead to heavily increased transaction and administration costs. In order to ensure that the scheme is administered correctly in relation to the rules laid down for independent liquidity, the MFA has decided upon a scheme where the specific FFx accounts are adjusted at centralised level.

Table 6 Balances on SKB Accounts FF4-FF7 as of 31.12.2007

	DKK
FF4 Non-Interest-Bearing Account	-179,304,000
FF5 Financing Account	288,737,018
FF6 Long-term Debt Account	-1,888,657,528
FF7 Construction and IT Credit Account	-53,101,494

19) The amount rises in line with the increased provisions set aside for severance pay for locally employed staff in the service abroad.

20) The reserved appropriation is only recorded in the accounts in 2007.

It should be noted that the above balances in SKB (National Concern Payment System) accounts are calculated as of 31.12.2007 (bank date 28.12.2007). At this point, the annual accounts for 2007 had not been finalised, the accounting entries being made later during the supplement period. This concerns, for example, entries relating to fixed asset acquisitions that have an effect on balances regarding long-term debt, construction and IT credit as well as the FF7 Financing Account. SKB bank balances for FF4, FF6 and FF7 were calculated on 1 February 2008 on the basis of the final accounting figures for 2007, including the supplement period. Furthermore, an adjustment of the FF5 Non-Interest Bearing Account concerning 2007 will be carried out in the first quarter of 2008.

4.5 Follow-up on the Payroll Ceiling

The MFA's payroll expenditure for 2007 constituted DKK 583 million in total, whereupon the MFA carried forward an expenditure decrease of DKK 11,7 million.

Table 7 Accumulated payroll saving, year-end 2006 (DKK million)

Year	Accumulated saving,	
	year-end 2006	2007
Payroll ceiling	-	594,7
Payroll expenditure	-	583,0
Difference	10,1	11,7

4.6 The Appropriation Accounts

The appropriation accounts for Section 06.11.01 and Section 06.11.05 are presented below in Table 8.

Table 8 The MFA's appropriation accounts for Section 06.11.01 The Danish Foreign Service, and Section 06.11.05 Income from Consular Services (DKK million)²¹

	2006		2007		2008
		Appropriation	Accounts	Difference	B-year (2008)
Net cost appropriation	1,584,3	1,590,2	1,647,2	56,9	1,668,7
Net expenditure of reserve	-	4,4	-11,1	-15,5	-
Income	242,3	245,9	257,2	11,3	248,1
Costs	1,826,6	1,840,5	1,893,3	-52,8	1,916,8
Annual net profit/loss	-61,4				

21) See Annex 6 for new financial data after the balance date.

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, and Section 06.11.05 Income from Consular Services, including the accounting principle explanations, which are to be presented to the National Audit Office of Denmark in connection with the appropriation audit inspection for 2007.

We regard the adopted accounting policy to be appropriate, on the grounds that the Annual Report 2007 provides a reliable picture of the MFA's assets and liabilities as well as the year's economic and operational results.

Ministry of Foreign Affairs of Denmark, April 22, 2008



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



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

6. ANNEXES

6.1 Notes to the Profit/Loss Account and Balance Sheet

Table 9 Extraordinary items (profit/loss account)

Extraordinary Income and Expenditure	Income	Expenditure	Total
KCompensation lease Dublin	-2,423,948		-2,423,948
Reimbursement of fees, non-ordinary activities	-497,128		-497,128
Washington adjustment, old deposit		139,563	139,563
Prime Minister's visit to Korea 2006, readjustment		185,693	185,693
Reimbursements service abroad, VAT etc.	-7,413,807		-7,413,807
Diverse extraordinary items	-43,841	373,103	329,262
Total	-10,378,723	698,360	-9,680,363

Depreciation

The MFA has not provided for genuine depreciation during the course of the year. However, depreciation corresponding to the value of bundled assets under IT equipment has been recorded in the accounts owing to the sale of IT equipment.

Loss on receivables (Balance sheet)

The entered loss on debtors and other accounts receivable for 2007 has been calculated to approx. DKK 279,000, which is slightly less than expected.

Inventory (Balance sheet)

The MFA has no stocks for the purposes of resale.

Provisions

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 52.7 million as of 31.12.2007, which is an increase of approx. DKK 1.2 million. This can partly be explained by the establishment of several Missions.

Mortgage debt (Balance sheet)

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

New financial data after balance date

Data regarding Accounts Amman 2007 was not entered into the system for the last four months of the year.

The bookkeeping unit for grant-related items shows a difference between SKS (National Concern System) and UM-Finans of DKK 198,393.26 in accounts 779592 and 419091, respectively. The difference concerns a post-entry as of 31.12.2007 (Appendix No. E80044), which was observed in connection with subsequent account reconciliation.

As a result of the loss of DKK 150,000 due to a failure to meet the quota concerning the intake of vocational education and training (VET) students, which came into effect on 2 April 2008, the net result for the year was correspondingly reduced, cf. Ministry of Finance circular of 29 June 2006 on quotas for VET students in the state sector. The net profit/loss for the year therefore totals DKK -57.1 million.

Note 1 Personnel costs

	2004	2005	2006	2007	2008
Full-time equivalents (excl. locally employed staff) ¹	1,313	1,313	1,336	1,322	1,320
Entries of staff	65	88	66	107	100
Exits of staff	98	61	81	102	100
Staff, total (incl. locally employed staff)	2,240	2,262	2,270	2,277	2,317

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

Note 2 Intangible fixed assets

	Development projects	Concessions, patents, licences, etc.	Total
Cost price as of 01.01.2007	65,142,945	3,265,651	68,408,596
Corrections and transfer between bookkeeping units, year-beginning	-	-	-
Additions	5,554,852	-	5,554,852
Disposals	-	-	-
Cost price as of 31.12.2007	70,697,797	3,265,651	73,963,448
Accumulated depreciation	-38,737,915	-135,814	-38,873,729
Accumulated amortisation	-	-	-
Accumulated depreciation and amortisation as of 31.12. 200x	-38,737,915	-135,814	-38,873,729
Financial value as of 31.12.2007	31,959,882	3,129,837	35,089,719
Annual depreciation	-9,637,479	-67,907	-9,705,386
Annual amortisation	-	-	-
Annual depreciation and amortisation ²	-9,637,479	-67,907	-9,705,386
Depreciation period/year	5-8	70	

	Development projects under implementation
Opening balance as of 01.01.2007	17,325,198
Additions	33,366,853
Depreciation	-
Transferred to completed development projects	-4,543,892
Cost price as of 31.12.2007	46,148,160

Note 3 Tangible fixed assets

	Land, space and buildings	Infra-structure	Plant and machinery	Transport equipment	Furniture and IT equipment	Total
Cost price as of 01.01.2007	1,745,671,818		35,826,427		301,128,301	2,121,879,944
Correction / transfer between bookkeeping unit, year-beginning						
Additions	62,380,203		1,764,021	6,265,350	31,043,713	101,453,286
Disposals	-25,400,000	-	-	-3,374,748	-120,043	-28,894,790
Cost price as of 31.12.2007	1,782,652,020		37,590,448	42,144,001	332,051,971	2,194,438,440
Accumulated depreciation	-82,549,533		-23,727,472	-21,938,568	-221,976,139	-350,191,712
Accumulated amortisation	-	-	-	-	-	-
Accumulated depreciation and amortisation	-82,549,533	-	-23,727,472	-21,938,568	-221,976,139	-350,191,712
Financial value as of 31.12.2007	1,700,102,487	-	13,862,976	20,205,433	110,075,832	1,844,246,728
Annual depreciation	-26,755,564	-	-2,868,742	-3,298,190	-43,580,650	-76,503,146
Annual amortisation ³	-	-	-	-	-48,555	-48,555
Annual depreciation and amortisation	-26,755,564	-	-2,868,742	-3,298,190	-43,629,204	-76,551,701
Depreciation period / year	50/20/0	None	10	5/8	3 / 5 / 10/10+	

2) The annual depreciation equals the annual net movements in status accounts, including carried-back depreciation upon sale.

3) The annual depreciation equals the annual net movements in status accounts, including carried-back depreciation upon sale.

Projects in progress financed by own capital	
Opening balance as 01.01.2006	30,373,455
Additions	14,225,409
Depreciation	-
Transferred to completed tangible fixed assets	-38,343,891
Cost price as of 31.12.200x	6,254,972

6.2 Commercial Activities

A statement of the MFA Language Centre's commercial activities is presented below in Table 10.

Table 10 Commercial activities 2004-07

Calculated in DKK thousands	2004	2005	2006	2007
Language training, annual net profit/loss ("-" sign = surplus]	216	774	-705	-452
Language training, accumulated annual net profit/loss (from 1999 onwards) ("-" sign = surplus]	-2.757	-1.983	-2.688	-3.140

6.3 Fee-Financed Activities

A statement of fee-financed activities in the MFA under Section 06.11.05 Income from Consular Services is presented below in Table 11.

Table 11 Fee-financed activities 2004-07

	2004	2005	2006	2007
131161 Fees – Passports	-6,984,820	-7,434,865	-6,719,987	-7,174,562
131162 Fees – Legalisations	-5,879,262	-6,521,139	-7,059,518	-8,209,370
131163 Fees – Assistance Cases	-335,875	-348,824	-405,253	-499,051
131164 Fees – Visas	-22,933,438	-27,970,194	-29,204,058	-39,319,613
131169 Other fee revenues	-1,434,922	-1,553,296	-1,337,310	-1,896,618
Total	-37,568,318	-43,828,318	-44,726,127	-57,099,214

6.4 The MFA's Grant Schemes and Statutory Appropriations under Budget Framework 1, Section 06.1, 06.2 and 06.4

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

Ad Section 06.11.01 The Danish Foreign Service

	Finance Act (FL)	Suppl. Appropriation (TB)	Appropriation	Accounts	Deviation
Expenditure	1,635,1	10,1	1,645,2	1,704,2	-59,0

See the review of the financial results for 2007 in section 2.3 The Financial Results in 2007.

Ad Section 06.11.05 Income from consular services

	Finance Act (FL)	Suppl. Appropriation (TB)	Appropriation	Accounts	Deviation
Income	-55,0	-	-55,0	-57,1	2,1

In 2007, there was additional income of DKK 2.1 million. The income generated in the consular field is demand-driven.

Ad Section 06.11.15 Interest income from diverse receivables

	Finance Act (FL)	Suppl. Appropriation (TB)	Appropriation	Accounts	Deviation
Income	-59,3	-	-59,3	-26,1	-33,2

In 2007, the income to the account was DKK 33.2 million lower than budgeted. The account concerns interest income that belongs under the state's income budget from diverse bridging schemes under the development assistance budget

framework. The income decrease is due to the consequences of a reorganisation of practice regarding the repayment of interest on grants put into multi-donor trust funds.

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

	Finance Act (FL)	Suppl. Appropriation (TB)	Appropriation	Accounts	Deviation
Expenditure	10,4	3,2	13,6	11,8	1,8

In 2007, there was a decrease in expenditure in the account of DKK 1.8 million. The expenditure decrease can be predominantly attributed to the delayed implementation of the initiative under the Action Plan for the Global Marketing of Denmark regarding an international media push. The delayed implementation occurred as a result of the long planning horizon of a number of press campaigns.

Ad Section 06.11.19 Bilateral Neighbourhood Programme

	Finance Act (FL)	Suppl. Appropriation (TB)	Appropriation	Accounts	Deviation
Expenditure	192,2	-	192,2	247,1	-54,9

In 2007, there was an increase in expenditure in the account that was financed by the carry-forward surplus from the 2006 financial year. The amount carried forward from 2006 totalled DKK 70.2 million, of which there was a net expenditure of DKK 54.9 million in the 2007 financial year, particularly for activities in Kosovo and Georgia in conformity with the Government Platform from November 2007. The activities relate to private sector development and were targeted at job creation and the promotion of good governance in the public sector, and included efforts to protect the rights of minorities.

Ad Section 06.11.27 Climate projects in developing countries

	Finance Act (FL)	Suppl. Appropriation (TB)	Appropriation	Accounts	Deviation
Expenditure	95,2	-2,5	92,7	82,2	10,5

In 2007, financial commitments were granted for DKK 10.5 million less than the year's appropriations of DKK 97.2 million designated for government purchases of CO2 credits from CDM projects in developing countries. The deviation stems from the fact that the CDM projects that were ready at the end of 2007 for contract conclusion had a value that significantly exceeded the remaining funds in the account.

Ad Section 06.21.01 Nordic Council of Ministers

	Finance Act (FL)	Suppl. Appropriation (TB)	Appropriation	Accounts	Deviation
Expenditure	143,1	-	143,1	147,7	-4,6

In 2007, there was an expenditure increase of DKK 4.6 million in the account. The budgeting of Denmark's contributions to the Nordic Council of Ministers in 2007 was made on the premise of a total budget of DKK 839.7 million in 2006-prices. After the budgeting period, the actual budget of the Nordic Council of Ministers is adopted and thereafter regulated in relation to exchange rates and inflation. In 2007, the budget was DKK 858.6 million. According to the distribution key adopted for 2007, Denmark was required to pay 22.9 per cent of the budget. The contribution is adjusted also as a result of a payment scheme for higher education as well as for any surplus in previous years. Consequently, Denmark's total payment contribution to the Nordic Council of Ministers in 2007 was DKK 147.7 million.

Ad Section 06.22.01 Peacekeeping operations under UN auspices

	Finance Act (FL)	Suppl. Appropriation (TB)	Appropriation	Accounts	Deviation
Expenditure	39,5	-	39,5	70,6	-31,1

In 2007, there was an expenditure increase of DKK 3.1 million on the account, which covers partly expenditure relating to assessed contributions to UN peacekeeping operations and partly expenditure relating to international tribunals and criminal courts. The expenditure increase can predominantly be attributed to the assessed contributions to the peacekeeping UN operation UNMIS (Sudan), UNIFIL (Lebanon) and UNMIL (Liberia), which proved to be larger than expected at the time of budgeting.

Ad Section 06.22.03 Other organisations

	Finance Act (FL)	Suppl. Appropriation (TB)	Appropriation	Accounts	Deviation
Expenditure	199,3	-	199,3	209,4	-10,1

In 2007, there was an expenditure increase of DKK 10.1 million on the account that relates to assessed contributions to a number of international organisations. The total increase in expenditure can be attributed to two opposing factors. On the one hand, Denmark's fixed contributions to the UN were higher than expected at the budgeting time, partly as a result of extraordinary contributions to the renovation of the UN building in New York. On the other hand, Denmark's contribution payments to NATO in 2007 were significantly lower than expected at the time of budgeting. In 2007, Denmark received a total of three requests for contributions to NATO's budget amounting to approx. DKK 18.2 million. One of these requests was accommodated in 2007, which is why the total Danish contribution in 2007 amounted to approx. DKK 1.8 million. The other Danish assessed contributions to NATO concerning 2007 will be disbursed in 2008.

Ad Section 06.22.05 The European Investment Bank

	Finance Act (FL)	Suppl. Appropriation (TB)	Appropriation	Accounts	Deviation
Expenditure	4,3	-	4,3	4,1	0,2
Income	4,3		4,3	0,0	4,3

Payment is made to the European Investment Bank (EIB) of guarantees for non-rendered repayments on the part of the borrower of EIB loans for activities in ACP countries (developing countries in Africa, the Caribbean and the Pacific) and in regard to any repayments to Denmark by the EIB in which guarantees are provided that the borrower has repaid loans to the EIB.

At the beginning of the year, payments that are to be rendered on demand from the EIB cannot be precisely evaluated. The size of the payment depends on the observed shortfall in repayments on the part of the borrower. It is not possible either to prepare a precise budgeting of the scope of any repayments that the borrower would have needed to render. It is dependent on to what extent the borrowers had to pay off non-performing loans that are covered by guarantors. In the Finance and Appropriation Act for 2006, an estimated amount of DKK 4.3 million was therefore inserted both for payments and for repayments.

The amounts paid out in 2007 to the EIB on the bank's demand amounted to approx. DKK 4.1 million for the coverage of outstanding amounts on loan in Zimbabwe, the Ivory Coast and Senegal. The figure covers the outstanding amounts and is divided into 10 collection instalments from the EIB. In 2007, there were no repayments from the EIB, which explains the difference of approx. DKK 4.3 million from the estimated amount of DKK 4.3 million with respect to income.

Ad Section 06.41.02 Trade Commissioners

	Finance Act (FL)	Suppl. Appropriation (TB)	Appropriation	Accounts	Deviation
Expenditure	65,7	-	67,4	63,4	4,0
Income	1,419.4		19,4	22,8	-3,4

In regard to the Trade Commissioners appropriation, there was a total expenditure decrease of DKK 4 million in 2007. This is partly due to the continued fall in the exchange rate for USD, which has made it cheaper to run Trade Commissions in the USA. In addition, there was an expenditure decrease in the operations sphere at the respective Trade Commissions as well as a postponement in the establishment of new Trade Commissions. At the same time, there was an income increase of DKK 3.4 million in regard to the Trade Commissioners appropriation.

6.5 The MFA's Grant Schemes Section

06.3 Development Assistance to Developing Countries – Budget Framework 2⁴

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

Table 12 Grant accounts for the MFA's development assistance (DKK million) – Budget Framework 2

Section	2007			2008			Total disposable budget	
	Opening balance	Appropriations incl. suppl. approp.	Accounts	Profit/loss	Closing balance	Opening balance		
06.31.79 Reserves	0,0	100,0	0,0	100,0	100,0	0,0	100,0	100,0
06.32.01 Developing countries in Africa	7,1	2.304,0	2.208,8	95,2	102,3	7,3	3.131,4	3.138,7
06.32.02 Developing countries in Asia and Latin America	3,9	987,9	654,7	333,2	337,2	20,9	1.107,0	1.127,9
06.32.04 Personnel assistance	0,5	186,0	178,7	7,3	7,9	5,9	306,0	311,9
06.32.05 Business-to-Business Programme, etc	3,0	242,1	221,9	20,2	23,2	4,6	233,0	237,6
06.32.06 Mixed credits	0,4	350,0	349,7	0,3	0,7	0,7	350,0	350,7
06.32.07 Loan assistance	0,1	670,9	671,0	-0,1	0,0	0,0	450,6	450,6
06.32.08 Other bilateral assistance	0,9	441,6	431,6	10,0	10,9	3,6	428,0	431,6
06.32.10 Transitional assistance to the Western Balkans	2,7	0,0	3,1	5,8	5,8	0,0	0,0	0,0
06.33.01 Assistance through private organisations (NGOs)	9,1	978,9	912,8	66,1	75,3	56,4	983,0	1.039,4
06.34.01 Special environmental assistance in developing countries	7,9	480,5	455,1	25,4	33,3	33,3	403,3	436,6
06.35.01 Research and information activities in Denmark	-0,2	225,5	201,1	24,4	24,3	19,1	300,9	320,0
Bilateral assistance, total	35,5	6.967,4	6.288,3	688,0	720,8	151,8	7.793,2	7.945,2
06.35.02 International development research	0,0	51,0	49,3	1,7	1,7	0,2	50,0	50,2
06.36.01 The UN Development Programme (UNDP)	6,6	407,1	413,6	-6,5	0,1	0,1	401,0	401,1
06.36.02 The UN Children's Fund (UNICEF)	0,0	212,1	212,1	0,0	0,0	0,0	207,2	207,2
06.36.03 HIV/AIDS, Population and Health Programmes	0,0	770,0	769,1	0,9	0,9	0,3	580,0	580,3
06.36.04 UN Agricultural, Food and Nutrition Programmes	0,0	180,0	180,0	0,0	0,0	0,0	180,0	180,0
06.36.05 Global Environmental Programmes	0,0	167,3	100,0	67,3	67,3	67,3	0,0	67,3
06.36.06 UN, other assistance programmes	35,2	313,2	335,4	-22,2	13,0	13,0	407,3	420,3
06.37.01 The World Bank Group	0,1	463,6	463,2	0,4	0,6	0,1	824,7	824,8
06.37.02 Regional development banks	0,0	0,0	0,0	0,0	0,0	0,0	20,0	20,0
06.37.03 Regional development funds and other funds	0,0	494,5	490,1	4,4	4,4	4,4	302,4	306,8
06.37.04 Assistance through the European Union (EU)	0,0	454,9	454,8	0,1	0,1	0,1	507,4	507,5
06.38.01 Multilateral regional and transitional assistance	0,2	19,9	19,8	0,1	0,3	0,1	0,0	0,1
06.38.02 Stability and security oriented efforts	0,0	99,0	98,6	0,4	0,4	0,1	0,0	0,1
06.38.03 Various multilateral contributions	5,0	167,5	166,4	1,1	6,2	5,1	0,0	5,1
06.39.01 Contributions to humanitarian organisations under the UN system	0,0	320,1	319,6	0,5	0,4	0,1	330,0	330,1
06.39.02 Extraordinary humanitarian contributions and International Humanitarian Service	22,5	821,4	793,4	28,0	50,5	21,6	824,0	845,6
Multilateral assistance, total	69,3	4.941,6	4.865,4	76,2	146,0	112,4	4.634,0	4.764,4
Development assistance, total	105,2	11.909,0	11.153,8	764,1	866,8	264,2	12.427,2	12.691,4

4) Accounting principle explanations are provided for deviations of +/- 2% or amounts greater than DKK 10 million. For 6 main accounts – Section 06.31.01, Section 06.32.02, Section 06.32.05, Section 06.32.08, Section 06.35.02 and Section 06.39.02 – the deviations are primarily due to returned financial commitments from before 2006, which according to an agreement with the Ministry of Finance cannot be reused. The returned commitments therefore results in an expenditure decrease, which is written off in the appropriation settlement. The accounts in question will therefore not be explained in any further detail.

Ad Section 06.32.04 Personnel assistance

Approp. - Finance Act	Suppl. approp. 2006	Approp. total	Accounts	Deviation	
269,2	-83,2	186,0	178,7	7,3	3,9%

The total expenditure decrease in the main account was DKK 7.3 million. Of this amount, approximately DKK 1.6 million comprised returned non-reusable financial commitments from before 01.01.2006. The remaining deviation was due to the fact that in the area of bilateral junior advisers and advisory units, there was an expenditure decrease, partly resulting from unforeseen vacancies and partly from shorter employment periods than expected. In total, DKK 5.9 million is carried forward to 2008.

Ad Section 06.33.01 Assistance through private organisations (NGOs)

Approp. - Finance Act	Suppl. approp. 2006	Approp. total	Accounts	Deviation	
932,5	46,4	978,9	912,8	66,1	6,8%

In 2007, financial commitments were granted for DKK 66.1 million less than the total appropriation. Of this amount, DKK 18.9 million stemmed from non-reusable financial commitments. The remainder of the expenditure decrease was due to the fact that the envisaged transfer of 10 per cent of the 2008 contribution to the NGO framework organisations in 2007, which was specified in the Supplementary Appropriation Act, was not implemented. A total of DKK 56.4 million is carried forward to 2008.

Ad Section 06.34.01 Special environmental assistance to developing countries

Approp. - Finance Act	Suppl. approp. 2006	Approp. total	Accounts	Deviation	
480,5	0,0	480,5	455,1	25,4	5,3%

In 2007, financial commitments were granted for DKK 25.2 million less than the total appropriation. The expenditure decrease was due primarily to the fact that as a result of the general election it was not possible in 2007 to secure approval for the expected activities in sub-account 06.34.01.20 Bilateral environmental activities. A total of DKK 33.3 million is carried forward to 2008.

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

Approp. - Finance Act	Suppl. approp. 2006	Approp. total	Accounts	Deviation	
240,7	-15,2	225,5	201,1	24,4	10,8%

In 2007, financial commitments were granted for DKK 24.4 million less than the total appropriation of DKK 225.5 million. Around DKK 1.1 million of the total expenditure decrease comprised returned non-reusable financial commitments. The remainder of the expenditure decrease relates predominantly to sub-account 06.35.01.10 Projects in Denmark, in which the deviation is due to the fact that the general election made it impossible for the expenditure decrease to be implemented in other areas via legislative act. A total of DKK 19.1 million is carried forward to 2008.

Ad Section 06.36.05 Global environmental programmes

Approp. - Finance Act	Suppl. approp. 2006	Approp. total	Accounts	Deviation	
181,0	-13,7	167,3	100,0	67,3	40,2%

The reason for the expenditure decrease in sub-account 06.36.05.12 Other environmental contributions is a wish to gather a greater proportion of financial commitments into thematic appropriations, whereby a number of the commitments have been postponed from 2007-08. Furthermore, a number of the commitments were postponed due to the general election. A total of DKK 67.3 million is carried forward to 2008.

Ad Section 06.36.06 UN, other assistance programmes

Approp. - Finance Act	Suppl. approp. 2006	Approp. total	Accounts	Deviation	
226,8	86,4	313,2	335,4	-22,2	-7,1%

Financial commitments were granted for DKK 22.2 million more than the total appropriation of DKK 313.2 million. This is primarily due to a carry-forward balance from 2006 in sub-account 21 UN peacekeeping operations, which arose as a result of a lower USD exchange rate than predicted at the time of budgeting. A total of DKK 13 million is carried forward to 2008.

The accumulated profit/loss for accounts with a carry-forward facility under development assistance is specified below in Table 13.

Table 13 Accumulated profit/loss for accounts with surplus transfer access under Section 06.3
Development assistance to developing countries (DKK million)

Main account	End 2004	End 2005	End 2006	Result 2007	Akkumu- lated surplus, End 2007	Carry- forward balance
06.32.01 Developing countries in Africa	-6.6	-17.3	7.1	95.2	102.3	7.3
06.32.02 Developing countries in Asia and Latin America	-1.4	-3.6	3.9	333.2	337.2	20.9
06.32.04 Personnel assistance	0.4	4.6	0.5	7.3	7.9	5.9
06.32.05 Private Sector Programme, etc	-1.9	2.2	3.0	20.2	23.2	4.6
06.32.06 Mixed credits	-0.1	-0.9	0.4	0.3	0.7	0.7
06.32.07 Loan assistance						
06.32.08 Bilateral assistance to regional areas and regions of origin	-1.4	-0.3	0.1	-0.1	0.0	0.0
	75.0	3.7	0.9	10.0	10.9	3.6
06.32.10 Transitional assistance to the Western Balkans	0.0	0.0	2.7	5.8	5.8	0.0
06.33.01 Assistance through private organisations (NGOs)	0.2	-1.6	9.1	66.1	75.3	56.4
06.34.01 Special environmental assistance	150.7	30.8	7.9	25.4	33.3	33.3
06.35.01 Research and information activities in Denmark	13.8	4.8	-0.2	24.4	24.3	19.1
06.35.02 International development research	0.0	0.1	0	1.7	1.7	0.2
06.36.01 The UN Development Programme (UNDP)	0.1	-1.7	6.6	-6.5	0.1	0.1
06.36.02 The UN children's Fund (UNICEF)	0.4	-0.5	0	0	0.0	0.0
06.36.03 HIV/AIDS, Population and Health Programmes	0.0	0.0	0	0.9	0.9	0.3
06.36.04 UN Agricultural, Food and Nutrition Programmes	0.0	-0.2	0	0.0	0.0	0.0
06.36.05 Global Environmental Programmes	0.0	0.2	0	67.3	67.3	67.3
06.36.06 UN, other assistance programmes	0.5	-1.2	35.2	-22.2	13.0	13.0
06.37.01 The World Bank Group	0.1	-1.0	0.1	0.4	0.6	0.1
06.37.02 Regional development banks	0.9	7.8	0	0.0	0.0	0.0
06.37.03 Regional development funds and other funds	0.0	-0.1	0	4.4	4.4	4.4
06.37.04 Assistance through the European Union (EU)	0.0	1.7	0	0.1	0.1	0.1
06.38.01 Multilateral regional and reconstruction assistance	0.9	-6.6	0.2	0.1	0.3	0.1
06.38.02 Stability and security oriented efforts	0.0	-0.1	0	0.4	0.4	0.1
06.38.03 Various multilateral contributions	-0.7	5.4	5.0	1.1	6.2	5.1
06.39.01 Contributions to humanitarian organisations under the UN system	0.4	0.0	0	0.5	0.5	0.1
06.39.02 Extraordinary humanitarian contributions and International Humanitarian Service	19.1	-0.3	22.5	28.0	50.5	21.6

A list of outstanding financial commitments under the MFA's grant accounts with reserved appropriations is presented in Table 14 on the following page.

Table 14 Outstanding financial commitments

		Opening balance 01.01.2007 ⁵	Annual commitments ⁶	Annual disbursement ⁷	Closing balance 31.12.2007 ⁸
Account 06	Financial commitments, total	-20,969,487,031	-9,760,993,190	10,679,308,562	-20,051,171,659
06.11.19	Bilateral Neighbourhood Programme	-226,509,391	-247,621,610	161,081,914	-313,049,088
06.11.27	Climate projects in developing countries	-272,232,846	-82,224,135	11,194,613	-343,262,368
06.32.01	Developing countries in Africa	-8,796,782,733	-2,161,751,914	2,619,269,264	-8,339,265,383
06.32.02	Developing countries in Asia	-6,017,821,234	-649,114,598	1,335,059,889	-5,331,875,943
06.32.04	Personnel assistance	-31,652,404	-319,111,537	188,515,283	-162,248,658
06.32.05	Private Sector Programme	-422,066,031	-221,983,700	212,964,545	-431,085,187
06.32.08	Bilateral assistance to regional areas and regions of origin	-794,261,212	-427,038,224	517,480,377	-703,819,059
06.32.10	Transitional assistance to the Western Balkans	-3,169,623	3,100,465	-703,830	-772,988
06.33.01	Assistance through private organisations (NGOs)	-629,594,437	-912,757,145	935,476,511	-606,875,071
06.34.01	Special environmental assistance to developing countries	-1,650,843,622	-454,520,764	374,250,091	-1,731,114,295
06.35.01	Research and information activities in Denmark	-311,528,545	-201,907,278	205,936,541	-307,499,283
06.3 5.02	International development research	-9,341,705	-49,302,410	34,300,018	-24,344,098
06.36.01	The UN Development Programme (UNDP)	-29,061,926	-413,600,000	440,042,686	-2,619,240
06.36.02	The UN Children's Fund (UNICEF)	-50,887	-212,100,000	209,085,726	-3,065,161
06.36.03	HIV/AIDS. Population and Health Programmes	-65,331,609	-769,090,550	559,430,361	-274,991,799
06.36.04	UN Agricultural, Food and Nutrition Programmes	0	-180,000,000	179,265,829	-734,171
06.36.05	Global Environmental Programmes	-490,222,022	-100,049,147	251,738,057	-338,533,113
06.36.06	UN, other assistance programmes	-55,993,252	-131,022,231	130,620,721	-56,394,762
06.37.01	The World Bank Group	-26,399,210	-461,452,747	450,333,602	-37,518,354
06.37.02	Regional development banks	-207,667,419	0	68,762,309	-138,905,110
06.37.03	Regional development funds and other funds	0	-328,719,320	328,119,320	-600,000
06.38.01	Multilateral regional and reconstruction assistance	-364,615,696	-17,832,147	94,902,280	-287,545,564
06.38.02	Stability and security oriented efforts	-39,996,408	-98,598,195	56,718,053	-81,876,551
06.38.03	Various multilateral contributions	-46,278,095	-166,363,331	145,111,914	-67,529,512
06.39.01	Contributions to humanitarian organisations under the UN ⁹ system	-433,254	-319,627,103	320,038,781	-21,576
06.39.02	Extraordinary humanitarian contributions and International Humanitarian Service	-379,202,203	-793,125,325	807,596,983	-364,730,545
06.41.03	Trade Council of Denmark, special export promotion grants	-54,908,929	-45,180,245	42,684,220	-57,404,954
	Remaining provisions concerning closed main accounts under development assistance ⁵	-43,522,336	0	32,507	-43,489,829

5) The opening balance as of 01.01.2007 is calculated as the closing balance as of 31.12.2006 with respect to outstanding financial commitments per main account in UM-Finans, account group 77.

6) The annual financial commitments are calculated as the year's movements from 01.01.2007 in account 779501 in UM-Finans, provision commitments incl. any corrections. The year's commitments are thus an expression of the year's total movements in the provisions account, which can result in deviations in relation to the accounting figures presented in Tables 12 and 13.

7) The annual disbursement is calculated as the year's movements from 01.01.2007 to 31.12.2007 in account 779592 in UM-Finans, disbursements concerning commitments, incl. any commitments.

8) The closing balance as of 31.12.2007 is calculated as the sum of the three other columns.

9) In connection with the transition to commitment-based management in 2006, a first correction was conducted for all main accounts under development assistance. Certain of these main accounts have later been closed or reorganised. The MFA will review these provisions and make the necessary entries, etc.

6.6 Presented Investments

Table 15 Completed projects (DKK million)

Completed projects	Commencement of construction	Expected completion at time of construction commencement	Actual completion period	Total expenditure originally budgeted	Total expenditure	Appropriation received
Embassy building Lusaka	3 rd quarter 2005	4 th quarter 2006	2 nd quarter 2007	8.5	9.1	Act 179, 2005
Washington	3 rd quarter 2005	4 th quarter 2006	2 nd quarter 2007	19.0	19.5	Act 180, 2005

Table 16. Capital projects in progress (DKK million)

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

6.7 Key Figures

Presented below are a number of key figures concerning the MFA's economy for the period 2006-07. No key figures have been calculated for 2005, as the MFA did not switch over to cost-based accounting in 2006.

Table 17 MFA Key Figures

Key figures	2006	2007
Negative fluctuation		-0,60
Accumulated profit margin	-5,61%	-2,68%
Rate of utilisation of borrowing limit		90,8%
Profit margin	-3,6%	-3,3%
Appropriation proportion	91,2%	90,3%
Extraordinary items, income	0,7%	0,6%
Extraordinary items, expenditure	0,9%	0,0%
Loss on receivables		0,2%
Equity investment	7,7%	9,6%
Rate of depreciation	13,8%	17,2%
Consolidation ratio	139,5%	117,7%
Average full-time equivalent cost (DKK thousands)	447.530	447.277
Solvency ratio	1,3%	1,1%
Reserve flow	100,0%	100,0%
Reserve proportion	1,2%	1,7%
Accumulated reserve proportion	1,2%	1,7%

6.8 The MFA'S strategic priorities and overarching goals in 2008

The overarching goals for 2008 are based on the MFA's four main functions (general foreign and security policy; development assistance; export and investment promotion; and consular services) as well as cross-cutting tasks – and not, as was previously the case, the eight vision points. The reason is that a division according to main function will enable better linkage with resource allocation and time-logging. As many of the action plan's overarching goals will need to be achieved through multi-faceted efforts across the four main functions, it makes no sense, however, to establish a rigid division according to main function.

Strategic Priorities 2007-09	Overarching Goals 2007
<p>1: An active international effort to fight terrorism and curb the proliferation of weapons of mass destruction.</p>	<p>A. Contribute to strengthening global cooperation against terrorism and proliferation of weapons of mass destruction, including the implementation of assistance-related efforts in this area and efforts relating to the protection of the individual's legal rights, and to enhancing the MFA's efforts to protect Danish interests.</p>
<p>2: An effective and integrated effort to safeguard and promote Danish interests in the EU, with special focus on finding a solution concerning the EU Constitutional Treaty.</p>	<p>A. Contribute to finding a solution in the process concerning the EU's treaty framework in accordance with Danish priorities in EU policy.</p> <p>B. Support the Government's globalisation efforts by helping to ensure a forward-looking agenda for EU cooperation is adopted that focuses on the "Achieving Europe" strategy and globalisation's challenges, including via the Lisbon Process and the mid-term review of the budget.</p>
<p>3: Establishment of partnerships, nationally and internationally, in order to safeguard and promote Danish interests in the best possible way, and in this way act as adviser, coordinator and strategic sparring partner on international issues</p>	<p>A. Satisfaction in the Central Administration with the MFA's assistance and advisory services, including EU coordination..</p> <p>B. Contribute to ensuring satisfaction among parties to the Unity of the Realm with the cooperation.</p> <p>C. Strengthen partnerships and alliances, especially with the USA – including the EU/USA relationship – central European partners as well as through an actively innovative and agenda-setting involvement in resolving global issues, including in multilateral organisations.</p> <p>D. Through the implementation of the Government's 2007 strategies for Africa, Asia and Latin America, contribute to strengthening Denmark's cooperation with – and role in – these regions.</p> <p>E. Advancement of Danes at all levels in international organisations.</p>
<p>4: Active efforts to ensure strengthening of global efforts to combat climate change.</p> <p>(New priority for 2008-2009)</p>	<p>A. Through active diplomatic efforts at all levels work to to secure a new, ambitious and global climate change agreement at COP15 in Copenhagen in 2009.</p> <p>B. Strengthen environmental partnerships with developing countries and newly industrialised countries in order to promote a sustainable and more efficient use of energy resources, i.a. through environmental sector programmes and cooperation regarding environmental and energy technology through the development aid-related business support instruments.</p> <p>C. Strengthened promotion of Danish environmental and energy technology, including focus on the market opportunities created as a result of being chosen to host COP15.</p>
<p>5: Active involvement in conflict resolution, stabilisation, rehabilitation, humanitarian and reconstruction efforts in crisis-hit areas.</p>	<p>A. Ensure continued active Danish participation in conflict prevention, conflict management and reconstruction efforts, with particular focus on Iraq, Afghanistan, Sudan and Kosovo, and at the same time ensure coherence between security and development as well as between civilian and military operations (coordination) – where the nature of the Danish military operations so permits.</p> <p>D. Make a Danish contribution to the broad transformation of NATO, which will be an issue up to and also after the summit in 2008.</p>

Strategic Priorities 2007-09

Overarching Goals 2007

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>6: Strengthened international rule of law as well as promotion of open, democratic, law-governed societies based on respect for human rights, good governance and stable political and economic development</p> | <p>A. Promote democracy and human rights, for example through ensuring the establishment of an effective Human Rights Council, and promote strengthened dialogue and development cooperation with the Arab world – e.g. through the Wider Middle East Initiative -and the EU’s eastern neighbours.</p> <p>B. Strengthen focus on, and collecting knowledge about political Islam and building a preparedness to respond to its growth.</p> <p>C. Contribute to creating effective, transparent and responsible/ accountable public administration as well as fostering anti-corruption in Danish programme countries</p> <p>D. Strengthen selected aspects of the international rule of law through Danish initiatives, including in regard to detainees in international military operations, the international legal framework for counter-terrorism, and the fight against impunity for serious international crimes.</p> |
| <p>7: Targeted poverty reduction and achievement of the other Millennium Development Goals, with special focus on Africa, through the delivery of effective and focused development assistance within the framework of 0.8% of GNI.</p> | <p>A. Focus and improve the effectiveness of development assistance by, for example, pressing for a more rational division of labour and a role for Denmark as lead donor in 1-2 sectors in programme countries.</p> <p>B. Place Africa at the centre of focus by maintaining and supporting the continent’s responsibility of ownership for own development, including translating the new Danish Africa Policy into concrete initiatives.</p> <p>C. Target the development interventions at the cross-cutting issues and priority themes, in particular:
– women’s rights and status
– HIV/AIDS
– international migration.</p> |
| <p>8: Attainment of the best possible international framework conditions, i.a. through the pursuance of a proactive trade policy.</p> | <p>A. Promote global and regional free trade, i.a. through securing a positive outcome of the Doha Round and through securing supplementary regional and bilateral trade agreements, with better market access conditions, especially for Danish enterprises, and transition arrangements for the poorest developing countries.</p> <p>B. Serve Danish companies in the best possible way by providing technical export and customs information, eliminating specific trade barriers, providing targeted political advice, and maintaining an effective emergency preparedness capacity.</p> |
| <p>9: Active utilisation of globalisation’s opportunities by increasing the internationalisation of the Danish business community, in particular small and medium-sized enterprises, by strengthening commercial innovation, and by increasing the attraction of foreign investments to Denmark.</p> | <p>A. Contribute to increasing the exports and competitiveness of Danish companies through internationalisation and by promoting access to foreign knowledge, networks, technology, capital and other foreign sources with the aim of building up the innovative capacity of enterprises.</p> <p>B. Advise small and medium-sized enterprises (SME’s) on concrete internationalisation activities – especially over a longer term – including helping SME’s get ready for export activities.</p> <p>C. Assist in attracting investments to Denmark, especially within selected knowledge-intensive sectors.</p> |
| <p>10: Effective support to Danes in distress abroad; a strengthened crisis response capability for assisting Danes abroad in the wake of major natural disasters, terrorist attacks, accidents, political and military crises, etc.; strengthened European and Nordic cooperation regarding such assistance; and strengthened EU and Nordic visa cooperation which meets the challenges of globalisation.</p> | <p>A. Deliver effective assistance to Danes in distress abroad (in cases of illness, accident, imprisonment, abduction, etc.).</p> <p>B. Strengthen the crisis response capability of the Missions, including through crisis response exercises.</p> <p>C. Establish the Visa Information System (VIS) in accordance with the plans and priorities of the EU and the Ministry of Refugee, Immigration and Integration Affairs.</p> <p>D. Streamline the Missions’ visa processing procedure, including through examining opportunities for outsourcing parts of the procedure.</p> |

Strategic Priorities 2007-09

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

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

Overarching Goals 2007

- A.** Strengthen public diplomacy efforts with focus on the central themes for implementing the strategy, Proactive Global Promotion of Denmark:
- The Environment, Energy and the Climate, also in relation to COP15
 - The Danish Societal Model
 - Denmark's Global Responsibility and Commitment
 - Creative Denmark
- B.** Strengthen communication efforts targeted at the general public in Denmark and in other countries
-
- A.** Ensure continued effective and broad follow-up on the Globalisation Analysis' HR section by creating opportunities for mobility and flexibility for both staff and their families, by implementing an ongoing and coherent competence development programme for all staff members and by implementing a stress policy – based on an integrated and long-term approach.
- B.** Ensure efficient management of both financial and human resources.
- C.** Maintain high operational stability and security, with an effective widespread adoption and use of new IT systems that support digital and mobile working methods globally, including further use of video-conferencing..
- D.** Adapt the security of the Missions.

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

Beretning til Folketinget om udviklingen i EU i 2007
Report to the Folketing (Danish Parliament) on developments in the EU in 2007 (www.um.dk) – early May 2008.

Skriftlig redegørelse til Folketinget om Europarådets virksomhed og Danmarks deltagelse heri (...)
Report to the Folketing on the activities of the Council of Europe and Denmark's participation (www.um.dk) – April 2008.

Danmark Globalt – Danmarks Eksportråd 2007/2009 – årsberetning
Denmark Globally – Trade Council of Denmark 2007/2009 – Annual Report (www.um.dk/da/menu/Eksportraadgivning/OmDanmarksEksportraad/BestyrelseOgUdvalg/Aarsberetning/?WBCMODE=PresentationUnpublished)

Orientering om WTO 2007
Briefing on the WTO 2007 (www.um.dk)

Årsberetning for Investeringsfonden for Østlande 2007
The Investment Fund for Central and Eastern Europe – Annual Report 2007 (www.ioe.dk) – April 2008.

Danidas årsberetning 2008
Danida Annual Report 2006 (www.um.dk/da/menu/Udviklingspolitik/OmUdviklingspolitik/FaktaOgTal/DanidasAarsberetninger/) – June 2008.

Årsrapport for Center for Kultursamarbejde med Udviklingslandene 2007
The Centre for Cultural Cooperation with Developing Countries 2007 (www.cku.dk) – May 2008.

DBL – Institute for Health Research and Development – Annual Report 2007
April 2008.

Årsberetning for Danida Fellowship Center 2007
The Danish Fellowship Centre – Annual Report 2007 (www.dfcentre.com) – April/May 2008.

Årsberetning for Industrialiseringsfonden for Udviklingslandene 2007
The Industrialisation Fund for Developing Countries – Annual Report 2007 (www.ifu.dk) – April 2008.

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

Rehabiliterings- og Forskningscentret for Torturofre (RCT)
The Rehabilitation and Research Centre for Torture Victims (RCT) (www.rct.dk) – May 2008.

Danish Seed Health Center
(www.kvl.dk) – April/May 2008.

Mellemfolkeligt Samvirke, Årsberetning 2007
MS-Danish Association for International Cooperation – Annual Report 2007 (www.ms.dk)

Oversigt over traktatkrænkelssagerne for 2007
(Treaty Violation Cases – 2007)
(www.ft.dk) – April 2008.

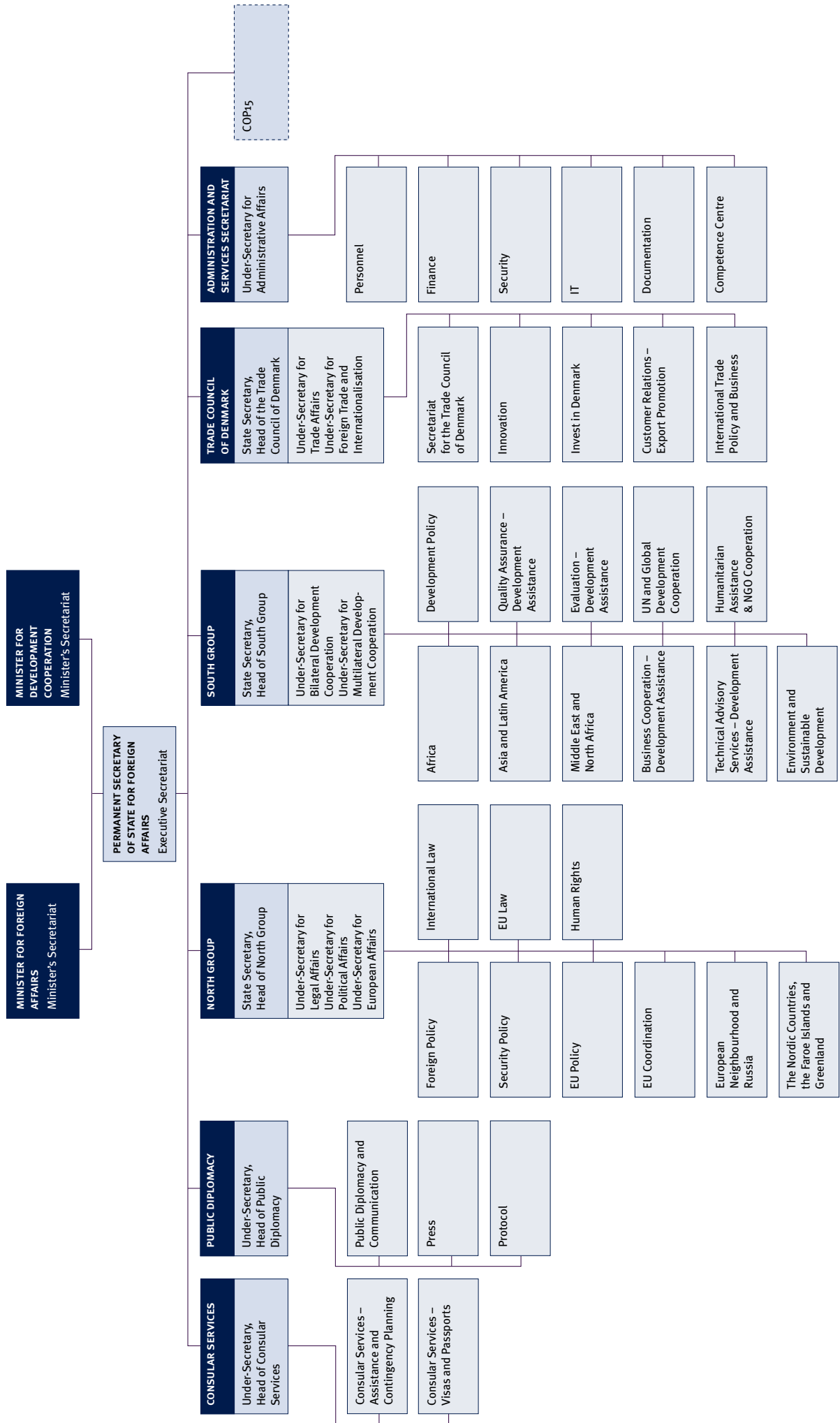
Udførsel af våben og produkter med dobbelt anvendelse fra Danmark i 2007
Export of Arms and Products with Dual Purpose from Denmark in 2007 (www.um.dk) – April/Maj 2008.

Skriftlig redegørelse til Folketinget om Organisationen for Sikkerhed og Samarbejde i Europa (OSCE)
Report to the Folketing on the Organisation for Security and Cooperation in Europe (OSCE) (www.um.dk)

Årsberetning 2006 DCISM, herunder DIIS og IMR
Annual Report 2006 – Danish Centre for International Studies and Human Rights (DCISM) – incl. Danish Institute for International Studies (DIIS) and Danish Institute for Human Rights (DIHR) (www.dcism.dk, www.diis.dk og www.humanrights.dk) – April 2008.

THE MINISTRY OF FOREIGN AFFAIRS IN COPENHAGEN

April 2008





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

The underlying conditions governing Denmark's interaction with other countries are constantly changing. The MFA's globalisation analysis, "Den grænseløse verden – Udenrigsministeriet og globalisering"¹, which was adopted in October 2006, illustrates this with the utmost clarity.

The MFA must constantly be adapted so as to enable Denmark to exploit the opportunities in foreign, trade and development policy optimally and to tackle the challenges in a timely fashion. In 2007, the MFA took a number of significant steps that were specifically designed to ensure that Denmark is well prepared for globalisation and is well represented in the new hotspots of the world.

In the follow-up to the globalisation analysis, Denmark has strengthened its presence in Africa, Asia, Australia and Latin America. In 2007, therefore, new Embassies were opened in Amman, Beirut, Buenos Aires, Canberra and Rabat, whilst the Embassies in Beijing and New Delhi were strengthened. Lastly, a permanent Embassy was established in Addis Ababa and an Innovation Centre was set up in Shanghai.

In 2007, the MFA also established two new departments, Consular Services and Public Diplomacy, the aim being to enhance efforts to assist Danes abroad and to promote Denmark's "brand" throughout the world. In autumn 2007, as part of such efforts, a 24/7 Operations Centre was established in Copenhagen whose task is to provide assistance to Danes who have found themselves in emergency situations whilst abroad.

In 2007, as an innovation, the MFA formulated regional strategies for Denmark's cooperation with Africa, Asia and Latin America. The strategies integrate all the MFA's instruments in the three regions – political cooperation, trade and investment promotion, and development assistance. The strategies will now be implemented in close collaboration with the rest of the Central Administration and the many other relevant actors, not least the Danish business community.

In 2007, political agreement was reached regarding an action plan for the global marketing of Denmark. This plan also involves the MFA, partly due to the focus on investment and export promotion activities.

During the course of the year, Denmark was appointed as host for the UN Climate Change Conference in 2009, and the MFA initiated close cooperation with other Danish authorities and private organisations with the aim of ensuring that this highly important event runs as smoothly and efficiently as possible.

The many new and diverse activities provide a good impression of how the MFA is a dynamic organisation that is constantly changing in order to meet the surrounding world's rising challenges and changing conditions in the most optimal way. In 2007, the MFA established a Competence Centre with the precise aim of strengthening the targeted efforts to ensure that the MFA's staff are optimally equipped to tackle the many diverse challenges within language, intercultural awareness, emergency preparedness and much more that globalisation brings in its wake.

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

MINISTRY OF FOREIGN AFFAIRS OF DENMARK

Asiatisk Plads 2
DK-1448 Copenhagen K
Denmark

Phone: +45 33 92 00 00

Fax: +45 32 54 05 33

E-mail: um@um.dk

Internet: www.um.dk

ISBN 978-87-7667-959-0