DENMARK’S PARTICIPATION IN INTERNATIONAL DEVELOPMENT COOPERATION 2010
BREAKDOWN OF DEVELOPMENT ASSISTANCE FOR 2010, USD.*

TOTAL ASSISTANCE: USD 2,868.97 MILLION

BILATERAL ASSISTANCE 71% – USD 2,030.1 MILLION

MULTILATERAL ASSISTANCE 29% – USD 838.87 MILLION

AFRICA 29% USD 820.4 MILLION

ASIA 16% USD 463.0 MILLION

LATIN AMERICA 4% USD 122.3 MILLION

EUROPE 1% USD 22.9 MILLION

REGIONAL DEVELOPMENT BANKS 2% USD 48.2 MILLION

THE WORLD BANK GROUP 5% USD 130.4 MILLION

EU 9% USD 252.2 MILLION

UN 10% USD 284.3 MILLION

OTHER MULTILATERAL ASSISTANCE 4% USD 112.2 MILLION

BILATERAL DEBT RELIEF 11% USD 324.1 MILLION

NOT INCLUDED UNDER SECTIONS 06.3 AND 06.11.19 11% USD 324.1 MILLION

EUROPEAN UNION 1% USD 22.9 MILLION

LATIN AMERICA 4% USD 122.3 MILLION

ASIA 16% USD 463.0 MILLION

BILATERAL DEBT RELIEF 2% USD 45.7 MILLION

NON-COUNTRY DISTRIBUTED BILATERAL ASSISTANCE 8% USD 231.8 MILLION

Note: The percentage states the share of total development assistance.

* The development assistance krone has been calculated on the basis of the disbursements reported for 2010 to the OECD/DAC as Denmark's Official Development Assistance (ODA). In 2010 bilateral assistance also includes disbursements to multilateral regional and reconstruction assistance, Section 06.38.01, and stability and security efforts, Section, 06.38.02.
“Freedom from Poverty – Freedom to Change”. This is the title of Denmark’s new strategy for development cooperation published in May 2010. The strategy, which is the first of its kind for a decade, rethinks and further develops Danish development policy. Why? Because the world is constantly changing and because we are constantly finding out what works and what does not. But most importantly because we need a clear value-based starting point for our encounter with the world around us. The strategy defends and pursues human freedom as the focal point of Danish development policy. The concept of freedom and the unique assertion that all people are born free and equal with inalienable rights is, in my view, at the heart of what we can and want to achieve through the assistance. Danish development policy must fight poverty. Poverty manifests itself when the individual human being does not have the ability or the opportunity to influence their own destiny. Development assistance must help the individual human being take their destiny into their own hands. Away from global welfare support towards a framework for free human expression and growth. The assistance must support democratic development and the building of rule of law that protects civil rights. The assistance must support the development of production and innovation that creates jobs and private sectored growth. The assistance must also secure equal opportunities for girls and women to participate in education and training and community life in general. And the assistance must contribute to tackling problems such as conflict and instability, environmental and climate challenges.

The new strategy cements development policy as an integral part of Denmark’s overall global engagement. One of the most important lessons we have learned in fragile states such as Afghanistan is that foreign policy, security policy, development policy and humanitarian instruments need to be integrated in order to make a difference. The efforts of Danish troops and the assistance provided towards improving livelihoods in Afghanistan’s rural areas go hand in hand. Neither kind of effort can be successful without the other.

As the annual report will show, Danish development assistance is top class both in terms of value for money and quality. And this is more than just words. In 2010, Denmark awarded USD 2.8 billion in official development assistance, corresponding to 0.9 per cent of gross national income – or GNI, making us one of only five countries in the world that live up to the UN goal of awarding 0.7 per cent of GNI in official development assistance. At the same time, international studies, and most recently the OECD Development Assistance Committee (DAC), highlight the exceptionally high quality of our development initiatives and activities. In 2010 we used this acknowledgement as a springboard for translating the new strategy into action.

We have cut down on focus areas and concentrated the assistance on fewer developing countries, with the aim of promoting greater impact and better results in the countries where we operate as well as creating room for new initiatives. I have launched a new Freedom Fund, which is designed to fight radicalisation and promote freedom and the inviolability of the human being. A new international research programme is to conduct research into what works in development assistance. How do we move a whole society forward towards growth and development? The efforts made to implement the Africa Commission’s recommendations to create new jobs have been launched in earnest. This means, among other things, that small and medium-sized enterprises in Africa gain easier access to essential loans and that young entrepreneurs in Kenya, Uganda and Tanzania receive assistance to turn their ideas into reality.

On the international stage, Denmark together with Senegal led the negotiations leading up to the UN summit in New York in September 2010 on the Millennium Development Goals. The summit ended with clear backing for the eight development goals, but also pointed to the need to accelerate efforts in order to enable achievement of the goals by 2015. The annual report 2010 shows that Denmark does what it can.

Minister for Development Cooperation
Søren Pind
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With a few exceptions all amounts in Danish Kroner have been converted into US Dollars at the rate prescribed by DAC: USD1=DKK 5.6218. Due to exchange rate fluctuations and the fact that most commitments are made in DKK, the dollar amounts in the report may differ from the amounts actually transferred. Where amounts refer to former years the DAC rate for that year has been used.
In 2010 Denmark got a new strategy for development cooperation which focuses the effort on five priority areas. This marks a new orientation for the development policy towards more focus on reducing poverty by fostering freedom and growth.
1. THE NEW STRATEGY FOR DENMARK’S DEVELOPMENT COOPERATION

New strategy for Denmark’s development cooperation
“Freedom from Poverty, Freedom to Change”. This is the title of Denmark’s new strategy for development cooperation from May 2010. The strategy, which is the first of its kind in a decade, rethinks and refines Danish development policy. Page 8

Results and quality are paramount
In 2010 Denmark received top marks in external evaluations of development assistance and continued the work of becoming even better at documenting the results of the development cooperation effort. Page 12

Stronger engagement in fewer countries
Results and impact require stronger engagement in fewer countries. Page 10

The results of Danish development assistance need to be made known
In 2010 Danida stepped up the process of communicating the results of development cooperation with, for example, The Best News in the World. Page 14

Increased willingness to take risks in Danish development cooperation
In 2010 Denmark began the work of developing tools for managing the risks associated with development cooperation in a better and more systematic way. Page 11

Commentary: Does development cooperation contribute to growth and development?
Finn Tarp, Professor of Economics and Director of UNU-WIDER in Helsinki, on the results of development assistance. Page 15
NEW STRATEGY FOR DENMARK’S DEVELOPMENT COOPERATION

In 2010 Denmark got a new strategy for development cooperation. The strategy marks a new orientation for the development policy towards more focus on reducing poverty by fostering freedom and growth.

The strategy “Freedom from Poverty – Freedom to Change” was presented in the Folketing (Danish Parliament) on Friday, 28 May 2010. This marked the conclusion of almost a year of public debate, dialogue and contributions to hearings from organisations and people in the private sphere. A number of these contributions are reflected in the strategy, which charts the course for Denmark’s development cooperation for the coming years.

At the heart of the new strategy is the work of fostering freedom, democracy and human rights. As the title indicates, the effort must ensure both freedom from poverty and freedom to change. Freedom from poverty, fear and degradation; from powerlessness and abuse. Freedom to take charge of one’s own destiny and responsibility for one’s own life. Freedom to make full use of one’s resources – in one’s own best interests as well as in the best interests of the community.

Development is to create change for the better. Change must come from within, and each society bears the responsibility for its own development. However, in the poorest and most fragile countries of the world the challenges are so big that some countries cannot tackle them alone – even when they have the will to shoulder the responsibility. The capacity of the society and the citizens is often weak, and the framework conditions – trade barriers, climate change, the international economic crisis and financial fluctuations – place

Denmark’s new development policy strategy focuses on, among other things, development cooperation with Africa. Here, the Minister for Development Cooperation is visiting Zimbabwe in February 2010. Photo: Danida
limits on the opportunities for change. In such instances Denmark can and will support these countries in meeting the challenges. We will cooperate with partners who can and will create change.

The development policy is a key part of a proactive Danish foreign and security policy that safeguards Danish interests on a wide front. It is an equal and independent element in Denmark’s overall global engagement. However, the development policy and development assistance alone are not sufficient to reduce poverty and foster social, economic and environmentally sustainable development seeing as development assistance constitutes only a portion of the total number of activities and initiatives in developing countries. An increased Danish effort is therefore, not only about better development assistance. To a great extent, it is also about strengthening the overall engagement in developing countries.

Five policy priorities

In its development policy engagement, Denmark will focus on five political priorities that will ensure Denmark is active in situations where we can make a particular difference.

- Freedom, democracy and human rights
- Growth and employment
- Gender equality
- Stability and fragility
- Environment and climate

The priorities are mutually linked and are all important in combating poverty and achieving the Millennium Development Goals (MDGs). Respect for human rights, democratic participation in society and good governance are crucial for making both social and economic progress and for lasting stability and social cohesion.

Economic growth and employment play a major role in eradicating poverty and hunger and in ensuring that in future developing countries can finance their own development. Gender equality and respect for women’s rights are goals in themselves as well as being an essential means of achieving growth and reducing poverty as well as for checking the high rates of population growth. In many places prolonged conflicts and instability impede poverty reduction and the creation of development. In other places climate change, environmental problems and natural disasters threaten to destroy nascent development.

The five priorities are to ensure the greatest possible Danish impact and support Denmark’s contribution to the joint international effort to achieve the MDGs.

Specifically, the strategy implies:

- Stronger engagement in fewer countries: Denmark must not spread its engagement across too many countries. Results and impact require focus in the form of greater engagement in a smaller number of countries. This also provides space for new initiatives.
- Greater willingness to take risks: Risks are a fundamental condition of the engagement in the partner countries, particularly in fragile states. Denmark will be willing to take calculated risks to create the necessary change in those countries.
- Results must be documented: Clear targets are set for progress in partner countries and result measurement must be improved.
- Results must be communicated: An increased effort is being made to improve communication of the outcome of development assistance.

Work is underway to put these words into action in all the sectors in which Denmark’s development cooperation is involved. A selection of the concrete results of this work in 2010 is presented in the following chapters of the present annual report.
STRONGER ENGAGEMENT IN FEWER COUNTRIES

Denmark must continue to have a global development policy engagement, but results and impact require focus in the form of greater engagement in a smaller number of countries.

Focusing is necessary to create results. Therefore, the new strategy also means a strengthening of the engagement in fewer partner countries. This is not an act of punishment aimed at countries being phased out. It is a question of doing even better in the countries we are staying in.

Most of the Danish engagement is concentrated in the partner countries, but we must also have the flexibility to be able to take rapid action in other countries occasionally. This might be in reaction to a conflict that has suddenly arisen or is threatening to break out, to a natural disaster, or to a possible opportunity to support a process of change. In fragile states the need for flexible initiatives is particularly urgent. In these countries there is also a need for a long-term effort so that they can become more robust and take responsibility for their own development.

The development in North Africa, where popular protests and demands for freedom and democracy have overthrown autocratic regimes, demonstrates quite clearly the need to be able to react quickly in order to assist the people in the transition to democracy.

By strengthening the focus of bilateral assistance, greater impact is achieved in the partner countries, and sufficient funds are secured for prioritised initiatives within the core areas of the new development strategy. In brief, concentrating the development engagement means the following:

- Over the coming years Denmark will reduce the number of partner countries from the present 26 to 15.
- In Nicaragua and Bolivia the phaseout began in 2010. The development cooperation in Nicaragua will be phased out completely in 2011. In Bolivia the assistance is to be phased out gradually up to 2013.
- Similarly, the phaseout of development cooperation has already begun in Vietnam and Bhutan.
- The phaseout of the cooperation in Zambia, Benin and Cambodia is to begin in 2011. The engagement with Zambia and Benin will be phased out gradually over three years, while in Cambodia it will take place over two years.

More countries on a good course

It makes sense to scale down the engagement in precisely these countries, in part because many of them are undergoing positive development. Zambia, for example, has come a long way with respect to ensuring education for all children (92 per cent), and the country is, to a great extent, finally capable of being responsible for reducing poverty with its own resources.

Through the agricultural programmes in Benin, Denmark has been able to secure jobs, microcredits and more efficient methods of production for the rural population. In Cambodia the percentage of poor people in the population has declined from 35 per cent in 2004 to 26 per cent in 2010, and the country’s revenues are expected to increase when oil production gets underway along the coasts of the country. Economic development has been rapid in Bolivia in recent years. It is no longer among the poorest countries in the world but has become a medium-income country.
INCREASED WILLINGNESS TO TAKE RISKS IN DANISH DEVELOPMENT COOPERATION

The work of development assistance is not without risks. The work in the poorest and most fragile countries in the world involves both financial and political risks. This is why in 2010 Denmark began developing new tools that can enable us to manage the risks associated with development cooperation in a better and more systematic way.

Denmark will not achieve its ambitious objectives without thinking in new directions. A focused and sustained development effort requires a willingness to take risks if it is to achieve results.

Risks will exist in new as well as established partnerships and in fragile states as well as stable and democratic countries. The new strategy for Denmark’s development cooperation thus makes it clear that we are willing to accept these risks because this is necessary to achieve our objectives.

Risk barometer as a new tool

Accepting risks is, however, not the same as accepting that nothing can be done to counter and minimise them. For example, Denmark does not accept corruption, but we do accept that in many developing countries there is a high risk corruption will exist. More precise communication about risks and how efforts are continually being made to minimise them is necessary.

To this end, in 2010 Danida launched work on developing a “risk barometer” as a tool to assess the risk in every development engagement or programme. The risk barometer will be brought into use on a trial basis in 2011. Simultaneously with the work on the new risk barometer, Denmark will strive for the establishment of an international standard for risk assessment in the context of development.

The idea for a risk barometer and a common method of assessing risks was discussed at the international conference on risk management which was hosted by Denmark in Copenhagen 25-26 November 2010. The conference drew together a wide range of experts from the OECD countries, UN organisations and NGOs to discuss the inherent risks associated with development cooperation in fragile states.

The conference resulted in a large number of concrete conclusions and recommendations. Such as:

- It is necessary to accept risk in all development work.
- It is important to communicate these risks to the public so that expectations are aligned.
- Risk is best countered by a sustained presence in the countries in question – and by influencing the policy decision-making process.
- Set realistic goals so that expectations are aligned. Set intermediate objectives if the overall goal lies many years ahead.
- Make sure to prevent risks when possible. Prevention costs less than cleaning up after the damage has been done.
- Work to find a uniform, common method to assess risks.

Denmark is working to develop new tools for dealing with corruption and other risks associated with development work in a better and more systematic way. Photo (Kenya): Jørgen Schytte
Again in 2010 Denmark received top marks in studies of the OECD countries’ development work. Denmark also continued the work of becoming even better at documenting the effectiveness and results of development cooperation. The new strategy has meant increased focus on documenting and communicating the results.

In an international evaluation performed by the independent organisation Development Assistance Research Associates (DARA), Denmark was judged to be the best humanitarian donor in the world. The donor countries were evaluated on their alignment of humanitarian aid to the needs of the people affected, their ability to build up local competence to avoid similar crises in the future and the donor country’s ability to respect international humanitarian guidelines.

Second best in helping poor nations
In a similar international evaluation of the rich countries’ overall effort with regard to helping poor nations, Denmark came in second place – surpassed only by Sweden.

The index was drawn up by the independent think tank Center for Global Development. The countries’ development assistance budgets, the activities aimed at promoting investments in developing countries and the work on eliminating trade barriers were all evaluated.
Increased focus on results
As an important element in the new strategy, the measurement of results in partner countries is to be improved.

To this end, in November 2010 the Minister for Development Cooperation launched an international research programme to identify in further detail which initiatives have been successful in development assistance and to communicate this information to the general public.

The programme is to last three years and will focus on identifying which types of initiatives work particularly well within the five priority areas of the new strategy for Denmark’s development cooperation. Within each of the priority areas, reports from a wide range of individual researchers and institutions in both the north and the south will be undertaken.

The programme is being coordinated by the United Nations University research institute UNU-WIDER in Helsinki.

There are many complex causal relations behind development processes and poverty in the Danish partner countries. This makes it difficult to evaluate the direct relationship between efforts and results. The results are found at many levels, from supplying water, where it is relatively easy to measure the direct results of an initiative, to more process-oriented initiatives such as providing training in combating corruption. Additionally, there is also the fact that some of the results can be measured after a short period of time, while the full results of other initiatives can only be seen after a number of years.

In 2010 there was increased focus on developing a more systematic method for the results based management of Danish development cooperation. Among other things, this involved ensuring that the various results are better documented. The aim is to create operative and practical frameworks for ensuring that there is focus on results from the beginning of an initiative until its completion. Similarly, it must be established to what extent the desired results were achieved and which lessons have been learned from the initiative.

Find out more
DARA Humanitarian Response Index 2010.
Commitment to Development Index 2010.
The commentary “Does development cooperation contribute to growth and development?” below in this chapter.

HOW DO WE MEASURE RESULTS?

The purpose of Danida’s results based management is to assess whether Danish-supported activities are proceeding as planned or if adjustments are needed to achieve the goals.

A clear approach to how progress in goal achievement is to be measured and assessed is required for the activities that Danida supports in partner countries. In order to ensure ownership, the partners who conduct the activities are also responsible for measuring progress. However, the individual Danish Embassy is deeply involved in the decision-making process regarding what the progress reports mean in terms of any necessary adjustments to the activities.

Ambitious goals are set, and goal achievement in Danish development assistance is generally high. In 2010 the major programmes (over USD 5.87 million) achieved their objectives for the year in 88 per cent of the cases.
1. THE NEW STRATEGY FOR DENMARK’S DEVELOPMENT COOPERATION

Danida has a strong brand in the public eye. That position needs to be maintained and built on by improving the communication of the results of Danish development assistance. In 2010, as a part of the new strategy for development cooperation, the communication efforts were stepped up through a range of initiatives.

It has long been a paradox that on the one hand Danes overwhelmingly support Danish development efforts but on the other hand are sceptical about how much the efforts work. Therefore the new strategy for Denmark’s development cooperation prioritises an increased effort to communicate the results of development cooperation. Continued broad public and political support is crucial for Denmark’s development policy engagement.

The Best News in the World
On 10 September 2010 many Danes were met in morning traffic by volunteers handing out a breakfast of bread and chocolate. On the bags of the bread was printed “The Best News in the World”. The event was the kick off to the campaign of the same name – a campaign that was realised on the basis of groundbreaking cooperation between Danish development organisations, the UN, Danida and much of the Danish business community.

The purpose of the campaign was to place focus on the MDGs and the many positive results to which development cooperation has contributed. Specifically, six pieces of good news were selected to be communicated to the public:

- 58 million more poor children are receiving enough food to survive.
- 1.6 billion more people have access to clean drinking water.
- Children in Africa are receiving vital measles vaccines.
- Over 90 per cent of the children in developing countries now have the opportunity to attend school.
- In the year 2010, 170,000 children will avoid getting HIV during birth.
- There are now 400 million fewer poor people.

Apart from their active participation in i.a. the steering group of the campaign, Danida also contributed USD 700,000 from Danida’s information appropriation. The results were impressive:

- 80 NGOs contributed to the campaign along with 58 enterprises.
- 17 per cent of Danes had, according to Epinion, heard about the campaign.
- Danes’ awareness of the MDGs was almost doubled, from 12 per cent in 2009 to 21 per cent in 2010.
- 69 per cent of the people asked judged the campaign to be trustworthy.

The plan is for the campaign to be repeated in the coming years.

Day of Dialogue and tour of upper secondary schools
The so-called Day of Dialogue was also launched in 2010. The country’s leading communicators in the field of development were invited for debates, networking and dialogue about the communication challenges involved in development work. The theme of the Day of Dialogue was “The Millennium Development Goals”. 120 communicators participated and there were presentations from, among others, former Head of the World Bank Robert Calderisi, author of the book “The Trouble with Africa – Why Foreign Aid Isn’t Working”.

Another initiative that received coverage by local media was the Minister for Cooperation Development’s visit to around 40 of the country’s upper secondary schools in the fall of 2010. During the visits the Minister talked about development work and Denmark’s strategy for the effort.

Danes woke up to The Best News in the World on the morning of 10 September 2010.
Photo: Louise Dyring/Save the Children Denmark
COMMENTARY: DOES DEVELOPMENT COOPERATION CONTRIBUTE TO GROWTH AND DEVELOPMENT?

Finn Tarp, Professor of Economics and Director of UNU-WIDER in Helsinki is coordinating the international research programme on results in development assistance.

– In recent years it has become popular to assert that development assistance at best has no effect and at worst is directly harmful for developing countries. In particular, the Zambian writer Dambisa Moyo’s book “Dead Aid: Why Aid is Not Working and How There is a Better Way for Africa” has received a massive amount of publicity.

There is no doubt that development assistance can have negative consequences. There have been cases where development assistance has stood in the way of necessary policy reforms, and a side effect of development assistance can also be that the recipient country’s currency becomes overvalued, thus slowing down growth in the private sector.

However, even allowing for the various risks, it does not change the fact that in the long run development assistance contributes to the recipient country’s growth and prosperity. Studies that I have carried out with other researchers show that over the last 40 years an annual development assistance level of approximately 10 per cent of the developing countries’ gross domestic product has supported on average 1.3 per cent more growth per year in the recipient country’s economy. And this is growth that unequivocally would not have occurred without the assistance. But we need to be better at answering questions such as: Why do some types of development assistance work better than others? Why does development assistance work differently in different countries? It is questions like these that the international research programme is going to attempt to answer over the next three years. Together with a wide range of cooperation partners, including the Danish Institute for International Studies, UNU-WIDER will carry out a broad range of analyses. Among other things, these analyses will take a look at African countries in an attempt to determine the factors that cause some societies to move forward while others remain at a standstill.

The international research programme has already initiated almost 100 studies of the results of development assistance. These studies are to provide scientific support to the foundation that Denmark’s development cooperation rests on.

Find out more
The article “Results and quality are paramount” in this chapter.
The new strategy for Denmark’s development cooperation places the work for freedom, democracy and human rights at the heart of the development policy. Support for ensuring respect for the human rights of minorities, the implementation of free elections and better working conditions for journalists formed part of the effort in 2010. Danida also carried out a wide range of other initiatives in order to build up independent justice systems and efficient public administrations without corruption. Just as important as the concrete projects was influencing attitudes in international fora such as the UN.
Work for democracy and human rights that reverberates
Danida’s human rights work takes place both in the partner countries and in international fora such as the UN. In 2010 the focus was on Uganda and Nepal, among others. Page 18

Increased focus on measuring the civil society effort
How can it be determined whether or not a civil society has benefitted from Danish efforts? In 2010 Danida began using a new tool designed to document the results in the “soft sectors”. Page 24

Concrete results of the work for democracy and human rights
Denmark’s work for democracy and human rights achieved concrete results in 2010, for example in the form of a new Institute for Parties and Democracy, the restoration of democracy in Niger and the training of police officers in human rights issues. Page 20

The fight for human rights under difficult conditions
Danida achieves results despite difficult conditions in countries such as Burma and Pakistan. Page 22

CASE: Denmark readies the provincial courts in Zimbabwe for work
As one of the first countries, Denmark has thrown itself wholeheartedly into the work of improving the justice sector in Zimbabwe. Page 27

CASE: Fight for human rights in Uganda
Adrian Jjuuko from Uganda leads a coalition that fights for the rights of homosexuals despite difficult conditions. Page 26

CASE: Denmark helped to place corruption on the agenda in Vietnam
Denmark succeeded in placing corruption on the political agenda in Vietnam in 2010. Page 29
Danida strives to foster freedom, human rights, democracy and good governance. In order to achieve the greatest possible impact from the efforts, development cooperation naturally takes place in the partner countries – but equally important is influencing attitudes in international fora such as the UN.

When perpetrators of serious crimes continue to walk around freely in society without being made to answer for their actions, it can be detrimental to a sustainable peace process in fragile states.

In 2010 Denmark continued its work of supporting the establishment of independent and competent justice systems. A particular focus area for Denmark has been to improve the ability of national courts to prosecute the most serious offences such as war crimes, crimes against humanity and genocide. The International Criminal Court (ICC) can only handle the prosecution of people with major responsibility for serious crimes committed during conflicts. Therefore, the term “positive complementarity” is used when talking about improving the ability of national courts to prosecute the most serious crimes.

Denmark and South Africa in the vanguard
In 2010 Denmark, together with South Africa, sped up the work of making developing countries able to prosecute the most serious crimes. At the Review Conference on the Rome Statute of the International Criminal Court that took place in Uganda’s capital Kampala, Denmark, together with South Africa, got a resolution on this important topic adopted. Denmark received great recognition for its work. Denmark and South Africa were subsequently requested to continue the work of getting the resolution implemented.
Homophobia brought into daylight
That the protection of minority rights also encompasses homosexuals became one of the year’s biggest value-based debates. The rights and protection of homosexuals was on the agenda both in multilateral fora and bilaterally. On the international track, Denmark and the other Nordic countries achieved a major victory in the UN General Assembly in December 2010 by having the reference to sexual orientation retained in a resolution on summary and arbitrary executions. It was thus made clear that discrimination based on sexual orientation was not permissible.

In Uganda the rank-and-file Member of Parliament David Bahati’s bill targeting homosexuals became a major topic of debate, and the debate also echoed internationally. The bill represented a tougher stance in regard to the current law and included the death penalty for sex between homosexuals if one of the persons involved was a minor, was infected with HIV or was a parent or guardian of the other person involved.

Danish-supported organisations took a stand
The subsequent debate revealed the widespread homophobia in Uganda and made activists in this field more vulnerable. However, the case also demonstrated that, to some extent, attitudes towards homosexuals are shifting and that it helps to support civil society’s work for human rights.

For example, Uganda’s Human Rights Commission, which Denmark has supported for a number of years, strongly criticised the bill. A number of local NGOs also entered into a coalition (Coalition for Constitutional Law), which is to fight for basic human rights. Strong voices from Ugandan society – including voices from the church and government – also took exception to the bill. These voices will be important building blocks in the fight for minority rights and protection in Uganda in the years to come.

Nepal: Peace process with Danish focus on human rights
In 2010 there was a genuine risk that the Nepalese government would close down the UN’s Office of the High Commissioner for Human Rights (OHCHR) in Nepal. With Danish help the mission’s mandate was provisionally extended for a year. Since the conclusion of the conflict between Maoist rebels and government forces in 2005, the OHCHR has monitored the human rights situation in the country, where 20,000 rebels and internally displaced people are still living in temporary camps.

Even though Nepal’s own National Human Rights Commission is gradually getting better at handling the task of monitoring the human rights situation, there is still a need for the OHCHR’s competence. By fighting for an extended mandate for the OHCHR, Danida ensured that there will continue to be cohesion between Danish efforts and the UN’s work for human rights in Nepal in the future.

Find out more
The case “Fight for human rights in Uganda” in this chapter.
Healthy democracies require democratic processes, rules of the game and especially energetic political parties. This was one of the points in the strategic priorities for Danish support for democratisation and human rights in development assistance from 2009. 26 May 2010 the Danish Parliament, Folketinget adopted the law on establishing the Institute for Parties and Democracy by a large majority, kicking off a new effort in this field. In the coming years the institute is to work to strengthen democratic cultures and multi-party systems in developing countries. The institute is to focus on support between political parties across national boundaries and supplement other types of Danish support for democracy building. The institute will carry out cross-political projects and projects having the character of sister-party support, i.e. cooperation between individual political parties in Denmark and one or more political parties in the developing countries. The institute is an autonomous and independent institution within the public administration and is led by a board of directors.
The institute as midwife

Danish political parties will play a key role in terms of planning and carrying out the cooperation with politicians, parties and organisations in developing countries. The institute’s secretariat is to assist in evaluating the incoming project applications from Danish parties and establish contact with other international stakeholders in the field so that the Danish effort is planned on the basis of the most recent lessons learned.

Back to democracy in Niger

However, Danish efforts to promote democracy also took many other shapes in 2010. In Niger the military overthrew President Mamadou Tandja in a coup in February. The President had violated the constitution of the country by giving himself a new term in office. Denmark and a large number of other countries worked hard to make sure that democracy was restored in the western African country, through political dialogue and support for concrete activities.

In a process that was to result in a presidential election, the citizens of Niger were first to vote on a revised constitution and then elect a new parliament. When the presidential election was held in March 2011, international election observers described it as having been properly carried out.

Specifically, Denmark has provided support for the transitional government’s work through two channels:

- A joint election donor fund (USD 0.9 million). The fund is administered by the UNDP and has, for example, supported the establishment of election lists and has also helped in conducting local, regional, general and presidential elections.
- Election observers and the participation of women in elections (USD 0.9 million). A number of initiatives aimed at ensuring the best possible election process were implemented through the American National Democratic Institute. These included an information campaign to promote women’s participation in elections and recruiting volunteer election observers.

The police and the National Guard work for human rights

Danida has also provided support for the Danish Institute for Human Rights’ work of training the police and National Guard in Niger in human rights issues. Through a process in which high-ranking members of the police and the National Guard, in cooperation with civil society representatives, drew up guidelines on human rights, it has been possible to create a unique model that has reverberated internationally.

For example, the cadets at the police academy go through a 36-hour module on human rights during their training, and human rights have recently been incorporated into other relevant topics – for example in the course on the use of force.

In 2010 the police were responsible for training their own officers in the role of the police in connection with the elections in Niger. In addition, the approach has also resulted in having the representatives from Niger’s police force and National Guard who assisted in drawing up these guidelines act as contact persons for human rights in peacekeeping missions in Haiti and the Democratic Republic of Congo.

FACTS ABOUT THE DANISH INSTITUTE FOR PARTIES AND DEMOCRACY

- Parliamentary Act no. 530 on establishing the Institute for Parties and Democracy was adopted 26 May 2010.
- The institute is independent and has a budget of USD 13.4 million over three years.
- Approximately half of the grant funds are to go to cross-political projects while the rest are used for projects having the character of sister-party support.
In countries such as Burma, Danida has to work around the government to support the democratic currents in the country. In Pakistan conditions are difficult for the free media, but a project receiving Danish support is attempting to prepare journalists to manoeuvre in a risk-filled environment.

A large portion of the population in Burma live in extreme poverty, and together with East Timor, Burma is the country in South East Asia that is furthest from living up to the UN’s Millennium Development Goals (MDGs). At the same time, because of the military regime the people of the country only receive a fraction of the development assistance that other comparable countries receive.

With support from Danida, the NGO PACT International has established loan funds in 131 villages in Burma. The support is given to local women’s groups, which distribute the loans to the members of the group. Most of the loans are used for income-generating activities and expenses for health care and schooling.

Working around the junta
Danida has to channel its support around the military government. In 2010 Denmark carried out initiatives totalling USD 9.6 million in this way. This was done by focusing the initiatives on Burmese grassroots organisations and strengthening civil society.
Help for the weakest population groups
A large percentage of the Danish assistance has targeted the remote provinces Chin, Shan and Rakhine, whose ethnic population are often ignored by the central government.

In these provinces Denmark works through its international and local partners to improve living conditions for the poorest and most vulnerable groups, for example by improving production methods in agriculture and providing better access to clean drinking water, sanitation and microcredits. In this connection, local communities are included in the planning, and through the decision making process they become familiar with fundamental democratic processes.

Journalists in the line of fire in Pakistan
Journalists in Pakistan can risk their lives just by going to work. There is freedom of the press in Pakistan, but it is extremely dangerous to operate in the conflict-affected areas, and a large number of sensitive issues are subject to self-censorship as a result of threats from radical Islamists.

A new media development project is to help remedy this situation. International Media Support (IMS) is responsible for the project in cooperation with Pakistani partners. In 2010 the international NGO, which has its office in Copenhagen, received USD 2.1 million from the Danish and Norwegian Foreign Ministries for the three-year project.

The project consists of three parts:

- Security for Pakistani journalists. In 2010 IMS carried out the first two of a series of courses for journalists focusing on security and conflict-sensitive journalism. At the same time, a security fund is to help the media organisations buy the necessary security equipment for their journalists.
- Training of journalists and expanding the broadcast radius of four FM radio stations. The four radio stations are located in the conflict-affected tribal areas.
- Exchange programme for Pakistani and Afghan journalists. Working together, the journalists are to produce stories that involve issues of concern to both countries.

COOPERATION PARTNERS IN BURMA WITHIN THE FIELD OF FREEDOM, DEMOCRACY AND HUMAN RIGHTS

Denmark cooperates with both international and local partners. Among key partners are:

- UNDP
- UNICEF
- GRET (Research and Technological Exchange Group)
- Solidarités International
- The PACT Institute
- Action contre la Faim
- Population Services International
- The Vahu Institute
- The Democratic Voice of Burma
How can you measure whether or not a civil society has benefitted from Danish efforts? Is it possible to measure the progress being made in integrating Burundian refugees in Tanzania? It is not always easy to measure the impact of initiatives in the "soft sectors", but in 2010 Denmark began using a new tool.

Civil society plays an important role in Denmark’s development policy. From the Danish culture of organisations and associations we understand the importance and benefit of a strong and vital civil society. It is an important ingredient in the type of strong democracies that we wish to promote.

Denmark’s strategy for supporting civil society in developing countries is formulated in “The Civil Society Strategy” from 2008. As something new, the strategy included a requirement that it should be possible to measure progress towards achieving the objectives of the strategy at an overall level. This means it is not enough to have an idea of the progress being made in the individual programmes. It must also be possible to say something comprehensive about the entire Danish civil society effort.

New tool tested in 2010

In order to be able to document the results of the efforts, in 2010 the Ministry of Foreign Affairs introduced a new reporting tool on a test basis for all Danish organisations that work with promoting civil society in developing countries.
Briefly, in future the organisations must report on how their work has contributed to the development of a strong, independent and multi-faceted civil society. The organisations are asked to provide examples of their work with the civil society, and these examples are used both to assess the general progress of the work and to exchange lessons learned between the organisations.

The results of the first test of the tool were positive. Out of all the organisations asked, 99 per cent responded, and the reporting will continue in 2011 with development assistance effectiveness as a particular theme.

On the whole, the reporting showed good progress was being made in the work with civil society. Specific results that can be mentioned:

- Many Danish organisations focus on increasing vulnerable groups’ awareness of their own rights and making them capable of exercising them.
- It is not always possible to get the local partners to take ownership of the effort. For example, the partners can be subject to severe framework conditions or difficult political circumstances.
- Danish organisations are good at drawing on, for example, umbrella organisations, networks and alliances in order to give the effort legitimacy and political clout.
- To a great extent, Danish organisations use courses and other types of training of local partners to build their capacity.

Integration of the refugees from Burundi in Tanzania

Every year Denmark provides USD 23.1 million in earmarked support to the UNHCR, which works to help refugees and internally displaced people around the world. In Tanzania the UNHCR has, since 2006, assisted in finding a permanent solution for the 160,000 refugees that fled Burundi in connection with the conflict in 1972. See the text box.

Tanzania has offered citizenship to the refugees who want it, while others have desired to return home. The number of refugees today is 220,000 and in 2010 the UNHCR asked Denmark to evaluate the process aimed at breaking their deadlocked situation.

Praise for Burundi and Tanzania

The evaluation shows that in general there has been a lot of success in terms of finding a permanent solution to the problem:

- More than 53,000 refugees have returned to Burundi.
- 162,000 have received citizenship in Tanzania.
- Praise is given to Burundi’s government for receiving the many returning refugees and to Tanzania’s government for offering citizenship to other remaining refugees.
- The UNHCR deserves praise for having played the role of an effective and dynamic catalyst.

However, there are still challenges in relation to successfully integrating the refugees in their new local communities in Burundi and Tanzania. The evaluation stresses that if these problems are not solved, both groups risk ending up as a kind of internally displaced people.

THE BURUNDIAN REFUGEES

- In 1972 Burundi was thrown into a bloody civil war that caused thousands to flee to Tanzania, among other countries.

- In 2008 the UN’s High Commissioner launched a new initiative for expediting lasting solutions to long-standing refugee situations.

- At that time, more than 5.2 million people had been refugees for more than five years.

- The initiative focused on the Burundian refugees in Tanzania who had been living in three large camps in the western part of Tanzania since 1972.
Which of the coalition’s results for 2010 would you highlight as the most meaningful?
- Without a doubt, by far the biggest accomplishment of the coalition was that we successfully handled the case for the activists Kasha Jacqueline, David Kato and Patience Onziema against the magazine The Rolling Stone. The court clearly ruled that it was in violation of basic rights when the magazine published the pictures and names of 100 people that the magazine thought were homosexuals with a call to “Hang them!”.

The judge said that he extended the rights of the constitution to all citizens. It was the coalition that took up the case and filed a suit on behalf of the three claimants. The victory was so surprising that we saw it as a very welcome New Year’s present. The joy was, however, short-lived, for immediately after the verdict one of the three claimants was brutally murdered.

What are the greatest challenges in terms of protecting the rights of homosexuals in Uganda?
- The homophobia in the country is overwhelming and a colossal challenge. All studies up until now have shown that 90 per cent of the population is against homosexuality. This means that if you are a homosexual, you are abused at work, threatened and harassed. Even some of the human rights activists do not dare get involved in this area because it is taboo.

In addition, people’s general ignorance about homosexuality is a major challenge in our daily work. Many people in Uganda connect homosexuality with the sexual aspect of the relationship. It is almost useless to try to explain that it is about individuals who have a different sexual orientation.

It does not help that many people think that if you fight for the rights of homosexuals, then you are also “advertising” for homosexuality. Many people believe that you can “recruit” children to become homosexuals.

How do you see your cooperation with the international community – including Denmark? What can a country like Denmark do through its presence in Uganda to support your work?
- We receive both moral and other types of support from the international community, and it was first and foremost thanks to pressure from the international community that the so-called “anti-homosexual law” was shelved. Denmark and other countries with a presence in Uganda can, moreover, play a decisive role in terms of constantly reminding the government of the need for protecting the rights of citizens – especially through affirmative action for marginalised groups such as sexual minorities. The moral support and the ongoing consultancy are also important.

CASE: FIGHT FOR HUMAN RIGHTS IN UGANDA

Adrian Jjuuko from Uganda leads a coalition of 33 organisations that fight for human rights. The heated debate about homosexuality in 2010 severely tested the coalition, but Adrian and the other members were up to the task and won a historic victory in the courts.

FACTS ABOUT THE COALITION
- The name of the coalition is The Civil Society Coalition on Human Rights and Constitutional Law – Uganda (CSCHRCL).
- The coalition was formed in 2009 and originally included only eight organisations, but quickly grew to a total of 33 member organisations.
- Denmark supports the day-to-day work of the coalition both financially and through consultancy.
CASE: DENMARK READIES THE PROVINCIAL COURTS IN ZIMBABWE FOR WORK

Carrying out development work in Zimbabwe is a balancing act. Despite two years of relative political stability under the coalition government as well as economic growth, there are still major problems in the political arena with widespread abuse of power and corruption. Because of these problems, Denmark must work around the government and many of the public agencies in its efforts to further democracy and human rights. And this is also why Denmark has decided to help build up the capacity of the provincial courts. In contrast to the courts higher up in the justice system, political interference is limited in the provincial courts.

Rape cases are dropped because of lack of space
There is enough work to do. Most of the provincial courts in the country as well as the two courts in the cities of Bulawayo and Harare are in poor condition. Poorly furnished buildings and a lack of space make it difficult to try legal cases – in particularly glaring instances rape cases have, for example, been dropped because it simply was not possible to keep the suspect and the victim separated.

In addition, the legal staff do not have access to the most basic reference books and cannot, for example, look up previous decisions.
Danish help with equipment and strategy

Denmark has launched a project that aims at raising the standard of the provincial courts’ work. For the first phase of the project, USD 500,000 has been allocated, which is to be used on a range of initiatives:

- Equipment for the courts: The eight provincial courts plus the two in Bulawayo and Harare are to have the basic equipment, i.e. computers, filing cabinets, law books and much needed building repairs and improvements.
- Support for strategy development: The agency responsible for the courts (Judicial Service Commission) is striving to create a justice system that is not politically controlled. Denmark supports the commission in drawing up a strategy that points towards an independent justice system.

A project with risk

Denmark systematically assesses the risks and potential benefits of each individual project, and it is precisely this systematic approach to risks that is obvious in the project in Zimbabwe. It is an ambitious project, and in the fragile situation Zimbabwe finds itself in, many things can go wrong. The provincial courts, where salaries are low, have a reputation for being corrupt, and there is a risk of political interference. On the other hand, a stronger and gradually more independent justice sector that the citizens of Zimbabwe have faith in will be crucial for ensuring positive, democratic development in the country.

THE JUSTICE SYSTEM IN ZIMBABWE

- The justice system is divided into a Supreme Court, a High Court and finally the provincial courts.
- Judges in the Supreme Court and the High Court have from time to time been appointed by the president.
- In a number of cases the judges have accepted farms and land through the notorious “resettlement scheme”.
- After the violence in connection with the election in 2008, there have been at least 176 cases of assault that have yet to be heard by the courts.
FREEDOM, DEMOCRACY AND HUMAN RIGHTS

With a unique study, Denmark succeeded in putting corruption on the political agenda in Vietnam. The recipe for success involved coming up with constructive solutions and avoiding pointing fingers.

Denmark used a new study proactively to put corruption and the necessity for reforms on the agenda for the dialogue with Vietnamese officials. The study has also attracted attention far into the political ranks. When the Vietnamese communist party held their party congress in Hanoi at the end of 2010, the study formed part of the background material for congress participants. The fact that the study managed to arouse so much attention is noteworthy in the light of the sensitivity of the subject.

Complicated rules create a risk of corruption

The study was undertaken as a partnership between the Danish and Swedish embassies in Vietnam together with the local office of the World Bank. The study identifies a large range of potential sources of corruption in the way that land use rights and building permits are allocated in Vietnam.

CASE: DENMARK HELPS TO PUT CORRUPTION ON THE AGENDA IN VIETNAM

Vietnamese dong from the sale of snails and mussel shells on the beach in Ben Tre in the southern province close to Ho Chi Minh City. Photo: Klaus Holsting
The following can be mentioned among the sources of corruption identified in the study:

- The rules for applying for permits to use or build on an area of land are complicated and incomplete, which makes people resort to middlemen or to paying government officials for assistance.
- The application process is so lengthy that the applicant may be tempted to bribe government officials in order to ensure the application is processed quickly.
- Public authorities often base their city planning on specific commercial proposals from investors. This increases the incentive of investors to bribe officials to approve projects.

The study did not stop at merely pointing out problems. It also indicated a wide range of measures that could help in eliminating the faults in the system that increase the risk of corruption:

- Transparency in the administration so that there is free access to district plans, maps and city plans.
- Simplifying the procedures regarding the allocation of land use rights.
- Hearing procedures in connection with the allocation of land use rights.
- Monitoring mechanisms in relation to the officials that presently have the authority to administer at their own discretion

**VIETNAM’S COVETED LAND**

In recent decades the process of seizing land for various purposes has gone very quickly in Vietnam:

- From 2001-2010 almost 1 million hectares of agricultural land was transformed into urban or industrial areas.
- More than 5 million hectares of unused land has started to be used for various purposes (this amounts to 62 per cent of the land that remained unused back in 2000).
- A third of all enterprises and approximately 85 per cent of all households think that there is corruption involved in connection with the registration of land title deeds.
- Compared with other administrative services such as the registration of new businesses and the payment of taxes, the registration of land title deeds is considered to be the service that involves the most corruption.

**TOUGH DANISH STANCE AGAINST CORRUPTION**

In the new strategy for Denmark’s development cooperation “Freedom from Poverty – Freedom to Change” the partnerships with a number of selected developing countries plays, as previously, a key role in Denmark’s development cooperation. This means commitments for both sides – including a commitment that corruption will have consequences:

- Denmark will make it clear to all partners that corruption is unacceptable.
- Suspicion of corruption will be followed up, and the persons involved will be held accountable.
- Denmark will require initiatives that bring an end to corruption.

You can keep track of Denmark’s efforts to fight corruption at the Ministry of Foreign Affairs’ webpage on fraud and corruption.
2. FREEDOM, DEMOCRACY AND HUMAN RIGHTS
Danida places special focus on promoting market-based economic growth and employment, among other things through significantly enhancing the efforts to develop the private sector in developing countries. The programmes and initiatives are based in particular on the recommendations of the Africa Commission. In 2010, important steps were taken towards implementing the Commission’s recommendations. At the same time, a number of existing programmes were restructured.
The Africa Commission’s recommendations translated into action
One year after the Africa Commission presented its recommendations, several initiatives are well under way. Page 34

Entrepreneurship, growth and employment under debate
An open debate event and consultations with experts and stakeholders resulted in many good contributions on how to create better conditions for entrepreneurship, growth and employment in developing countries. Page 38

Reform to strengthen agricultural research benefiting developing countries
The international network for agricultural research underwent reform in 2010 with the aim of enabling the network to deliver solutions closer to farmers in developing countries. Page 40

The B2B Programme successfully brings companies together in Mozambique
In 2010, the results of the Danish B2B Programme in Mozambique were examined closely. Page 42

Preliminary measures to strengthen private sector development in fragile states
Page 43

MDG summit placed focus on corporate accountability in development programmes and initiatives
Page 44

Report from the Danish Committee for Mixed Credits
Page 46

CASE: Stable electricity supply to companies and ordinary citizens in Mozambique
Page 48

CASE: Miracle crop helps highland farmers
Page 50

CASE: Seafaring nation teaches Bangladesh about shipbuilding
Page 52

CASE: Danish companies give impetus to the fisheries sector in Ghana
Page 54
3. GROWTH AND EMPLOYMENT

One year after the Africa Commission presented its recommendations, several initiatives are well under way. This became evident in the first progress report in 2010. The objective of the recommendations is to improve the continent’s ability to utilise the potential of the youth, and particularly women, to create growth and employment.

It can be difficult for small and medium-sized enterprises (SMEs) in Africa to take out loans. Banks often regard companies as risky propositions and administratively difficult, but in 2010 a solution to the problem moved closer to being found in step with the realisation of the African Guarantee Fund. On Danish initiative, the fund will soon be ready to guarantee loans given by African banks to SMEs.

The Guarantee Fund is just one of the specific initiatives that the African Commission launched in 2010. The Guarantee Fund is in the process of being set up as an independent African institution with an initial injection of capital totalling USD 50 million from the African Development Bank (AfDB), Denmark and Spain.
Sustainable energy given impetus by fund
Similar to the Guarantee Fund, the Sustainable Energy Fund for Africa or SEFA aims to stimulate growth and employment among SMEs, particularly in rural areas where energy is scarce. SEFA is designed to give impetus to medium and large-scale projects that promote sustainable energy production. The financing is to come from both public and private trust funds, and SEFA is to be administered by the African Development Bank. In 2010, Denmark made a contribution of USD 53.4 million to the energy fund.

Enhanced focus on African competitiveness
In order to draw the attention of political and business leaders to the barriers preventing the promotion of private sector-led growth, the Africa Commission recommended that action be taken to measure competitiveness. Equipped with a grant from Denmark, the World Economic Forum embarked on an effort to get more countries included in the Forum’s Global Competitiveness Index (GCI). The GCI provides a clear picture of challenges and obstacles to competitiveness where initiatives can be launched to tackle them.

Up to the present, an additional seven African countries have been successfully included in the GCI, which now contains a total of 38 countries. Also in 2010, three workshops were held, with focus on improving competitiveness in Tanzania, Kenya and Nigeria, respectively.

Initiative for young entrepreneurs
In January 2010, young entrepreneurs in Tanzania, Kenya and Uganda were given a new opportunity to make their projects a reality. The initiative will be implemented by the International Labour Organisation (ILO), which with a Danish grant of USD 5.34 million over a two-year period aims to give impetus to entrepreneurship.

- In Uganda, teaching materials were prepared for an entrepreneur training programme at upper secondary school level.
- In Tanzania, over 1,000 applications were received from young men and women wishing to train as business consultants. A total of 56 were selected and are well under way with their training.
- In Kenya, 6,000 young students were given the opportunity to take part in a competition to find out who could present the best business plan.

10,000 companies will benefit from the African Guarantee Fund (AGF)

- The African Guarantee Fund assumes the risk for half of the loan given to an African company. A bank assumes the risk for the other half of the loan.
- It is estimated that the AGF will facilitate access to loans for approx. 10,000 small and medium-sized enterprises.
- Initially, only companies in selected African countries will be able to use the AGF. These countries are Ghana, Mali, Cameroun, Kenya, Tanzania, Uganda, Mozambique and Zambia.
FACTS ABOUT THE AFRICA COMMISSION

- The Commission was set up in April 2008 under the Danish Prime Minister Anders Fogh Rasmussen.
- The Commission comprised 18 high-profile commissioners, primarily from Africa.
- The Commission held five thematic conferences in Africa focusing on the potential of young people and women.
- More than 1,000 representatives from the African and Danish business community, trade union organisations and public authorities submitted input.
- In May 2009, the Africa Commission presented its report along with recommendations.

In September 2010, a progress report was released at a debating event in Copenhagen (see article below) as well as two weeks later during a side event at the MDG summit in New York. Read more in the chapter 7 article “Renewed backing for the Millennium Development Goals with five years to go”.

A competition to boost agricultural research

How can we raise the quality of African agriculture? How can we train more women to increase their production of agricultural products? How can we ensure better interplay between universities, agricultural research institutions and the private sector? These are questions that the UniBRAIN (Universities, Business and Research in Agricultural Innovation) initiative is attempting to answer. UniBRAIN is an initiative conceived by Denmark and administered by the Forum for Agricultural Research in Africa (FARA). The aim of the initiative is to identify and support the collaborative projects that are best able to enhance innovation within agriculture in Africa and improve agricultural education and training programmes. There was strong interest in the initiative in 2010:

- A total of 49 qualified applications were submitted.
- The projects came from a wide range of African countries: Kenya, Uganda, Zambia, Mozambique, Ghana, Mali and Burkina Faso.
- A committee comprising representatives from several countries, including Rwanda, Nigeria and South Africa, selected 12 collaborative projects that went forward to the competition stage.
- In July 2011, the six collaborative projects that are to be implemented in the coming years will be selected.

To date, Denmark has allocated USD 5.34 million to the UniBRAIN initiative.

New jobs and increased growth in Kenya

In 2010, a new phase of the Business Sector Programme Support (BSPS II) in Kenya was designed, with focus placed on creating new jobs for young women and men in small and medium-sized enterprises. During the next decade, Kenya will face major challenges. The population is expected to grow from 40 to 50 million inhabitants, and this risks increasing the already high level of youth unemployment, which has been identified as one of the triggers for the violence that erupted in connection with the elections in 2007.

It is therefore vital that concerted efforts are made to create jobs. This is a task that the new phase of Denmark’s Business Sector Programme Support (BSPS II) in Kenya will help to accomplish from 2011. BSPS II was planned and designed during 2010 and reflects the new priorities and focus areas aimed at promoting growth and employment. These priorities and focus areas can be found in Danida’s new strategic framework, which was launched in February 2011.
Focus on small and medium-sized enterprises

The new phase of Kenya’s Business Sector Programme Support (BSPS II) builds on lessons learned from the previous programme and will focus in particular on providing SMEs with the optimal conditions for running a sustainable business. SMEs were responsible for 87 per cent of all new jobs created in Kenya in 2006. The potential for creating growth and new jobs for the large number of unemployed young Kenyans is huge.

Specifically, the programme in Kenya will have three main objectives from 2011:

- Improve the framework conditions of the business community (USD 19.57 million). Through support allocated to business organisations, pressure must be exerted to ensure it becomes easier to set up, run and expand businesses.
- Strengthen the competitiveness of SMEs (USD 16 million). With this initiative, SMEs in the agricultural sector will gain better access to financing through so-called micro-finance institutions.
- Develop an entrepreneurial environment around green energy (USD 17.8 million). One half of this initiative is to provide entrepreneurs with the necessary capital and assistance to realise their ideas within green energy. The other half is to ensure that renewable energy technology reaches Kenya’s rural population.

The new phase of Business Sector Programme Support (BSPS II) in Kenya runs until 2015.

THE AFRICA COMMISSION’S RECOMMENDATIONS AND INITIATIVES

The Commission’s key recommendation is that the international development agenda must be influenced in a way that ensures far greater focus on private sector-led growth and job creation. In addition, the Commission recommends five specific initiatives:

- African competitiveness must be measurable and comparable across countries.
- SMEs must be afforded better access to investments and finance.
- The African entrepreneurial spirit must be stimulated.
- Access to sustainable energy must be improved.
- Vocational education and training as well as research must be strengthened.

Read more
The Africa Commission Report 2009
The Africa Commission Progress Report 2010
ENTREPRENEURSHIP, GROWTH AND EMPLOYMENT UNDER DEBATE

How can Danida most effectively contribute to entrepreneurship, growth and employment in developing countries? Which initiatives and tools need to be brought into play? Danida’s priority area – growth and employment – was debated in several fora during autumn 2010 as part of the process of formulating a strategic framework for the area. The result was a flood of recommendations to the Minister for Development Cooperation.

Infrastructure must be strengthened, better access to loans must be ensured, education and training must be improved and targeted training programmes must be developed. Many suggestions for generating growth and improved opportunities for entrepreneurs were put forward at an open debating event and an associated international workshop at Copenhagen Business School (CBS) in Copenhagen on 7 September 2010.

The 200 researchers as well as representatives from business organisations and companies and students submitted suggestions for action and questions to the Minister for Development Cooperation and a female Kenyan entrepreneur in Africa. The participants and the international researchers discussed the obstacles facing entrepreneurs in Africa and proposed potential solutions for promoting entrepreneurship and job creation for the large youth cohorts.
The open debating event at CBS led to specific recommendations, whilst targeted consultations also took place in the autumn with representatives from the Danish research community resource base, the trade union movement, business organisations and NGOs. The goal was to gather a range of views and recommendations regarding the prioritisation of focus areas in the strategic framework for growth and employment.

**Workshop recommendations**

Besides the public debate, a group of researchers and experts, primarily from educational institutions and organisations in Africa, discussed how unemployment could be reduced, what role the state should play and how donors could help entrepreneurs in developing countries. This led to the following recommendations to Danida:

- Create the right framework conditions. There exist barriers to entrepreneurship as a result of inadequate legislation in developing countries. Similarly, the importance that international trade barriers have for growth in developing countries should be examined more closely.
- Raise the quality of education and training. This applies to primary and secondary school education, vocational education and training, and higher education.
- Ensure the proper infrastructure. Strengthen reliable energy supply; expand the road network, etc.
- Transfer knowledge and technology. African entrepreneurs wish to draw on the experience of, and innovative suggestions from, among others, the Danish business community.

The debate as well as the workshop recommendations resulted in a summary report, which was subsequently incorporated in the work on formulating Danida’s new strategic framework for growth and employment. This framework carries forward the recommendations of the Africa Commission.

**Read more**

Strategic framework for Danida’s work to promote growth and employment. The Entrepreneurship, Growth and Employment Interactivity Report.

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**CONSULTATIONS WITH THE RESOURCE BASE**

The resource base is a common term used for persons with special interest or insight in the problems facing developing countries. The base comprises researchers, the trade union movement, business organisations and NGOs.

During the second half of 2010, a consultation procedure was conducted with the Danish resource base as part of the process of formulating the strategic framework for growth and employment, a framework which sets out the direction and tools for how Danida’s new strategy in the area is to be translated into practice.

The strategic framework for growth and employment thereby replaces earlier action plans. Many stakeholders have identified the need for Danida to strengthen the initiatives and efforts that can contribute to developing value chains in agri-business, i.e. agriculture and business activity related to agriculture. Increased commercialisation can create growth in agriculture, and it can lead to increased export opportunities as well as contribute to ensuring food security locally.
For over four decades, the Consultative Group for International Agricultural Research (CGIAR) has helped developing countries to find solutions to important problems such as starvation, poverty and sustainability. CGIAR has now implemented a reform designed to deliver solutions closer to the needs of farmers. The challenges presented by climate change is one of the areas where farmers in developing countries need solutions.

When 2.1 billion people live on less than two dollars a day, with three-quarters of them living in rural areas, worsened conditions for growing crops can have major adverse consequences. Particularly in sub-Saharan Africa and Southeast Asia, researchers estimate that rising temperatures and changing rainfall levels will put food production under severe pressure.

With support from Danida, the CGIAR system has been reformed so as to facilitate the delivery of solutions that address this type of global challenge. The reform is designed to enable the 15 CGIAR research centres to conduct cross-disciplinary research programmes, and not as earlier, when the programmes focused on problems associated with the individual crops.

Freely accessible research results
Since the 1970s, the CGIAR centres have contributed to increasing agricultural production in developing countries by conducting research into topics not addressed by national research systems or...
the private sector. International research, however, is changing. A number of countries, including Brazil, China and India, are rapidly building up their own research capacity.

The CGIAR system still has its legitimacy, because the research centres make their research findings freely accessible to everyone, which is of great importance in, for example, Africa. In addition, the CGIAR centres also handle the administration of plant genetic resources for use in refinement and species work.

**Climate programme with Danish contribution**

In 2010, the Danish Board for International Development Cooperation approved the award of the first Danish grant for a research programme under the reformed CGIAR system. The project is ambitious. Its objective is to find new methods and new technology for countering the impact of climate change on food production in the poorest part of the world. The programme also aims to deliver the necessary analytical basis for formulating global and national agricultural policy related to climate change.

The programme expects to achieve the following results:
- The agricultural and food production strategies in at least 20 countries will have been adapted to predicted climate change within 5-10 years.
- Similar strategies will have been integrated in national policies in at least 20 countries.
- Suitable genetic material will have been used in the development of crops adapted to climate change, benefiting poor farmers.

The research programme was established in 2009, with a secretariat located at the Faculty of Life Sciences (LIFE), University of Copenhagen.

**Read more**

CGIAR’s website at www.cgiar.org.
The article “Innovative research for small farmers” in chapter 6.

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**FACTS ABOUT CGIAR**

- A global partnership comprising 15 international agricultural research centres
- The research is conducted by the CGIAR centres in collaboration with hundreds of partner institutions throughout the world.
- CGIAR centres are located in, for example, Kenya, Peru, Columbia, Syria, India, Sri Lanka, the USA and Malaysia.

The donors comprise governments in both rich countries and developing countries, as well as foundations and organisations.
Danida’s Business-to-Business (B2B) Programme aims to help establish partnerships between Danish companies and companies in Danida partner countries. In recent years, reviews have been conducted to measure the developmental impact of the B2B Programme, and in 2010 it was Mozambique’s turn.

Seven B2B projects were evaluated as part of the review in 2010, with particular focus on whether the partnerships had contributed to job creation and value growth that would not otherwise have been achieved without Danida support. The review showed several positive developmental impacts.

- Improved competitiveness of local companies.
- Several CSR initiatives (i.e. initiatives within the field of corporate social responsibility) benefiting local employees.
- Improved occupational health and safety in companies.
- Specific initiatives in companies to prevent and tackle HIV/AIDS.
- Greater knowledge and competencies in companies as a result of training and technology transfer.

The review also highlighted that the B2B Programme in Mozambique could with advantage generate even greater synergy with Danida sector programmes in the country, including the forthcoming private sector development programme, and thereby improve, for example, the framework conditions for local companies and strengthen the development of the huge agricultural potential in Mozambique.

Similarly, it was concluded that, despite improved occupational health and safety in companies, there was still room for improvement when it came to working with, for example, replacing obsolete equipment and improving safety in some production facilities.

In 2010, Denmark awarded USD 4 million in support towards developing business partnerships through the B2B Programme in Mozambique.
PRELIMINARY MEASURES TO STRENGTHEN PRIVATE SECTOR DEVELOPMENT IN FRAGILE STATES

Denmark has limited experience of supporting private sector development in fragile states. Therefore, Danida has entered into a strategic partnership with the International Finance Corporation (IFC) aimed at contributing to the development of companies and healthy financial markets in fragile states in Africa.

As the first specific initiative under the partnership, Danida gave a multi-annual commitment of USD 4.5 million in 2010, which is to be used to strengthen IFC activities in Sudan, Somalia and Zimbabwe. This includes:

- Improving the business environment and job opportunities.
- Strengthening small and medium-sized enterprises.
- Developing the financial markets.
- Securing private sector participation in the reconstruction process, also in relation to infrastructure.

The support will also be used to implement IFC’s initiatives within gender equality, with focus on capacity building and micro-insurance for female entrepreneurs.

Among the fragile states mentioned above, IFC focused its activities on Sudan in 2010.

Read more
Danida’s activities in fragile states are more closely examined in chapter 5 of the annual report.

FACTS ABOUT IFC

- The International Finance Corporation (IFC) was founded in 1956 as an organisation under the World Bank.
- IFC seeks to promote sustainable investments in the private sector in developing countries.
- IFC has 182 member countries.
- IFC is responsible for direct investments and for providing advisory services.

A new agreement on a strategic partnership between Danida and the International Finance Corporation (IFC) under the World Bank was signed in Washington on 10 October 2010.
3. GROWTH AND EMPLOYMENT

The involvement of the business community is crucial for lifting people out of poverty. This was the message spearheaded by Denmark at the major UN summit held in New York on the Millennium Development Goals (MDGs). In total, 11 countries committed themselves to strengthening the involvement of the business community in development programmes and initiatives. Danida contributes to building local networks that can promote the internationally recognised principles for responsible business operations, known as the UN Global Compact.

It was countries such as Japan, the UK, Sweden, Germany and the USA which supported a joint donor declaration presented by Denmark at a Private Sector Forum during the UN summit in New York. The declaration highlights the need to promote private sector-led growth in developing countries. It also aligns with the direction and specific initiatives set out by Danida for the priority area ‘growth and employment’ in the new strategy for Denmark’s development cooperation.

More space for the business community in development cooperation

The joint donor declaration underlined, among other things:

- The business community should be included more in development cooperation.
- The private sector plays a key role in relation to achieving the MDGs. Governments and donors must create framework conditions that ensure responsible growth.
Governments and donors can offer companies financial incentives to take social and environmental initiatives.

Private companies can help solve global challenges through innovation. For example securing access to safe drinking water for poor people or eradicating child labour.

The Prime Minister participated as co-host for the Private Sector Forum, where he emphasised the need for greater coordination between donor countries in relation to involving the private sector in development programmes and initiatives.

Promoting wider adoption of decent business practices in emerging markets

In step with creating new companies and jobs in developing countries, both social and environmental considerations risk being challenged. Therefore, in the coming years Danida will contribute to building local networks in developing countries in order to promote the internationally recognised principles of responsible business operations known as the UN Global Compact.

Danida supports initiatives in Kenya, Ghana and Bangladesh to develop local Global Compact networks comprising companies and NGOs that can put responsibility and accountability on the agenda. The Confederation of Danish Industry and the UNDP Nordic Office are partners in the initiative and have helped the African partners both with the day-to-day sparring and with formulating a strategy to recruit new members.

In Kenya, where the initiative has been in existence longest, the local networks have:

- Recruited new members.
- Held nine seminars – e.g. with focus on anti-corruption.
- Secured the full support of the board and management team in local business organisations, in which the work with the Global Compact is viewed as a strategic priority.

In 2010, Danida awarded a grant of USD 500,000 for use in developing local Global Compact networks in Kenya, Ghana and Bangladesh.

Read more
Chapter 7 of the annual report contains more information about the UN summit.

THE FOLLOWING COUNTRIES SUPPORT THE DONOR DECLARATION ON INVOLVING THE BUSINESS COMMUNITY IN THE EFFORTS TO ACHIEVE THE MDGS

- Denmark, Finland, Japan, the Netherlands, Norway, United Kingdom, Sweden, Switzerland, Germany, the USA and Austria.
- Since the summit in September 2008, more countries have signed the declaration.

FACTS ABOUT THE GLOBAL COMPACT

The Global Compact is a set of ten principles for sustainable and responsible business management adopted by the UN in 2000. Companies that endorse the Global Compact commit themselves to:

- Support and respect human rights.
- Respect the right of workers to organise themselves and to collective bargaining.
- Refrain from the use of child labour.
- Launch initiatives designed to promote responsibility within the environmental field.
- Fight all forms of corruption, including extortion and bribery.

Click below to see the ten Global Compact principles: www.unglobalcompact.org/aboutthegc/thetenprinciples/index.html
REPORT FROM THE COMMITTEE FOR MIXED CREDITS

With the strategic framework for growth and employment, Danida follows up on the Africa Commission’s recommendations and emphasises the goal of fostering development through market-driven growth and employment. This means enhanced focus on the business community’s framework conditions in the form of investments in infrastructure and energy.

The Mixed Credits scheme constitutes an important instrument for securing finance for large-scale infrastructure projects that could not be financed according to normal market principles. This is done by offering interest-free loans with a 10-year term, in which interest, export credit premium and other financial costs are financed using development assistance funds. By promoting access to long-term financing through the inclusion of commercial partners, the scheme can facilitate investments in important infrastructure and thus create better conditions for growth and employment.

In the last few years, the scheme has sharpened focus on the financing of infrastructure projects, including the improvement of energy supply. The financing of climate-friendly and cleaner technology is a priority that will be strengthened further in the future.

The 219 km highway between the towns of Iyovi and Mafinga in Tanzania is more than 40 years old and in severe need of extensive rehabilitation. Danida facilitates this rehabilitation through a mixed credit. The rehabilitation of the first 150 km of main road is expected to be finished during 2011.

Record level of disbursements in 2010
The scheme continues to be in great demand. The USD 62.4 million that was earmarked for the scheme in the Finance and Appropriation Act 2010 was fully utilised. In total, however, Danida disbursed gross interest support totalling USD 90.5 million. This was facilitated by the repayment of interest support to the scheme, as the actual interest level was lower than expected at the time the support was due to be disbursed.

Disbursed interest support, etc. 2004-2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Interest support, etc. in USD millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>41.4</td>
</tr>
<tr>
<td>2005</td>
<td>51.4</td>
</tr>
<tr>
<td>2006</td>
<td>63.5</td>
</tr>
<tr>
<td>2007</td>
<td>74.3</td>
</tr>
<tr>
<td>2008</td>
<td>75.2</td>
</tr>
<tr>
<td>2009</td>
<td>70.7</td>
</tr>
<tr>
<td>2010</td>
<td>90.5</td>
</tr>
</tbody>
</table>

What are mixed credits?

With a mixed credit, Danida is able to support development projects that cannot be financed according to normal market principles.

- The name “mixed credit” comes from mixing development assistance with a commercial bank loan.
- A mixed credit is an ordinary, interest-bearing export credit where the export credit premium and other financial costs are paid by Danida.
- The financial support is often supplemented by technical assistance – e.g. in connection with drawing up tender materials.
- In general, only Danish companies may participate in the contract bidding process.
Better conditions for the business community in focus

In 2010, Danida pledged support for six new projects with a total contract sum of USD 327 million. Of this sum, Denmark covered interest costs as well as costs for technical assistance, thereby generating equipment deliveries for a contract sum that was more than double the size of the grant disbursed. Of these six new projects, two are in Ghana, one in China, one in Mongolia, one in Mozambique and one in Tanzania.

The six new projects reflect Danida’s scaled-up efforts to improve the framework conditions for the business community in partner countries and thereby contribute to creating growth and employment. In 2010, two-thirds of the funds was awarded towards supporting electrification projects and projects within other types of energy, whilst new projects within the transport sector accounted for the other third.

Read more

See the case below about electricity supply in Mozambique financed by mixed credits.

### New projects in 2010

<table>
<thead>
<tr>
<th>Project title</th>
<th>Country</th>
<th>Total grant</th>
<th>Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reinforcement and extension of the national power transmission grid</td>
<td>Mozambique</td>
<td>101,213</td>
<td>138,923</td>
</tr>
<tr>
<td>Road Bridges in Northern Ghana</td>
<td>Ghana</td>
<td>31,791</td>
<td>67,220</td>
</tr>
<tr>
<td>Shangri-La District Heating Project, Yunnan</td>
<td>China</td>
<td>13,616</td>
<td>29,085</td>
</tr>
<tr>
<td>Darkhan-Selenge Electricity Distribution Network Project</td>
<td>Mongolia</td>
<td>16,062</td>
<td>34,091</td>
</tr>
<tr>
<td>Rehabilitation of TANZAM Highway, Phase 2</td>
<td>Tanzania</td>
<td>34,601</td>
<td>54,182</td>
</tr>
<tr>
<td>Production of Plastic Cards Project</td>
<td>Ghana</td>
<td>1,613</td>
<td>3,526</td>
</tr>
</tbody>
</table>

All amounts in USD 1,000

MODERNISATION OF B2B, IPD AND MIXED CREDITS

In 2011, the B2B and IPD programmes will be merged, modernised and re-launched as the Danida Business Partnerships programme. Mixed Credits will also be modernised and become known as Danida Business Finance.

DEVELOPMENT FUNDS TO GENERATE INVESTMENTS

The year’s gearing rate for Mixed Credits was 2.03. This means that each disbursed krone in 2010 generated Danish deliveries of DKK 2.03 = USD 0.361. The rate exclusively concerns projects that received disbursements in 2010. In 2009, the gearing rate was 2.00.
CASE: STABLE ELECTRICITY SUPPLY TO COMPANIES AND ORDINARY CITIZENS IN MOZAMBIQUE

It is extremely difficult to run a business in Mozambique. Poor electricity supply and many power cuts in particular slow down growth in the poor south-east African country. A large project with Danish support is in the process of changing this situation.

The inhabitants in the two southern provinces of Gaza and Inhambane have gradually learnt that bad weather is synonymous with prolonged power cuts. The two provinces receive electricity via a high-voltage cable from 1983, which is not protected against lightning strikes. To make matters worse, the cable has insufficient capacity to cover the area’s needs, halting growth particularly in the agricultural sector. There is also production of tomatoes, cashew nuts, citrus fruits and coconuts in the area.

The challenges are not made smaller by the fact that there are no reserves for the transformer stations, neither in the northern part of the country nor in the capital Maputo. For the main transformer station in Maputo, this means, for example, that supply drops by up to 50 per cent during a system breakdown and cannot be resumed until the fault has been founded and rectified. This can take 1-2 years with serious faults.
Bottleneck for industry
The electricity supply puts a major constraint on Mozambique’s possibilities to create growth and employment. This is clearly illustrated in the Beloluane Industrial Park, which is situated south of the capital Maputo. Here, the state-owned electricity company, EDM, has received enquiries from industrial firms wishing to connect up factory plants corresponding to 300 MVA (megavolt amperes). The present supply can deliver 20 MVA. Therefore, a completely new supply system is needed for the area.

New power cable lines and transformer stations
Through the Mixed Credits scheme, Danida awards support to a large project that the EDM electricity company is responsible for conducting. Danida has injected USD 101.26 million into the project, which, among other things, will contain the following components:

- Installation of almost 350 km of power cable with a voltage between 33kV and 275 kV. The connections are designed to solve some of the problems associated with unstable supply in the provinces of Gaza and Inhambane.
- Installation of eight new transformer stations varying between 35 MVA and 400 MVA. The new transformer stations are designed to solve problems associated with lack of reserves for the stations in Maputo and in the northern part of the country.
- The supply problems in Beloluane Industrial Park will be solved with two new stations.

The work is expected to begin in 2012 and be completed in 2018.

Read more
Report from the Committee for Mixed Credits in this chapter of the annual report.
GROWTH AND EMPLOYMENT

In a short period of time the Quinoa seed has become a popular food throughout the world, and global demand has risen explosively. This presents both opportunities and challenges for Quinoa farmers in Bolivia, who are responsible for over 40 per cent of total Quinoa production worldwide. A Danish-supported project in the Bolivian highland has helped these farmers to get more out of their efforts.

On the surface, one would think that the Quinoa farmers in the Bolivian highland had every reason to be pleased. Since 2006, the price of Quinoa has tripled, and the UN Food Agency Organisation (FAO) has selected Quinoa as one of the crops destined to offer food security in the 21st century due to its high nutritional value.

The demanding Quinoa
But for the rural population in the Bolivian highland, increasing production of Quinoa is not so straightforward. The crop is cultivated at a height of 4000 metres, where the light and salt content in the soil is optimal, and there are few other plants that can survive under such windswept and cold conditions.

The Irupana food plant in Bolivia processes organic Quinoa grain, which is also exported. Here an employee is fine-screening and checking the grain. Photo: Mike Kollöffel

CASE: MIRACLE CROP HELPS HIGHLAND FARMERS
Quinoa is often grown on fairly small farms, where the farmer has an area of land between one and four hectares and primarily cultivates and harvests the crops manually. The farmers often do not have the financial resources to irrigate and are therefore completely dependent on rainfall.

At the same time, it is difficult for farmers to increase production by using commercial cultivation methods, as intensive farming and use of mechanical equipment has been shown to impoverish the sensitive soil. It dries out and erodes due to the severe winds, as a result of which the fertility of the soil is diminished.

Systematic work with value chains
In order to improve the farmers’ yield from cultivation, Danida provides help through its agricultural sector programme in Bolivia. Here, systematic work is carried out to develop value chains, which involves examining how cultivation methods, processing and eventually sales and market access can be improved.

In Bolivia, Danida has, in the first stage of the chain, supported the introduction of new technologies designed to increase production. In the second stage, the agricultural sector programme has helped entrepreneurs in rural areas to gain access to finance and technical assistance. In the third stage, the support has gone towards facilitating business exchanges, whereby the various Bolivian companies in both rural and urban areas have been able to learn from each other and thus also gain access to new markets.

Untapped potential
The work with value chains has shown great potential, not just in relation to growing Quinoa. Opportunities also present themselves in the next stages of the process, where the crop is bought, washed and made ready for sale. Particularly because Quinoa is primarily sold as a complete grain, the potential exists to develop new Quinoa-containing products for the global market.

In Bolivia, there is also a general lack of knowledge about the possibilities in the international markets. Lack of knowledge about customs rules can also be an obstacle to entering the lucrative European and American markets.

Danish-supported projects
Over several years, a number of Danish-supported projects have worked to realise Quinoa’s untapped potential, so as to enable the Bolivian farmers to earn from the rising demand and thereby improve their livelihoods.

Within the Quinoa value chain, Danida has used the Agricultural Sector Programme, among other things, to support the following initiatives:

- Organic production of Quinoa
- Internal quality control
- Better and more optimal utilisation of land, including water-logging facilities.
- Simple processing of Quinoa products with the aim of injecting valued added through co-financing of machinery and infrastructure, co-financing of training in how to run small businesses, and co-financing of recruitment of experts who are to promote commercialisation of by-products.
- Improved access to markets. Here, the projects have focused on facilitating contact between firms and businesses, for example between small businesses processing Quinoa and large firms using these products in their production.

Not only Quinoa
Danida’s agricultural sector programme in Bolivia does not focus exclusively on Quinoa’s value chains, but also on the different stages in the value chains of many agricultural products, including goats, milk, fruit, peas, garlic, chilli and oregano. In 2010, Danida awarded approx. USD 10.1 million in total support through the agricultural sector programme, of which a large proportion went to activities aimed at developing value chains “from farm to fork”.

Specific results achieved in 2010 included the following, among others:

- Approx. 7,500 farming families increased their income by 21 per cent through support awarded towards improving productivity and market access.
- The demand for new financial instruments from small farmers was twice as large as expected.
- A total of 54 businesses and firms in rural areas received advisory and organisational support, enabling them to improve their production.
- 600 managers from agricultural organisations received training in how to run their organisations.

The budget framework for the Danish Agricultural Sector Programme is USD 30.2 million for the period 2011-2013.
**CASE: SEAFARING NATION TEACHES BANGLADESH ABOUT SHIPBUILDING**

Within a few years, the B2B Programme in Bangladesh has succeeded in creating strong partnerships and jobs in the country. Development has moved fast particularly within shipbuilding, and in spring 2010 the Minister for Development Cooperation was able to see for himself the specific results of the Danish efforts.

Right up until 2008, only small ships for local customers were built in Bangladesh. The Danish B2B Programme changed this. In 2005, the Danish embassy mediated contact between a Danish ship architect and a shipyard in Bangladesh, which led to a B2B partnership and the establishment of a design house. The collaboration entailed, among other things, that young shipbuilders from Bangladesh went to Denmark for in-service training. Within a short time, the first international customer (a Danish shipping firm) placed an order in Bangladesh.

The international focus proved worthwhile, and in April 2010, when the Minister for Development Cooperation visited one of the shipyards which had been part of the collaboration, more than 2,100 people were employed in international shipbuilding in this one shipyard alone. The shipyard also has plans to establish two more large shipyards.
A potential future as a shipbuilding nation

The B2B Programme’s transfer of training and know-how to the local shipbuilding industry has contributed to giving a boost to the entire industry, and today there are two major international shipyards in Bangladesh. Within a few years, the two shipyards have succeeded in securing more than 40 international orders for ships, and an increasing number of international firms are showing interest in building shipyards in Bangladesh without the need for development support.

Efficient and eco-friendly net for the Bay of Bengal

It is not just within shipbuilding that Denmark’s expertise as a seafaring nation has proved valuable in creating growth and employment in Bangladesh. The fishermen in the country use inefficient and outdated fishing techniques, which not only reduces the catch but also has major adverse impacts on the environment and the long-term sustainability of the fishing industry. A collaboration between a Danish fishing equipment expert and a Bangladeshi partner is in the process of changing this. In 2009, the two businesses worked together to develop a trawl net suited to the special seabed conditions in the Bay of Bengal. Several different types of trawl net were tested, and in 2010 the two firms established a joint venture that will offer a wide range of adapted trawl nets to fishermen in Bangladesh.

Denmark has contributed USD 700,000 in support towards the development of this partnership.

B2B IN BANGLADESH

The B2B Programme was introduced in Bangladesh in 1999 and since then has been used to support around 90 projects. Approx. one-third of the B2B projects have been within IT, and the Danish B2B support has specifically contributed to ensuring that this sector is now becoming one of the most promising sectors in Bangladesh.

Some of the largest IT companies in the country are today Danish-Bangladeshi joint venture companies.
CASE: DANISH COMPANIES GIVE IMPETUS TO THE FISHERIES SECTOR IN GHANA

During three intensive days in Accra in autumn 2010, Danish and Ghanaian companies shared ideas for cooperation about everything from modern cold stores and fishing vessels to improved training within the fisheries sector. A “matchmaking event” provided the framework for enhanced cooperation directed at creating growth and jobs within the fisheries sector in Ghana.

The fisheries sector in Ghana plays a major role in the west African country’s economy. A total of 10 per cent of the population are directly or indirectly dependent on the income generated from this sector, and 4.5 per cent of GNP stems from fisheries. Fish is also a stable component of the Ghanaian diet and covers the protein needs of 60 per cent of the population.

Fishing techniques and handling of fish, however, do not always conform to modern standards, and there is a huge potential for job creation and growth within the sector. In October 2010, therefore, representatives of 12 Danish companies travelled to the capital Accra in order to meet potential Ghanaian partners.
From shellfish to glass-fibre boats
The TechChange event, which was opened by His Royal Highness Prince Joachim of Denmark, was organised by the Danish Embassy in Ghana. Representatives of 40 Ghanaian companies attended. The Danish and Ghanaian companies held meetings to discuss the possibilities for future cooperation, and the Danish firms were positively surprised by the interest, the need and the opportunities for starting up a business partnership in Ghana.

At the end of the three days, a large number of promising opportunities for collaboration and need for technology and know-how transfer had been identified. For example, a need was shown for:

- Finished materials for cold stores.
- Development of glass-fibre vessels for the fisheries sector.
- Farming of shellfish for future export.
- Vocational education and training programmes within the fisheries sector.

Development of partnerships, potentially with support from the B2B Programme, can contribute to facilitating sustainable growth in the fisheries sector and thereby job creation for Ghanaians.

WHAT IS THE B2B PROGRAMME?
- The objective of the B2B Programme is to create sustainable and long-term partnerships between local businesses in Danida partner countries and Danish firms.
- In 2010, the budget framework for the B2B Programme was USD 35.6 million.
- Two-thirds of the funds was awarded to partnerships in Africa.
- In 2010, 29 new long-term project partnerships were signed.

MODERNISATION OF B2B, IPD AND MIXED CREDITS
In 2011, the B2B and IDP programmes will be merged, modernised and re-launched as the Danida Business Partnerships programme. Mixed Credits will also be modernised and become known as Danida Business Finance.
Gender equality is crucial for development, and the lack of gender equality means enormous untapped economic potential. The efforts to promote gender equality are a priority in Danish development policy. In 2010 a number of new initiatives were launched to ensure women better opportunities for utilising their resources.
150 torches on the path to gender equality
In total, 150 torches have been presented since the launch of Denmark’s campaign to draw attention to the UN Millennium Development Goal on gender equality. The results are now to be documented. Page 58

Gender equality also makes economic sense
The path to increased prosperity in developing countries runs through women. This is where development cooperation produces the best results. Page 60

Women holding the key to peace
Women should be included actively when it comes to resolving conflicts in developing countries. Page 62

The World Bank places focus on gender equality
In 2010, partly thanks to a major Danish effort, gender equality initiatives and projects were adopted as a priority area for the International Development Association (IDA). Page 64

Women risk missing out on the benefits of value chains
Do women benefit at all when development cooperation focuses on so-called value chains? A Danish evaluation study in 2010 addressed this question. Page 66

CASE: Afghan women get help in the law court and the ballot booth
Two Afghan organisations work with Danida support to improve the access of women to the justice system and participation in political life. Page 68

CASE: Atuki’s battle against bride prices in Uganda
Meet a MDG3 Torch recipient, who is fighting to eradicate the system of bride prices in Uganda. Page 69
In total, 150 torches have been presented since Denmark launched its campaign to draw attention to the UN Millennium Development Goal on gender equality. The last torch was presented in 2010 to the newly appointed Executive Director of UN Women, Michelle Bachelet. The specific results of the campaign are now to be documented.

Michelle Obama received one, UN Secretary-General Ban Ki-moon received one, as did Hillary Clinton, Madeleine Albright and Tanzania’s President Jakaya Kikwete and many other politicians, decision-makers, organisations, companies and NGOs – namely the Danish MDG3 Torch. By accepting the torch, the recipients committed themselves to make an extra effort to promote gender equality and women’s opportunities.

The objective of the Danish campaign, “MDG3 Global Call to Action”, and the presentation of torches has been to raise political awareness of Millennium Development Goal 3 (MDG3), which focuses on improving gender equality and women’s empowerment.

**New single UN body for women and gender equality**

In September 2010, the Minister for Development Cooperation, Søren Pind, presented the last of the 150 MDG3 Torches to the newly appointed head of UN Women, Michelle Bachelet, who until recently had been President of Chile. This presentation took place in connection with the UN MDG summit in New York.

Michelle Bachelet was appointed Under-Secretary-General and Executive Director of the new UN unit for gender equality in order to raise greater awareness of MDG3 on gender equality. In the UN, Denmark has campaigned actively for the establishment of UN Women. Its creation materialised after several years of tough negotiations between UN member states.
Gender equality an important track in the new Danish development strategy

The Danish campaign, “MDG3 Global Call to Action”, fully harmonises with the new strategy for Denmark’s development cooperation, which prioritises gender equality as one of the five political priority areas. In connection with the launch of UN Women in 2010, the Danish Government promised, among other things, to double its financial contribution to USD 3.6 million.

The basic rationale behind the Danish campaign and for the prioritisation of gender equality in Danish development cooperation is that women are an untapped potential for development. Effective and sustainable development results require that women are included as equal partners at all levels.

The strategy focuses on values and on changing the reactionary and oppressive norms governing the role of women in society. Women must have equal rights, equal access to resources and equal opportunities for economic, political and social influence. Equal rights for women is an objective in itself, but it must also be seen as a means to achieving the other seven goals that the UN has set itself to achieve by 2015.

The continued efforts to reach MDG3

Even though the Danish campaign of presenting torches has come to an end, Denmark will maintain its focus on achieving the targets for MDG3 on gender quality by 2015.

As an extension of this objective, Tanzania’s President Kikwete has promised to modernise a number of laws on marriage pacts, inheritance rights and the right to own land with the aim of improving women’s opportunities for earning money.

A progress report published at the end of 2009 showed that the MDG3 Torch recipients have translated their words into action. A number of commitments have already been met, and others are on the way. Denmark has won accolade for this initiative from the World Bank President and the UN Secretary-General.

Concrete recognition for Denmark’s engagement and effort came in May 2010, when the UN Secretary-General appointed the then chief executive, Stine Bosse, as one of 20 global “MDG Advocates”, who together with the UN Secretary-General acts to promote the Millennium Development Goals.

An action-oriented outcome document

The UN summit in September 2010 on the MDGs was attended by both Stine Bosse and Minister for Development Cooperation Søren Pind. At the summit, one of the aims was to clearly identify which goals and countries require a special effort in the coming five years before the deadline for reaching the MDGs expires.

It was important for Denmark to ensure that the outcome document adopted at the summit was as action-oriented as possible. Denmark placed emphasis on particular attention being focused on fragile states and on Africa, particularly sub-Saharan Africa, where the goals were furthest from being reached. Denmark also highlighted the necessity of securing increased growth and employment, gender equality and women’s economic empowerment in order for the goals to be achieved.

Read more
The UN summit on the Millennium Development Goals in chapter 7 of the annual report.

THE UN MILLENNIUM DEVELOPMENT GOALS (MDGs)

MDG3 on gender equality emphasises that each and every one of the eight goals is directly linked to women’s rights. Countries where women do not have equal rights with men will never be able to achieve sustainable development. The 8 MDGs are:

1. Halve poverty and hunger
2. Ensure universal primary education
3. Improve gender equality and women’s empowerment
4. Reduce child mortality by two-thirds
5. Reduce maternal mortality by two-thirds
6. Eradicate HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability
8. Increase cooperation on development assistance, trade and debt relief.
Gender equality also makes economic sense

The path to prosperity in developing countries runs through women. This is shown in recent research and knowledge about where the best outcomes of development policy are to be found. It is women who are to boost growth in developing countries. If the eight Millennium Development Goals (MDGs) that the UN has adopted are examined, one of the goals in particular cuts across the other initiatives. It is MDG3 on gender equality, focusing on the empowerment of women.

The goal is included because equal rights for women is not only a human right, but has also proved to be a means to achieving development and growth in developing countries.

This issue therefore constitutes one of the cornerstones of the Danish strategy for development cooperation, which is partly implemented through the “MDG3 Global Call to Action” campaign. This campaign was launched in 2008 and ended in 2010.
Five clear recommendations sent from Copenhagen to the UN summit
On 25 March 2010, as part of the process of rounding up the campaign, the Ministry of Foreign Affairs held a high-level conference in Copenhagen on women’s employment and economic opportunities (so-called empowerment).

Among the keynote speakers were World Bank President Robert B. Zoellick, UN Deputy-Secretary-General Asha-Rose Migiro, UNDP Administrator Helen Clark, UNFPA Executive Director Thoraya Obaid as well as Bangladesh’s State Minister for Women and Children Affairs, Shirin Sharmin Chaudhury.

The conference resulted in five clear recommendations that served as input for the MDG summit in New York in September 2010:

1. Enhance economic empowerment of women, and see it both as a matter of rights and economic sense.
2. Improve women’s opportunities to become entrepreneurs.
3. Increase the opportunities to overcome social and cultural barriers.
4. Prioritise women’s health, including sexual and reproductive health and rights.
5. Ensure that women participate actively in political life.

Gender equality lags behind within the economic sphere
The basis for the five recommendations that emerged from the conference in Copenhagen is a recognition that gender equality lags behind, particularly within the economic sphere. This observation is highlighted in the Global Gender Gap Report published in 2009. The report concludes that there is a correlation between gender inequality and national competitiveness.

The message in the Global Gender Gap Report is clear: Gender equality must be integrated in national priorities if countries wish to maximise their development potential. At the same time, women must be afforded the same opportunities as men, for example when finding employment, starting their own business, borrowing money and inheriting.

Outcome document with strong focus on gender equality
At the MDG summit in New York in September 2010, gender equality was given a prominent place in the final outcome document. However, whilst particular focus was placed on women’s opportunities to take an education, women’s opportunities for economic empowerment were not highlighted as strongly as Denmark would have wished.

Read more
The UN summit on the Millennium Development Goals in chapter 7 of the annual report.
In the past, focus was on how best to protect women and children in connection with conflicts. Today, focus is equally high on how women can be actively included in the search for solutions to conflicts in developing countries.

The active involvement of women in the search for solutions to conflicts in the world’s hotspots needs to start with international negotiators and armed forces themselves becoming better at integrating gender equality considerations in their operations. This applies specifically not only in relation to the number of female peace-brokers, soldiers and officers, but also in the whole understanding of who are the opponents and actors in the conflicts.

In Afghanistan, the conventional military logic of ISAF forces states that it is the male clan leaders one will meet when negotiations take place. But what about the women and their role?
**10th anniversary of UN resolution**

“Women’s role in global security”, was the theme of the two-day conference in Copenhagen in October 2010, a conference jointly organised by the US Embassy in Copenhagen and Danida.

The background was the 10th anniversary for the adoption of UN Resolution 1325, which focuses on women, peace and security. The adoption of the resolution a decade ago marked the first time that the Security Council addressed the role that women play in security policy.

In the first few years after the resolution adoption, this awareness focused primarily on women and children being the most vulnerable parties in conflicts, and for that reason the protection of these groups in particular was given high priority. Today, the efforts concentrate to an equally high extent on drawing on the resources that women have to prevent and resolve conflicts.

This was the primary focus of the conference in Copenhagen, which was attended by politicians, officials and practitioners: from NATO Secretary-General Anders Fogh Rasmussen to the female Danish soldier, Anne-Cathrine Riebnitzsky, who has been in Afghanistan on missions with other combat troops and as a posted staff member of the Ministry of Foreign Affairs.

**Barriers to and opportunities for the inclusion of women**

The conference resulted in a number of recommendations, in which focus was placed on positive examples as well as barriers.

Important barriers to women’s inclusion in conflict resolution are the cultural and norm-related barriers that exist within the armed forces. The potential for including women in peace negotiations is often overlooked. Instead, the efforts solely concentrate on rebel organisations and other armed groups who come to the negotiating table. This means we miss out on civil society’s perspective on conflict and resolution. The idea is that the troop forces which have integrated gender considerations themselves are more likely to involve the civilian population when solving conflicts.

**Female role models**

Experience from Iraq and Afghanistan is that female soldiers and female police officers are more able to engage in close dialogue with women in local communities, and that they can act as role models for local women. Therefore, steps are being taken to recruit women in both the armed forces and the police in these two countries.

At the same time, efforts are being made to ensure women play an active role in local political and economic life. At the parliamentary elections in Afghanistan in September 2010, Denmark supported, among others, the Afghan Women’s Network (AWN) in a campaign to strengthen the participation of female voters in the election. AWN represents 65 Afghan women organisations.

**Read more**

Visit the theme website on Denmark’s initiatives and interventions in Afghanistan at www.dkiafghanistan.dk.

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**GENDER EQUALITY INTERVENTIONS IN AFGHANISTAN**

At the headquarters of NATO forces in Afghanistan, gender equality consultants are now working to ensure that all officers incorporate the perspective of women in their considerations when formulating their operational strategies.

- The first 29 female Afghan officers completed their training in September 2010.
- Women comprise between 3 and 18 per cent of the armed forces of each NATO country.
- Through a targeted recruitment campaign, the Danish Armed Forces have increased the number of women in the armed forces by 20 per cent.
- The number of female soldiers posted to Afghanistan from Denmark rose from 14 in 2006 to 68 in 2010.
- The US military have set up an all-female paratrooper unit that operates in southern Afghanistan.
The International Development Association (IDA) is one of the world’s largest sources of development assistance. In 2010, thanks to a huge effort by Denmark, gender equality was successfully upgraded to a priority area for IDA in the coming three years.

When World Bank President Robert B. Zoellick in December 2010 presented the agreement that sets out the three-year budget for the International Development Association (IDA), there was extra reason for Denmark to be pleased.

At the very heart of the agreement was a pledge to enhance efforts to promote gender equality in the 79 poorest countries in the world where IDA awarded support.

In this way, a key priority area of Danish development cooperation will benefit from one of the world’s largest sources of development assistance. In 2010, donors served to ensure that the IDA had USD 49.3 billion at its disposal from 2011 to 2014.
Gender equality integrated in all activities

The agreement entails that specific targets will be set for the World Bank’s efforts to promote gender equality in relation to projects within health, education, agriculture and economic development.

In specific terms, this means enhanced focus on, among other things, ensuring that:

- All World Bank regions formulate action plans to promote gender equality.
- The action plan for reproductive health is launched, with particular focus on 52 poor countries with high rates of maternal mortality.
- A special programme is implemented aimed at promoting gender equality in the education sector in specially selected countries.
- Tools for measuring results of gender equality initiatives are improved.

IDA already acts to promote gender equality

The IDA plays an important role in the efforts to achieve the Millennium Development Goals, and the World Bank has for a number of years already worked to improve the conditions for women in the world’s poorest countries.

Specifically, the IDA works with gender equality in the following areas:

- Education: The IDA has supported a large number of programmes whose goal has been to increase the participation of girls in primary school as well as lower and upper secondary education.
- Health: In Africa, the IDA has supported projects that have sought to prevent HIV/AIDS and help women infected with the disease – e.g. through providing better access to contraception.
- Agriculture: The IDA has, among other things, worked to provide women with the same access and rights to land as men.
- Labour market access: The IDA has for a long time engaged in dialogue with governments in recipient countries regarding opportunities to promote women’s access to the labour market.
- Private sector development: IDA investments enhance women’s access to loans and credit.
- Infrastructure: IDA investments in basic infrastructure in both poor urban and rural areas particularly benefit women due to the gender roles in the home.

Read more


WHAT IS THE IDA?

The IDA stands for the International Development Association and is a fund under the World Bank tasked with helping the world’s poorest countries.

- The IDA provides support for health, education, infrastructure and agriculture in 79 of the world’s poorest countries.
- The IDA is financed by so-called “replenishments” every three years, when the donors agree on the scale of the support and the priority areas for the next three years.
- The latest “replenishment” was the 16th of its kind, in which pledges and commitments were made totalling USD 49.3 billion for the period 2011-2014.
WOMEN RISK MISSING OUT ON THE BENEFITS OF VALUE CHAINS

Do women benefit at all when development cooperation focuses on so-called value chains? A Danish evaluation study in 2010 addressed this question. The report identifies possibilities for improvements, and the recommendations can entail a general boost to the efforts to promote gender equality in developing countries.

Since the 1970s, Denmark has supported the development of the fisheries and aquaculture sector in Bangladesh, which is heavily dependent on fish as a source of both food and income, because of its location in the middle of an enormous river delta. Up to 2006, Denmark supported three large fish farming projects in the regions of Mymensingh, Noakhali and Patuakhali. An evaluation of the efforts from 2009 showed that the awarded support benefited around 200,000 households.

However, besides generating stable income and jobs, the question is whether the projects had any positive effect on gender equality in the affected communities. In what ways are women affected by development projects which focus on so-called value chains? A large evaluation study by Danida in 2010 shed light on this question.

People trading at the local market in Solola, Guatemala. Photo: Heine Pedersen
A mixed picture
The Danish evaluation study mapped findings from a series of evaluations and research studies of the effects of value chain projects – from coffee growing in Guatemala, fish farming in Bangladesh to cultivation of organic pineapples in Uganda. The aim was to see to what extent the projects had directly or indirectly benefitted gender equality in the affected communities.

In relation to the fish farms in Bangladesh, experience showed that on the one hand, women had acquired greater confidence from participating in meetings and having had the opportunity to take out loans. In particular, it had been of importance that female teachers had been selected for the training courses, as this attracted many participants. On the other hand, the evaluation showed that many women found it extremely difficult to be allowed to use their new-found skills in the male-dominated community.

Gender equality must be integrated
The Danish evaluation study shows, not surprisingly, that the impacts of the value chain projects are greatest when gender equality is integrated actively from the outset. In many more general value chain projects, women have actually experienced an improvement as a result of the boost that the projects have given the local community.

However, it is too hasty to assume that simply carrying out a value chain project will automatically benefit women. Examples from the cultivation of Fairtrade bananas in Peru show that women’s economic contribution to the household has fallen in step with the increasing income earned by men. It is therefore essential to integrate these aspects from the outset in all initiatives and activities, including in relation to promoting growth and employment and environmental initiatives.

The following conclusions from the study can be highlighted:

- Preliminary analysis with focus on gender. Prior to new value chain projects, a detailed analysis should be carried out that, examines gender issues. This analysis can contribute to ensuring that action is taken in the right places in the value chain and in relation to the right target group.
- General value chain projects can have beneficial effects on gender equality, but also risk having adverse effects.
- Women have poor access to the market and to the other actors in the value chain. This is a serious barrier preventing them from benefiting from the development initiatives.
- The increase in the proportion of women finding employment as a result of the value chain project is not necessarily a sign of improved gender equality. Without specific initiatives, women risk ending up in the worst jobs.

Read more
The study “Gender and Value Chain Development”. The case “Green value chains from the supermarket to the Maya Indians” in chapter 6 of this annual report.

WHAT IS A VALUE CHAIN?
The term “value chain” describes all activities that companies, farms and workers carry out to bring a particular project from its creation to the end of its lifespan – or in popular terms “from farm to fork”. It entails, among other things:

- Design
- Production
- Marketing and sales
- Distribution
- Support to the end-user.
The Afghan justice system should in principle treat men and women equally, but this is far from the case. Women’s participation in elections and political life is also extremely limited. Two Afghan organisations are working to change this with support from Danida.

Using posters and cartoons, the defence lawyers from the organisation Da Qanoon Ghushto (DQG) attempt to explain to women their rights in the justice system according to the new constitution. The lawyers are part of the organisation’s so-called “mobile legal clinics”, which tour the country’s remote areas to inform people about rights and offer legal aid. In addition, DQG has permanent offices in five provinces.

Danida is the DQG’s only core donor and since 2006 has awarded a total of approx. USD 4.1 million in support to the organisation, of which USD 980,000 goes towards the organisation’s work in 2011.

Free legal aid and appointed lawyers
DQG has 32 defence lawyers representing people who have been charged and who have no other possibilities for legal aid.

Information material: DQG has, among other things, drawn up folders for use by the police, prosecutors and judges. This information material contributes to reducing the use of judgments based on customary practices (ba’ad).

Database: DQG records all its cases in order to facilitate assessment of efficiency and effectiveness of the justice system.

Education: DQG regularly runs workshops for defence lawyers. In May 2010, lawyers from five provinces met to discuss the need to establish the International Criminal Court (ICC) in Afghanistan.

Mobile legal clinics: The clinics provide instruction in the law for people living in remote areas. At the present time, DQG’s lawyers have handled over 12,000 cases.

The parliamentary elections in Afghanistan
On Saturday 18 September 2010, the Afghanistan people went to the ballot box to elect individuals for the 249 seats in parliament (Wolesi Jirga). Out of a total of 2,513 candidates, 397 were women. Women were guaranteed at least 68 seats in the parliament.

Prior to the election, the Afghan Women’s Network (AWN) organisation ran a number of information campaigns to persuade Afghan women to vote. Among other things, spots on both radio and TV were made, meetings were held and posters put up aimed at women.
The campaign, which received USD 300,000 in support from Danida plus additional funds from Norway and Finland, also contained other elements:

- Civic education workshops. AWN held meetings to inform citizens about their rights and duties as well as the importance of participating in political life.
- Civic education training sessions. AWN identified important networks such as Shura’s (councils), committees and teacher associations and ministry staff that could be responsible for informing citizens about the importance of voting.
- Training of province representatives. In order to strengthen the National Parliament’s capacity for action, representatives from 29 Afghan provinces were trained.
- Training of female members of parliament. After the election, the new female members of parliament are offered a six-month course on parliamentary duties and human rights.

On the election day, around 4.2 million Afghans defied threats of violence and voted.

Read more
Visit the thematic website about Denmark’s programmes and activities in Afghanistan at www.dkiafghanistan.dk.

THE AFGHAN PARLIAMENTARY ELECTIONS:

- Were held on 18 September 2010.
- 397 women stood as candidates.
- 68 seats were reserved in advance for women, and 69 women were elected into the Parliament.
- Around 4.2 million Afghans voted in the election.
- Around 10 million people are eligible to vote in Afghanistan.

CASE: ATUKI’S BATTLE AGAINST BRIDE PRICES IN UGANDA

Atuki Turner is the founder of Mifumi, a women’s counselling centre in Uganda. She is one of the recipients of the MDG3 Torches in the Danish campaign, “MDG3 Global Call to Action”, and works to eradicate the system of bride prices.

On the Ministry of Foreign Affairs’ website, you can watch a film that shows how Turner and other women actively help women and children who come to the centre on a daily basis as well as attempt to help bring about legislation in Uganda to ban the system of bride prices, which leads to violence against women.

Watch the film on Danida’s website.
5 STABILITY AND FRAGILITY

Denmark is scaling up its efforts in fragile states and 2010 witnessed a new policy for Denmark’s activities in fragile states, increased funding for the activities and a decision to focus the efforts on fewer countries and regions. Afghanistan, Pakistan, Somalia and Sudan are among the eight countries selected as new Danish partner countries in 2010. Denmark also gave humanitarian assistance in response to several disasters in 2010. Particularly in connection with the floods in Pakistan during late summer and autumn 2010, Danish humanitarian assistance played an important role.
New policy to strengthen Denmark’s efforts in fragile states
In 2010, Denmark enhanced its focus on fragile states. A new policy is to provide the framework for the activities in the coming years in countries characterised by extreme poverty, conflict and instability. Page 72

New structure to ensure coordination of efforts in fragile states
A new method of inter-ministerial cooperation in Denmark – the Whole of Government structure – has been set up to ensure better planning and implementation of efforts in fragile states. Page 74

The international community must accept risks
The world’s countries met in Copenhagen in November 2010 to find answers on how to tackle risk-taking in development cooperation. This is a highly topical issue in relation to fragile states. Page 77

New policy for Denmark’s engagement in Somalia
In 2010, Denmark worked on developing a new policy for its engagement in Somalia, which builds on the principles contained in Denmark’s new policy towards fragile states. Page 78

Case: From rebel soldier to ordinary citizen
Since 2010, Denmark has supported a reintegration programme in Afghanistan designed to persuade rebel warriors to lay down their weapons. Page 79

Case: Danish emergency relief to Pakistan
Danida awarded the relief funds, after which the Danish Emergency Management Agency (DEMA) set off with three mobile field hospitals. As a result, more than 2,000 Pakistan flood victims per day received medical treatment. Page 81

Case: Danish assistance to reconstruction in Pakistan
The floods in Pakistan meant that Denmark brought forward development assistance for USD 7.12 million for rebuilding infrastructure and restoring livelihoods. Page 83
A total of 600 million people live in the world’s 43 fragile states. Extreme poverty, armed conflicts, systematic oppression and lawlessness are the daily norm. The need for assistance is huge. In 2010, Denmark enhanced its focus on fragile states.

Fragile states pose the most difficult challenges for development assistance.

Other developing countries are gradually able to move forward in their development. In fragile states, insecurity, war and conflicts slow down development – or set it back many years when conflicts burst out into the open and destroy years of work.

**Denmark leads way in global trend**

There is increasing international recognition of the particular challenge posed by fragile states. In its new strategy for development cooperation from 2010, Denmark has chosen to make stability and fragility one of the five priority areas.

This was cemented in September 2010, when the Minister for Development Cooperation and the Minister for Foreign Affairs jointly launched Denmark’s new policy towards fragile states.

The policy was drawn up in collaboration with the Ministry of Defence and the Ministry of Justice as well as an external reference group with resource persons from the research community and NGOs.
Increased funds allocated
The new policy towards fragile states was followed by the Finance and Appropriations Act for 2011, in which the Danish efforts in fragile states have been significantly upgraded. Eight fragile states were identified as new Danish partner countries from 2011:

- Afghanistan
- Pakistan
- Zimbabwe
- Somalia
- Sudan
- Ethiopia
- The Occupied Palestinian Territories
- Burma

In 2011, the bilateral assistance to the eight countries will amount to USD 284.6 million. The funds are to be used to, among other things, promote peace, freedom and democracy and alleviate humanitarian needs.

At the beginning of 2011, the new policy was followed by a new comprehensive policy for Denmark’s engagement in Somalia.

With the inclusion of efforts to promote stability in countries such as Nepal, Uganda and Kenya, which are not fragile states but which nonetheless are characterised by substantial insecurity, almost USD 355 million will be awarded in bilateral assistance. Added to this are the Danish contributions channelled through international organisations.

Focus on few states
Even though there are 43 fragile states altogether, the Danish support is concentrated on just a handful. Focusing on fewer countries and fewer focus areas is in this respect one of the key principles in the new policy.

Denmark will be persistent in its efforts in order to ensure results in the selected areas. The policy towards fragile states will establish initiatives that have a horizon of at least five to ten years. In comparison, humanitarian initiatives will typically be shorter in duration.

Adaptation to the specific state
In return for enhanced focus, there needs to be space available to implement targeted efforts in the states where Denmark devotes its attention. A key principle in the new policy is that standard solutions do not work in fragile states. Denmark will place vital importance on adapting the efforts to the specific situation in the country.

In addition, two other principles are prioritised in the policy, i.e. a Whole-of-Government approach and a willingness to take risks.

Read more
The new policy “Peace and Stabilisation – Denmark’s Policy Towards Fragile States”. The article “New policy for Denmark’s engagement in Somalia” in this chapter of the annual report.

Read more about Whole of Government and willingness to take risks in the articles below on the following pages.

HOW TO STABILISE A FRAGILE STATE?

The Danish policy identifies five priority areas where it is essential to make an effort in a fragile state:

- Stabilisation and security – e.g. a military operation – to stop an armed conflict or enforce a signed peace agreement.
- Improved livelihoods and economic opportunities – e.g. provide basic services such as safe drinking water, health and basic training and provide a framework for private entrepreneurs.
- Democratic development, good governance and human rights – e.g. fight corruption and build capacity to deliver social services.
- Conflict prevention – e.g. build knowledge about conflict factors with a view to promoting regional and local implementation of political processes to solve local problems before they escalate into armed conflict.
- Regional conflict management – e.g. strengthen the African Union’s ability to prevent and tackle conflicts on the African continent.
NEW STRUCTURE TO ENSURE A WHOLE OF GOVERNMENT APPROACH IN FRAGILE STATES

The linkage between Denmark’s civilian and military efforts will be further enhanced. The new structure will comprise a number of Danish authorities, and is to be used in the planning of initiatives and activities in fragile states such as Afghanistan and Somalia.

The efforts in fragile states require the use of many different tools simultaneously: Humanitarian assistance, peace-making and peace-keeping, development assistance and capacity building support for government institutions.

This recognition has become more commonly accepted in the international community. Previously, the individual instruments were used like pearls on a string: First, humanitarian assistance to the population, then peace-making, and finally long-term development.
The multi-pronged efforts bring with them, however, a new need, namely to integrate the tools. This is precisely one of the four basic principles in Denmark’s new policy towards fragile states.

**Goals and means**

One area which needs to be more effectively integrated is the civilian and military efforts. In this regard, Denmark took another step forward in 2010 with the establishment of a “Whole of Government structure”. This structure is designed to ensure:

- Common understanding at political level of goals and resources for an operation.
- Common understanding on the ground when an operation is to be carried out.

The Whole of Government approach must be applied before beginning a task, not half way through its execution.

The new structure gathers representatives from the Prime Minister’s Office, the Ministry of Foreign Affairs, the Ministry of Defence and the Ministry of Justice, as well as other ministries when necessary, in an inter-ministerial steering group. The steering group is to meet at least four times a year, although in practice it met more regularly in the start-up phase in 2010.

The steering group is serviced by an inter-ministerial secretariat. This body comprises officials from the Prime Minister’s Office and the Ministry of Defence, who sit in the same office and draft joint proposals for the steering group. This constellation aims to ensure that the initiatives are coordinated from the very beginning of the planning phase. The secretariat is based in the Ministry of Foreign Affairs.

**The Danish Stabilisation Fund**

As part of the Danish Defence Agreement in 2009, USD 26.7 million was earmarked annually for coordinating civilian and military operations in practice. This is the so-called Danish Stabilisation Fund, which has both development assistance and non-development assistance at its disposal.

The Danish Stabilisation Fund facilitates enhanced efforts at the crossroads between security and development. These funds provide Denmark with a specific platform for collaborating with other countries to ensure more coordinated and effective international stabilisation efforts.

The bulk of the USD 26.7 million in 2010 was channelled to three regions (see text-box below). One of the major initiatives carried out during the year was in East Africa and on the Horn of Africa. The funds were used to create greater stability and development by enhancing and reforming the security systems and justice system in selected countries, particularly Somalia. The specific initiatives included, among others:

- Stabilisation of Somalia through support for the African Union, which has a peace-support mission in the country. The support goes towards providing non-lethal military equipment and medical treatment for troops.
- Capacity building of the Somali police force and renovation of a prison in the Puntland region.
- Prevention of piracy through contributions to the judicial working group under the International Contact Group on Piracy off the Coast of Somalia (CGPCS) and building of coastguard capacities in Yemen and Djibouti.
- Counter-piracy programme in the Seychelles, where pirates are to face legal prosecution.
- Prevention of terrorism through support towards building up an East African counter-terrorism network as well as fighting terrorist financing and money laundering. The Danish Fraud Squad participates in the project implementation.

**The Danish Stabilisation Fund in 2010**

In 2010, the Danish Stabilisation Fund of USD 26.7 million was distributed primarily to initiatives in the following three focus areas:

- Afghanistan, Pakistan and other countries in the region (USD 8.9 million)
- East Africa, the Horn of Africa and Yemen (USD 8.7 million)
- The Western Balkans, Russia, Ukraine and Georgia

The three focus areas are also expected to be the primary focus areas in 2011. The initiatives do not focus on purely military operations, such as patrolling for pirates or peace-keeping missions, but very much on enhancing the countries’ own systems.
The projects were launched in 2010 and remained in the start-up phase by the end of the year. The results of the first projects will emerge during 2011.

In addition, a major regional programme for East Africa and the Horn of Africa for 2011-2014 is under preparation.

The Danish Stabilisation Fund is distributed jointly by the Minister for Foreign Affairs, the Minister for Development Cooperation and the Minister of Defence.

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**THE DANISH GOVERNMENT’S DEFINITION OF WHOLE OF GOVERNMENT**

“The Danish Government understands Whole of Government as an approach where all authorities or parts of an organisation (e.g. the UN) contributing support in a given fragile situation work together towards a common, defined goal. This encompasses collaboration on planning, implementation and lesson learning in connection with political, developmental, security policy and humanitarian interventions.”


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**MILESTONES IN CIVILIAN/MILITARY WHOLE OF GOVERNMENT**

2004: The Danish Defence Agreement introduces Whole of Government as a concept and sets up a civilian-military group of officials led by the Ministry of Foreign Affairs.

2008: The Afghanistan Task Force is created, where representatives of ministries and public authorities meet on a weekly basis and coordinate the operations and interventions in Afghanistan.

2009: The Danish Defence Agreement 2010-2014 creates the Danish Stabilisation Fund, comprising USD 26.7 million annually for integrated civilian and military efforts.

2010: Finalisation of policy towards fragile states.

2010: Establishment of an inter-ministerial Whole of Government structure comprising the Ministry of Foreign Affairs, the Ministry of Defence, the Ministry of Justice and the Prime Minister’s Office.
An international conference in Copenhagen in November 2010 made it clear that the international community has to accept risks when operating in developing countries, including in fragile states and in connection with humanitarian assistance.

No risks, no results - this is the reality of working in developing countries, and especially fragile states. The international community has therefore devoted greater focus to assessing and tackling risks. Often, the international community runs a greater risk by withdrawing completely from, for example, fragile states and abandoning them to their own fate as unregulated white spots on the world map.

Therefore, a willingness to take risks is one of the core principles in Denmark’s new policy for its work in fragile states.

**Greater willingness to take risks among development donors**

The Danish approach to risk in fragile states harmonises with the emerging attitude among the international donors and NGOs. This became clear at an international conference on the subject which Denmark hosted in November 2010.

For Denmark, it is important that a willingness to take risks does not confine itself to Danish development assistance, but that there is a willingness in international donor circles to share risks in order to help fragile states.

Denmark has supported the work of the OCED Development Assistance Committee (DAC) by developing a new manual for the work in fragile states.

**Read more**

The article “Greater willingness to take risks in Danish development cooperation” in chapter 1 of the annual report.

The manual “Transition Financing” from OECD/DAC.
In 2010, Denmark developed a new policy for its engagement in Somalia. The policy takes a point of departure in the strategy for Denmark’s development cooperation “Freedom from Poverty, Freedom to Change” and in the principles contained in Denmark’s new policy towards fragile states.

This is achieved by integrating the different focus areas, by adopting a willingness to take risks and by making an effort to adapt the strategy to the special conditions that exist in Somalia.

Comprehensive strategic framework
The policy sets Denmark’s political and development-oriented engagement in Somalia in an overall strategic framework with five focus areas:

1. Active diplomacy
2. Security, including piracy
3. Governance
4. Growth and employment
5. Improved living conditions

The policy incorporates foreign policy and security policy initiatives together with more traditional development assistance interventions. The Danish efforts will be adapted to the situation in the specific regions and integrated within the areas of peace and stabilisation, humanitarian support and the long-term institutional development and economic development.

Counter-piracy efforts
One example is the counter-piracy efforts. Denmark uses several instruments in its efforts to combat piracy:

- International legal efforts to ensure the legal prosecution of pirates, combined with support for building prisons.
- Support for securing principles of international law, including support for the police.
- Efforts by the Danish Armed Forces to combat piracy offshore.

In the long-term, the solution to piracy needs to be found onshore, where Denmark, among other things, seeks to build up alternative opportunities for pirates to earn income. Without peace, stability and development in Somalia, the world will not see an end to piracy off the coast of Somalia.

**Read more**
The article “New structure to ensure Whole of Government approach in fragile states” in this chapter.
Since 2010, Denmark has supported a reintegration programme in Afghanistan, which seeks to persuade rebel fighters to lay down their weapons and take an active part in the reconstruction of their local communities.

Daily life for Afghan people remains characterised by insecurity in local communities, partly caused by rebel groups such as the Taliban and conflicts between different tribes.

Since 2010, the Afghanistan Peace and Reintegration Program (APRP) has, with Danish support, worked to promote peace and stability in the country.

The objective of the programme is to provide incentives for rebels to lay down their weapons voluntarily and rejoin their local community. The reintegration programme promotes this by means of an outstretched hand to rebel soldiers with an offer of being able to lead a normal life.

Economy more important than ideology

According to the Deputy Minister for the APRP, Farhadullah Farhad, the programme in its first year of existence made contact with several hundred rebel soldiers, who have been offered the chance of leading a normal life.

The Deputy Minister also states that approx. 70 per cent of all foot soldiers join rebel groups for financial reasons, i.e. simply in order to feed themselves and their families. In this respect, only very few join for ideological reasons or for fear of reprisals by rebel groups such as the Taliban.

For fighters to break away from the rebel groups, it is therefore vital that the Afghan government can secure delivery of basic social services such as security, education, health and economic livelihoods.

In order to persuade rebel soldiers to leave their rebel groups and wave goodbye to violence, the APRP is working to create incentives that are more attractive for the former rebel soldiers, their families and the local communities from where they come and are to return to.
According to Farhadullah Farhad, these incentives will make it possible to isolate the so-called ideological fighters and put the rebel groups under pressure.

**Great benefit for the local communities**

The APRP’s activities are directed not just at former rebel soldiers. The objective is also to ensure that the families and villages into which the former rebel fighters are reintegrated benefit from the project. This is a result of an extra large effort made to improve their living conditions.

The programme is divided into three phases. At the very beginning, an effort is made to open dialogue with the rebels. The next step is to persuade the rebels to lay down their weapons. The final phase is to reintegrate the rebels into the local communities.

The local development projects can take the form of establishing a well, carrying out a renovation or re-opening a local school. In the long term, the programme also aims to offer competence development programmes and public works programmes. The aim is to ensure that the women in the affected local communities have an influence on how the funds are used, in a way that also benefits them.

The living conditions of women and children are to be improved at the same time through the programme’s activities.

Farhadullah Farhad is convinced that the APRP can make a big difference to the stabilisation of Afghanistan. He places emphasis on the fact they are not just looking for peace, but also a ‘just and sustainable’ peace that can create the foundation for a peaceful future.

In this connection, he thinks it is absolutely crucial that the programme focuses on the local communities and not just the individual rebels.

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**FACTS ABOUT THE AFGHANISTAN PEACE AND REINTEGRATION PROGRAM**

- The Afghanistan Peace and Reintegration Program (APRP) is an Afghan-led programme implemented by a Joint Secretariat under the political guidance of the High Peace Council. The High Peace Council was set up by Afghanistan’s President Hamid Karzai to manage the peace and reconciliation process itself and comprises 70 members.

- The APRP has received approx. USD 83 million in support from the international community, including ISAF (International Security Assistance Force), UNDP (UN Development Programme) and donor countries such as the USA, Japan, Germany, the UK and Denmark.

- Denmark has given a provisional commitment to support the programme with USD 5.4 million. In 2010, USD 2.7 million of this commitment was disbursed.

- The APRP will ultimately be rolled out throughout Afghanistan. At the present time, the programme has been rolled out in, among other places, Badghis, Baghlan and Kunduz.
Danida allocated the funds, after which the Danish Emergency Management Agency (DEMA) set off for Pakistan with three mobile field hospitals. As a result, more than 2,000 Pakistani flood victims per day received medical treatment.

USD 23.12 million - this was the size of Denmark’s contribution in response to the heavy floods which hit Pakistan and destroyed everything in their path. The scale of the disaster was enormous:

- An area the size of the UK was flooded.
- More than 20 million people were affected by the disaster.
- A million homes were destroyed, and agriculture and safe drinking water were severely hit.
Denmark the fifth largest donor

Denmark responded quickly to the disaster. The Danish assistance was awarded already within two days.

Denmark also responded to the disaster on a massive scale. Denmark became the fifth largest donor of emergency humanitarian relief and the absolute largest measured in relation to the country’s size.

The Danish contribution went, among other things, to Danish and international NGOs and a number of UN agencies.

150,000 treated at emergency hospitals

One of the most important contributions from Denmark was three emergency hospitals that the Danish Emergency Management Agency (DEMA) sent to southern Pakistan. This took place on 6 September 2010 thanks to a humanitarian grant of USD 3 million out of a total USD 23.12 from Denmark.

The hospitals were used to fight infections, respiratory diseases and diarrhoea that spread rapidly in the unhygienic conditions that arose after large quantities of water penetrated the water supply and destroyed the drinking water.

- The hospitals were able to treat more than 2,000 local Pakistanis per day.
- Due to their mobility, the hospitals could be moved to where they were needed most.
- The hospitals were staffed by local nurses together with a small Danish team, which partly comprised doctors with a Pakistani background.

Danish assistance after the earthquake in Haiti

Already the day after the earthquake in Haiti on 12 January 2010, Denmark awarded an initial humanitarian grant of USD 1.7 million to the UN emergency relief efforts, and as a result was among the donors who responded quickest.

In the following weeks, this grant was followed up by further contributions of USD 21.7 million to Danish and international emergency relief organisations. The funds went to emergency relief efforts such as re-housing and protection of vulnerable women and children, distribution of food, water, medicine and tents, as well as construction of a camp for several hundred relief workers.

Denmark’s partners in this large-scale response were the Danish Red Cross, DanChurchAid, Save the Children Denmark, the Danish Emergency Management Agency (DEMA) as well as UNICEF and the UN Population Fund (UNFPA).

Danish assistance to Pakistan

As part of Denmark’s engagement in Pakistan, a three-year development assistance programme worth USD 23.12 million was launched in 2010.

The assistance to Pakistan is an example of targeted use of development assistance as a supplement to a humanitarian effort in global hotspots. The objective of the Danish assistance is thus, at one and the same time, to provide concrete assistance and contribute to civil reconstruction and stabilisation in Pakistan, particularly in the areas along the Afghanistan border.

In Pakistan, Denmark integrates development cooperation with the other activities. This comprises stabilisation efforts under the Danish Stabilisation Fund, humanitarian assistance and region-of-origin assistance.
CASE: DANISH ASSISTANCE TO RECONSTRUCTION IN PAKISTAN

The floods in Pakistan meant that Denmark brought forward assistance for USD 7.1 million.

When disaster strikes, as happened with the floods in Pakistan in 2010, it is not only emergency humanitarian assistance that is needed. As soon as the water from the heavy floods has disappeared, the work on reconstruction and recovery must start.

In 2010, therefore, in response to the floods disaster in Pakistan, Denmark brought forward development assistance for a total of USD 7.1 million. The funds come on top of the USD 23.12 million that Denmark provided in emergency relief and which should have been disbursed in the period up to 2012.

The funds are designated for the rebuilding of infrastructure and livelihoods in the northwestern border province (Khyber Paktunkwa), the tribe areas (FATA) and Balochistan, which borders the Helmand Province in Afghanistan.

The funds are channelled through the World Bank-managed Afghanistan Reconstruction Trust Fund (ARTF), which focuses on reconstruction in the areas along the Afghanistan border.

Reconstruction and recovery after the Taliban and floods

The floods disaster hit the southern part of Pakistan hardest. Despite this, the efforts to rebuild the northwestern part of the country are an important component of the Danish efforts to promote peace and stability in the entire region. The floods added to already existing problems caused by refugee flows from Afghanistan and the Taliban’s terror.

The situation in Pakistan, particularly in the Pashtunsdominated northwestern part, has direct influence on the possibility of creating peace and stability in Afghanistan. There are huge poverty problems in the border areas.

In the long term, securing sustainable development and democracy is the only way to ensure a stable and secure Pakistan. Therefore, Denmark channels support through UNICEF for the rebuilding of schools in the areas destroyed by the Taliban. Denmark also supports democracy, free media and human rights.

Denmark has also engaged itself as an active member of a group of countries, “Friends of Democratic Pakistan”, which since the transition from military rule has sought to push development in Pakistan in a democratic direction.

FEWER HUMANITARIAN PRIORITY COUNTRIES IN 2011

Each year, Denmark selects approx. 10 priority countries as beneficiaries of humanitarian assistance.

Pakistan is one of these countries. In 2010, the priority countries were as follows:

- Horn of Africa (Ethiopia + Somalia)
- Sudan
- Afghanistan
- Pakistan
- Gaza/West Bank
- Burma/Thailand
- Democratic Republic of Congo
- Zimbabwe
- Sri Lanka

In 2011, the number of humanitarian priority countries will be reduced to the first six countries or pairs of countries listed above.
ENVIRONMENT AND CLIMATE

Sustainable global development requires that we are able to unite protection of the environment, climate and nature with economic growth, poverty reduction and social development. In 2010, Denmark supported a wide range of initiatives and organisations that promote environment, climate and energy in developing countries and facilitate transition to a green economy.
Swift climate action
In 2010, Denmark launched a number of new initiatives within the climate and environmental field. **Page 86**

Cancun reaped the fruits from Copenhagen
The outcome of COP16 builds on the important decisions taken at the UN Climate Change Conference in Copenhagen and places focus on several issues important to developing countries. **Page 88**

Sustainable energy to the world’s poor
Danida accelerates expansion of sustainable energy in developing countries in Africa and Asia. **Page 90**

10 seconds of disaster can destroy 20 years of development
Denmark places focus on mitigating the impacts of climate-related disasters in Mozambique and the Maldives. **Page 92**

Evaluation: Denmark has promoted the environmental agenda in Africa, but should be more pragmatic
Danish environmental assistance to Africa has made a substantial contribution to putting environment on the agenda. However, ensuring partner country ownership of the ambitious programmes poses a challenge. **Page 94**

Case: Innovative research to help small farmers
New, innovative and participative research aims to help small farmers prevent and adapt to climate change. **Page 96**

Case: Green energy to the roof of the world
Over a period of 12 years, a Danish-supported programme has secured green energy for a million Nepalese. **Page 98**

Case: Green value chains from the supermarket to the Maya Indians
Since 2006, Denmark’s Regional Environment Sector Programme Support to Central America (PREMACA) has shown what a green economy can look like in practice. **Page 100**
Swift climate action in particularly vulnerable countries and contributions to the Global Environmental Facility (GEF) - these were some of the key new initiatives in the climate and environmental field in 2010.

The Copenhagen Accord signed at COP15 states that developing countries need swift action in order for them to adapt to climate change. Already during COP15, Denmark delved into the so-called Climate Pool and put USD 213 million on the table up to 2012. The first USD 54.8 million was distributed in 2010 in collaboration between the Ministry of Foreign Affairs and the Ministry for Climate and Energy.

Kenya, Indonesia and the Maldives receive support for climate change-adapted farming practices, reforestation and coastal protection.

In Uganda’s capital Kampala, the quantities of refuse have risen 65 per cent within the last decade. Danida’s B2B Programme supports a partnership between a Danish firm and a local firm wishing to set up 1,200 new containers as well as a recycling station. The development of the partnership has been awarded support of up to USD 730,000 over a three-year period.
As a low-lying group of islands, the Maldives face special challenges. Here, even mild storms can cause heavy floods. Part of Denmark’s support of USD 980,000 goes towards disaster risk reduction through coastal protection and development of a disaster management capability.

In 2010, Denmark also used the grant to support the activities of international organisations to promote sustainable forest management, climate change adaptation in the least developed countries and renewable energy.

**Climate change adaptation that works**

In November 2010, Danida ran a workshop in Copenhagen on climate change adaptation together with partners from the Danish partner countries. The workshop formulated a number of main messages about what works and what are the challenges presented by climate change adaptation. Among other things, it was highlighted that climate change adaptation needs to be integrated with other development activities.

**USD 4.3 BILLION TO THE GLOBAL ENVIRONMENTAL FACILITY (GEF)**

After more than a decade of talks, 34 countries reached agreement in May 2010 to replenish the Global Environmental Facility (GEF) with USD 4.3 billion for the next four years. Denmark provides USD 71.2 million. These funds come on top of the Climate Pool. The GEF funds will be allocated to:

- Climate (32 per cent) with focus on mitigation initiatives, partly by means of using green technology transfer
- Biodiversity (28 per cent)
- Sustainable utilisation of ocean resources (10 per cent)
- Management and disposal of dangerous chemical waste (10 per cent)
- Anti-desertification programmes (9.5 per cent).

The remaining 10.5 per cent is allocated to other cross-cutting projects and administration. A special aspect of this GEF replenishment is that on this occasion major CO2-emitting developing countries, such as China, India, Brazil and Mexico, will also contribute to the fund and thus help pay for the cost of reducing greenhouse gas emissions in developing countries.
CANCUN REAPED THE FRUITS FROM COPENHAGEN AND PLACED FOCUS ON THE NEEDS OF DEVELOPING COUNTRIES

Enhanced focus on climate financing, climate change adaptation and technology. At COP16 in Cancun, the world’s countries agreed on a package of agreements that builds on the most important decisions from the UN Climate Change Conference in Copenhagen, and which places focus on several of the issues important to developing countries.

There remains a long way to go to reach a new climate agreement, and far from all issues were resolved. Under the circumstances, however, the UN Climate Change Conference in Cancun, COP16, must be regarded as a success.

Agreement was reached on a comprehensive agreement text that affirms and builds on the principles set out in the Copenhagen Accord signed at COP15. Focus was also placed on elements of key importance to developing countries.

The Cancun Agreement was secured by allowing several important negotiation items to remain open or to be deferred until the implementation of the agreement in 2011.

General satisfaction with the outcome
It was important that COP16 achieved a successful outcome. Otherwise, the entire UN process regarding a new global climate agreement would have been jeopardised. At the same time, Denmark wishes to secure scaled-up international climate financing, efficient management of the funds designated for this purpose, and focus on the developing countries’ need for climate change adaptation and technology. The Cancun Agreement can make important contributions to achieving these objectives.

The key elements are:
- The adoption of the goal that global temperature increases are to be kept below two degrees Celsius.
- The creation of a Green Climate Fund.
- The establishment of a climate change adaptation committee and a technology mechanism designed to facilitate the implementation of climate change adaptation plans and activities in developing countries as well as technology transfer.

Guarantee for financial commitments
The industrialised countries’ commitments of USD 30 billion to enable the swift launch of important climate initiatives in developing countries from 2010 to 2012 was confirmed.

The same confirmation was given to the pledge that the industrialised countries together would mobilise USD 100 billion by 2020 for mitigation initiatives in developing countries.

Throughout the talks, Denmark has worked through the EU to secure an ambitious outcome which, on the one hand, ensures financing for initiatives directed
at climate change mitigation and adaptation in developing countries, and which, on the other hand, commits both industrialised countries and the large middle-income countries, such as China, India and Brazil, to reducing their greenhouse gas emissions.

**Climate change adaptation committee fulfils wish of developing countries**

The decision to establish a climate change adaptation committee is designed to ensure focus on climate change adaptation. This was a particular wish on the part of developing countries. There is a fear among developing countries that the future climate financing will focus far too much on reducing greenhouse gas emissions.

Many developing countries are vulnerable, both in relation to climate-related disasters and to the gradual change to their livelihoods resulting from changes in rainfall and temperature.

**Green Climate Fund taking shape**

The Green Climate Fund (GCF), which was one of the outcomes of COP15, is anticipated to be a beneficiary of some of the approx. USD 88.94 billion that is to come from both public and private funds by 2020. Some issues remain unresolved, but the countries took a number of decisions in Cancun regarding the structure of the fund:

- A Transitional Committee is to be set up comprising representatives from various regions, whose task will be to draft proposals for how the fund should function.
- The GCF is to have its own management leadership, which decides how the funds are to be used.
- The GCF is to have a Board composed of 24 members, with equal representation from developing and developed countries.
- The World Bank has been invited to undertake the role of fund administrator, provisionally for a trial period of three years.
- Developing countries will in certain instances have access to direct support from the GCF. In other cases, a multilateral donor, such as the World Bank, or a UN agency will help to run the project.

**Some disagreements resolved, others remain**

For developing countries, it was an important wish to have direct access to GCF funds without having to apply through one of the multilateral organisations such as the World Bank and the UN. This wish will be acquiesced to those developing countries with the capacity to administer the funds. This was one of the results that Denmark and the EU worked to secure.

The developing countries wanted a representation in the GCF Board based on regions, which would give them a majority of seats. The developed countries, on the other hand, wanted equal representation. The compromise was a region-based representation in the Transitional Committee and equal representation in the GCF Board. For Denmark, it is important that the GCF structure has the confidence of the donor countries and the developing countries that the GCF is to serve.

Several important issues regarding the GEF remain unresolved, in particular where the money is to come from and how the financial burden is to be distributed between the industrialised countries. These issues will be discussed at the coming climate change conferences once the organisational framework for the GCF has become clearer.

Other important issues also remain unresolved. This applies to, for example, the distribution of burden between the countries. It must be established how much each country in the world is to reduce their greenhouse gas emissions in order to achieve the target set for maximum temperature increase. The reduction commitments that have been submitted to the UN to date are not adequate to achieve the target of two degrees.

Agreement has not been reached either regarding when the greenhouse gas emissions are to have reached maximum level. The issue of the extent to which the new agreement is legally binding has not been resolved.

**FAST START FINANCE FOR CLIMATE ACTION LAUNCHED**

The swift climate action in developing countries that was incorporated in the Copenhagen Accord and decided in Cancun began in 2010.

On the website www.faststartfinance.org, countries can report their contributions to the Fast Start Finance fund. In 2010, the majority of funds came from EU Member States, which contributed almost USD 3.2 billion. Already during COP15, Denmark allocated USD 213 million to swift climate action in developing countries. The financing comes from the Danish Government’s Climate Pool, which since 2008 has grown by USD 18.1 million annually. In 2012, it will total USD 88.84 million. Read more in the article “Swift climate action” in this chapter.
Danida further accelerated its expansion of sustainable energy in developing countries partly through a new fund for promoting sustainable energy in Africa. Denmark also gave new contributions to a number of central international organisations working to promote green energy in developing countries.

Access to energy is a vital precondition for long-term sustainable growth. This is a key concept in the Danish development strategy. It is also the idea behind the new Sustainable Energy Fund for Africa (SEFA), which aims to improve access to sustainable energy in Africa.

In 2010, Denmark awarded USD 53.4 million in support to the creation of the fund in partnership with the African Development Bank. SEFA is one of five initiatives that have been launched in follow-up to the Africa Commission’s recommendations.

The new fund is designed to help potential energy producers in Africa incubate and prepare new projects within renewable energy as well as co-finance these projects with venture capital. In this way, the Danish investment of USD 53.4 million can help raise more funds from other public and private investors.
Even though Africa has large quantities of fossil and renewable energy resources, more than 75 per cent of the population in sub-Saharan Africa does not have access to electricity. Renewable energy sources will facilitate access to electricity for remote areas that are not supplied with electricity from the national power transmission grid. SEFA aims to contribute to the extension of renewable energy, benefiting both local residents and companies.

**Support to green energy in Asia and Africa**

Denmark has supported renewable energy access for people and companies in developing countries. In 2010, Denmark awarded USD 101.4 million to a project in Mozambique designed to expand the country’s energy supply system and widen access to stable energy supply.

An important effect of the project will be energy savings arising from the smaller loss of energy in the distribution system. The project is financed through the programme for Mixed Credits and involves the Danish business community. Read more in chapter 3 of the annual report on growth and employment.

Denmark already has positive experience of supporting the expansion of sustainable energy in poor countries. Two of the programmes were reviewed in 2010:

- In Nepal, one million people in isolated rural areas have gained access to renewable energy. A review in 2010 concluded that the results are impressive.
- In Indonesia, Denmark supports renewable environment and energy, including micro-hydropower plants in villages in eight provinces. In 2010, the World Bank deemed the progress made as satisfactory.

**Denmark contributes to global key players**

A total of 1.4 billion people throughout the world live without access to electricity. A total of 2.7 billion people are dependent on wood and other primitive energy sources for their daily cooking. The challenge of providing sustainable energy to the world’s poor is huge and needs to be tackled globally.

With this in mind, Denmark gave new contributions to three central international organisations working to promote green energy in developing countries.

- Through the UN Environment Programme (UNEP), Denmark supports the Risoe Centre on Energy, Climate and Sustainable Development, which provides energy advisory support to developing countries. The Risoe Centre has succeeded in establishing itself as a key global actor within the field of energy consultancy. Denmark contributed a further USD 5.7 million in support to the Risoe Centre in 2010.
- The World Bank’s Energy Sector Management Assistance Programme (ESMAP) has received substantial Danish contributions. ESMAP works to improve energy efficiency in developing countries and to secure the access of poor population groups to sustainable energy, partly through support towards building up local knowledge and capacity and development of policy, strategies and framework conditions in developing countries. In 2010, Denmark awarded a further USD 8.0 million to ESMAP.
- Scaling up Renewable Energy (SREP) is a new programme designed to promote the use of renewable energy. The programme has received a commitment of approx. USD 300 million. Denmark supported the programme with USD 11.1 million in 2010. The programme forms part of the Climate Investment Funds (CIF) set up by the multilateral development banks.

**Read more**

The case “Green energy to the roof of the world” in this chapter.
The case “Stable electricity supply to companies and ordinary citizens in Mozambique” in chapter 3 of the annual report.
10 SECONDS OF DISASTER CAN DESTROY 20 YEARS OF DEVELOPMENT

Natural disasters are occurring more frequently in step with climate change. Denmark is now placing focus on mitigating the impacts of climate change in Mozambique and the Maldives. A study among all Danish partner countries aims to identify opportunities for strengthening disaster risk reduction.

Natural disasters cannot be prevented. Earthquakes, floods and storms are forces of nature that are beyond the control of humankind. It is possible, on the other hand, to prepare for natural disasters so as to reduce the humanitarian consequences. This is one of the goals of the Danish strategy for Denmark’s development cooperation.

Disaster risk reduction is already necessary

In 2010, Danida initiated a study among all partner countries that aims to identify opportunities for strengthening disaster risk reduction as part of Danish development assistance. This can take place as part of Denmark’s cooperation with partner countries as well as part of international cooperation.

Preliminary results suggest that the risk of disasters already plays a role in many development projects. In a country as low-lying as Bangladesh, which is extremely vulnerable to floods due to rising water levels and more frequent storms, the development cooperation incorporates initiatives to protect against the destructive consequences when an inevitable disaster strikes. With this in mind, the Minister of Planning in Bangladesh has stated that disaster and climate risks reduction measures must be integrated into all development planning and procedures.

Nationwide warning system and disaster preparedness in Mozambique

Disaster risk reduction will become more prominent in Danish development cooperation in the future. This is already the case with a new environmental sector programme in Mozambique, which was approved a grant of USD 42 million in 2010.
With a population of 22 million, Mozambique is vulnerable to climate change and environmental impact, and the authorities in the country are poorly equipped to tackle the major environmental challenges.

- With almost 3,000 km of coast and flow-through of some of Africa’s largest rivers, increased rainfall and more frequent storms may have serious consequences, in the same way as drought and erosion may have further inland.
- Agriculture and fisheries are based on traditional methods and vulnerable to even minor climate change.
- The growing migration to urban areas and growing economic activity have created increasing pollution problems.
- Large foreign companies have invested in the energy and mining sector, although not always with long-term sustainability in mind.

Denmark has supported the environmental sector in Mozambique since 1996. The objective of the new programme is to improve environmental management, with an independent focus on climate change prevention and adaptation. In the past, Danish support has made a great difference in Mozambique. In this respect, Denmark supported the National Institute for Disaster Management by developing scenarios for climate change in Mozambique, as a result of which the government prioritised climate change adaptation in its five-year plan. An example is when the Mozambique authorities succeeded in limiting the effects of a flood in 2007 and 2008.

In the future, Denmark will support the National Institute for Disaster Management in Mozambique in a number of areas, focusing on:

- Development of a nationwide warning system and disaster preparedness
- Coastal protection
- Disaster preparedness in towns

The frequency and force of cyclones and floods in the country has risen dramatically. Harbours, railways, electricity supply and telecommunications date back to the colonial period and are in danger of being destroyed, with considerable losses as a result.

Under the programme, environmental activities are also financed in 13 towns as part of donor cooperation with Switzerland and Austria. Under the programme, support is also granted to information campaigns and advocacy activities carried out by civil society organisations within the environment field.

The environmental assistance to Mozambique is based on the principles of good assistance endorsed by OECD/DAC donor countries. Besides donor cooperation that follows OECD/DAC recommendations, Danida and Mozambique are working towards transfer to full sector budget support to the national authorities during the programme period.

Denmark also supports disaster risk reduction through coastal protection and development of a disaster preparedness capability in the Maldives as part of a total effort of USD 900,000. This sum was awarded in 2010 as part of the so-called Climate Pool.

COSTLY PREVENTION PAYS FOR ITSELF

- In 2010, an international forum under the UN recommended allocating at least 1 per cent of development assistance and at least 30 per cent of the funds designated for climate change adaptation to disaster risk reduction. Read more at www.preventionweb.net/globalplatform.

- Denmark’s development assistance for climate initiatives has been growing steadily since 2005, particularly climate change adaptation and disaster risk reduction.

- The UK, Sweden and Norway are other countries which have committed themselves to follow the UN recommendation.

- The World Bank has calculated that it costs seven times more to repair damage after a disaster than to prevent the damage from occurring.

- The greatest losses – economic and financial - incurred in connection with natural disasters over the last decade have been caused by earthquakes and tsunamis. On the other hand, a very large proportion of all natural disasters are linked to climate change – e.g. due to droughts, storms and floods caused by meltwater. Read more at www.gfdr.org/gfdr/NHUD-home.
EVALUATION: DENMARK HAS PROMOTED THE ENVIRONMENTAL AGENDA IN AFRICA, BUT SHOULD BE MORE PRAGMATIC

Danish environmental assistance to Africa has made a significant contribution to putting environment on the agenda, but Denmark’s partner countries in some instances lack the capacity and political will to take ownership of the ambitious programmes. This is the conclusion of an external evaluation jointly conducted by a Danish and UK consultancy firm in 2010.

From 1996 to 2009, six African countries received USD 320 million in Danish environmental assistance. This has ensured greater political attention to the environment in the country. It has also placed Danida among the leading donors in the environmental field in Africa.

Danish advisers and local officials side by side
Denmark receives praise in the evaluation for having shifted focus from single-standing environmental projects to coherent and more ambitious sector programme support within the environmental field.

Independent Danish project offices have been closed. Instead, environmental advisers have moved into the ministries and institutions in the partner countries which administer the country’s environmental legislation.

Advisory support has increased local ownership of the programmes and has proved to be an effective way of transferring knowledge and methods.
The evaluation has a number of other positive conclusions:

- Both environmental legislation and the capacity to administer it have been strengthened in recipient countries as a result of Danish support.
- Denmark has been good at ensuring coherence between policy and strategy development at national level and the specific activities out in the country.

Great ambitions
The evaluation was also critical on a number of points:

- The environmental initiatives have been spread across too many and too diverse activities.
- Denmark has endeavoured to strengthen national ownership of the programmes, but in many cases the recipient countries have not had the capacity or the will to assume the necessary ownership.
- The ambitious sector programmes are constrained by the fact that the environment ministries in many African countries are weak because they are assigned low political priority. Therefore, there is a need to focus on other change agents.
- Monitoring and evaluation should be strengthened in relation to the definition of goals and subsequent methods of measurement and follow-up.

Despite the challenges, the evaluation recommends that Denmark maintains its programmatic approach to the environmental field. The high ambitions should, however, be aligned with the reality found in the different African countries. Part of the solution could be for Danida to concentrate the support more narrowly within the specific sub-sector.

Change agents can play a role
Good environmental legislation is not enough. One of the evaluation’s recommendations is to involve the private sector and civil society to a greater extent in dialogue and consultations so as to ensure broad political backing in the countries.

In more recent environmental programmes, Denmark tries to involve this type of change agent specifically in order to ensure broad backing and mobilise more energies to implement the specific environmental improvements.

Read more

RESULTS OF DANISH ENVIRONMENTAL ASSISTANCE IN AFRICA

Denmark has awarded environmental programme support to 12 different countries in Africa since 1996. The evaluation covers assistance to six African countries (Egypt, Kenya, Mozambique, South Africa, Tanzania and Zambia) for a total of USD 320 million. The results include the following, among others:

- In Lusaka in Zambia, between 500,000 and 600,000 inhabitants now have their refuse collected after responsibility for collection has been outsourced to private entrepreneurs and local user groups.

- Egypt’s Environmental Affairs Agency has been built up from a fragile start in 1994 to now being a stable and strong organisation.

- In Tanzania, local user groups are engaged in collecting refuse in several towns, and better conditions for local management of the country’s forest resources have been created.
New, innovative and participative research aims to help small farmers prevent and adapt to increasing climate change and extreme weather conditions.

What can poor small farmers in developing countries do to prevent and adapt to climate change? This is a question that a new 10-year Climate Change, Agriculture and Food Security (CCAFS) research programme, based in Copenhagen and with financial support from Danida from 2010, will try to answer.

An unorthodox approach will be adopted. As one of the first initiatives in the new programme, researchers have asked more than 5,000 families from 300 villages in ten different countries how they perceive the problems of climate change in their daily life. The study shows that:

- 60 per cent of families in poor villages have mobile phones, but have never used them to receive weather forecasts.
- The most important source of all kinds of climate-related information is the radio.
- Approx. 83 per cent of households receive information about extreme weather conditions. Out of these, twice as many women as men receive this information.

New instruments based on farmers’ own experience

The idea of the research programme is to incorporate the knowledge and experience of local (male and female) farmers regarding challenges in the local area and climate change in the research activities. The programme also offers farmers the opportunity for influence and inclusion in the research project.

Based on the farmers’ experience, researchers from throughout the world will develop new instruments and methods that can help both farmers and politicians to tackle the challenges posed by climate change and the consequences for small farmers in developing countries.
The aim of the project is to work in a targeted way to foster stable agricultural development and food supply in regions where over half of the population live in rural districts.

Daily life with climate change
Researchers have also engaged in field work in, for example, Ghana and Kenya, where climate change today has tangible consequences for small farmers. This is what the researcher and local inhabitants report in the films “Two Degrees Up” from Ghana and Kenya. In the films, one of the local farmers comments:

“We used to get huge harvests of maize, millet and groundnut, but now we don’t get anything. Our soil is poor and the rains are also low. The temperature is never coming down. As a matter of fact it’s been going up. That’s why our crops don’t do well anymore.”

Gathers researchers and PhD students from around the world
Another one of CCAFS’s activities is the Climate Food and Farming Research Network (CLIFF), which is coordinated by the University of Copenhagen. Its aim is to promote knowledge sharing between researchers throughout the world working with climate change, agriculture and poverty in developing countries.

“We do this by supporting the field work of PhD students and bringing PhD students together with leading experts in the field,” says Myles Oelofse, who is a postdoc and coordinator for the network.

Read more
CGIAR’s website at www.cgiar.org.
The films “Two Degrees Up” on YouTube.
The article “Reform to strengthen agricultural research benefiting developing countries” in chapter 3 of this annual report.

THE NEW RESEARCH PROGRAMME - CCAFAS
The new international research programme – the CGIAR Research Programme on Climate Change, Agriculture and Food Security (CCAFAS) – has its secretariat at the Faculty of Life Sciences (LIFE) at the University of Copenhagen. The programme is led by the International Centre for Tropical Agriculture (CIAT).

CCAFS was officially opened on 30 October 2009 at LIFE – The Faculty of Life Sciences at the University of Copenhagen. Denmark has earmarked USD 500,000 in support for the research programme for the period 2010-2014 and has increased the grant by another USD 5.3 million in 2011.

CCAFS concentrates on three focus regions: The Indo-Gangetic Plains in Southeast Asia as well as West and East Africa. According to Bruce Campbell, Programme Director, the plan is to widen activities to eight regions in 2012.

DENMARK SUPPORTS EDUCATION ON ENVIRONMENT AND CLIMATE
The development policy strategy states that Denmark will support capacity building of national and regional institutions that are responsible for implementing environmental and climate initiatives. A number of these initiatives are designed to enhance educational cooperation. In 2010, this took place in two ways:

- Research carried out in partnerships between research institutions in Denmark and developing countries, such as the CCAFS research programme. Denmark awarded approx. USD 9.2 million in support to research projects in 2010.
- Support to the project activities of Danish civil society organisations within the environmental, climate and energy field. Danish NGOs received approx. USD 25.4 million for these activities in 2010.
For the past 12 years, a Danish-supported programme has ensured green energy to a million Nepalese.

The saucepan is simmering in the corner of the hut. From the fire under the saucepan, burning twigs are sticking out on the floor. The wall behind is covered in soot. Energy in Nepal is a primitive affair. The small fireplaces which many Nepalese use to prepare their evening meal are bad, both in terms of energy use and for health. Since 1999, however, more than 400,000 new stoves have been successfully installed in Nepalese households with the help of Danish support.

Apsara Karki has benefited well from this programme. She is a school teacher and therefore does not have the time to collect her own firewood. The new stoves enable her to save on the fuel she buys and on the time she spends cooking.

Energy consumption halved

New stoves save on fuel and time. The project has received support through the Danish Energy Sector Assistance Programme (ESAP) in Nepal.
The new stoves have many advantages:

- They only need half the fuel.
- As the stoves have chimneys, almost no smoke is released into the room, thus not getting into the lungs and eyes.
- Less time is spent in the kitchen due to shorter preparation time as a result of a more effective design.
- It is not necessary to sit on the floor and thus put a strain on the back.
- The stoves are safer for children, who do not burn themselves on the open flame or spill hot food over themselves.

Even though the equipment is simple and the technology primitive, the practical consequences for the Nepalese is enormous. As part of the programme, solar cells and micro-hydropower plants have been installed. This gives many homes and businesses access to electricity. Shops can now stay open longer, villages can install electricity-powered grain mills, and children can do their homework in the evening using electric lamps. Life in general has become easier.

**Clean energy to a million people**

A million people in some of Nepal’s isolated rural areas have gained access to renewable energy through the Danish-supported programme.

The work has been carried out by local electricians. This has given entrepreneurial Nepalese people the opportunity to build up a healthy business, which also benefits the local community.

**Satisfaction and more partners**

The government in Nepal is very pleased with the results. The same is true of other donor organisations. The number of partners in the programme is growing.

In 2007, the Norwegian Agency for Development Cooperation (NORAD), and most recently the UK Department for International Development (DFID), the Netherlands Development Organisation (SNV) and the German Development Bank (KfW), joined the programme.

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**IMPRESSIONS RESULTS**

At the end of 2010, a review called the outcome of Danida’s energy sector assistance programme “impressive”. The results are as follows:

- 404,000 households have had new cooking stoves installed.
- 265,000 households now have access to electricity generated through solar cells.
- 103,000 households now have access to electricity generated through micro-hydropower plants.

In addition, work has been carried out to formulate a coherent energy policy for Nepal’s rural areas and to develop Nepal’s national Alternative Energy Promotion Centre (AEPC). This has, however, been difficult to implement due to the unstable political situation in Nepal. Nevertheless, the intention is to strengthen the AEPC in the coming years as part of the continued programme assistance.
CASE: GREEN VALUE CHAINS FROM THE SUPERMARKET TO THE MAYA INDIANS

Since 2006, Denmark’s Regional Environment Sector Programme Support to Central America (PREMACA) showed what a green economy can look like in practice.

In Honduras and Guatemala the successful creation of a green value chain has enabled poor farmers among the Maya Indian community to enter the global market with certified sustainable products. This is highlighted in the review of the Regional Environment Sector Programme Support to Central America (PREMACA), which was conducted in 2010. One of the project’s four components is a specific example of what a country can do to transform itself into a green economy.

It has created a market for a cooperative of Maya women in Guatemala who produce coffee. This is something of a rarity, both because coffee production in Central America is heavily dominated by men and because Maya women in general are a very marginalised and discriminated group.
The women have not only entered the global market. They have also won a national export award, Café Mujer, for their coffee, which is certified under the name Sello Café de Mujer.

Green value chains
What is innovative about the Danish programme is that Danida did not begin with the producers. When the programme was planned in 2004 and 2005, it was agreed with the national partners supporting business sector development that they should first contact the existing exporters in Honduras and Guatemala as well as the Danish supermarkets that stock sustainable and Fairtrade products.

Once the chain from producers to end-users on the global market was firmly in place, the business partners began contacting producers who had the potential to build up sustainable production.

The programme has generated development on a number of parameters:

- Better environment and sustainability, which is documented by a number of certifications.
- Increased employment and greater income generation in poor villages.
- Better social conditions in villages. Many farmers have used the increased income to invest in, for example, schools in the local community.
- Better conditions for women, including improved economic empowerment.

Read more
The programme website in Spanish at www.premaca.org.

The article “Women risk missing out on the benefits offered by value chains” in chapter 4 of this annual report.

**WHAT IS A VALUE CHAIN?**

The term “value chain” describes all the activities that companies, farmers and workers do to bring a given product from its creation to the end of its lifespan – or in popular terms “from farm to fork”. This entails, among other things:

- Design
- Production
- Marketing
- Distribution
- Support to the end-user
6. Universal primary education is one of the UN Millennium Development Goals. Jenifa Ubisimgali, aged 10, and Eustella Ubisimgali, aged 12, from Tanzania are combing their hair and getting dressed before going to school. Photo: Mikkel Østergaard

The UN Millennium Development Goals are benchmarks for Danish development policy, and in 2010 the international community took stock of the efforts to reduce global poverty. Denmark played a key role in the negotiations at the UN summit in New York in September and the summit ended with the expression of continued strong backing for the developing countries and awareness that efforts in a number of areas need to be enhanced significantly if the goals are to be achieved by 2015.
Renewed backing for the MDGs with five years to go
The UN summit in New York in September 2010 was crucial for the continued momentum in the efforts to achieve the Millennium Development Goals set by the international community. The summit confirmed the overwhelming backing for the goals. At the same time, support was expressed for Danish priority issues. Page 104

Danish key role at successful UN summit
The Danish UN Ambassador played a key role in chairing the negotiations on the summit declaration together with his Senegalese colleague. Page 108
Despite the considerable progress made towards reaching the UN Millennium Development Goals, there are many areas where there is still a long way to go.

The UN summit in New York in September 2010 was therefore crucial for the continued momentum in the efforts to fulfil the promises. The summit confirmed the overwhelming backing for the goals. Support was also expressed for Danish priority issues. In the year 2000, 189 of the world’s national leaders agreed on eight goals to ensure a dignified and sustainable future for all people in the world – the UN Millennium Declaration. The deadline for achieving the goals is 2015.

On track despite crises

It is the UN Development Programme (UNDP) which continuously monitors progress towards reaching the Millennium Development Goals.

Prior to the summit, the UNDP published its annual progress report, which in general terms showed that, despite the economic crisis and rising food prices, good progress was being made towards reaching several of the goals.
Status on the MDGs

- The proportion of people living on less than one dollar a day continues to fall. The world in general is on track towards reaching the goal of halving the number of poor people by 2015.
- Substantial progress has been made in relation to getting children into school. This applies in particular to the poorest countries, including countries in sub-Saharan Africa.
- Substantial progress in the treatment and prevention of, for example, malaria, diarrhoea and respiratory diseases led child mortality to fall from 12.5 million in 1990 to 8.1 million in 2009.
- The treatment of people infected with HIV/AIDS rose from 400,000 to four million between 2003 and 2008. This corresponds to more than half of those who need treatment.

The progress achieved is, however, unevenly distributed around the globe. There are still many areas where progress at best is being made at a sedate pace:

- Climate change is increasingly felt and affects vulnerable populations in particular.
- Armed conflicts in fragile states risk jeopardising the positive development.
- Many live as refugees in camps without real opportunities to improve their lives (42 million people in 2009).
- The proportion of undernourished people continues to rise, and in some areas even the efforts to eliminate starvation and hunger are very slow.
- One out of four children is underweight, primarily as a result of a shortage of food and malnutrition.
- In 2005, 1.4 billion people still lived in extreme poverty. The financial crisis is expected to worsen the poverty rate.
- Both in relation to education and political influence, women have a long way to go before they are afforded equal opportunities.
- Maternal mortality has not been reduced to any significant degree since the goals were adopted.
Renewed progress and renewed commitment at the UN summit

The last time the world’s leaders met to take stock of the progress made towards reaching the Millennium Development Goals was in 2005, and the UN summit in New York was to all intents and purposes the last chance to adjust the course or launch new initiatives before the deadline in 2015.

The summit generally resulted in an expression of overwhelming support for the continued efforts to reach the Millennium Development Goals. At the same time, the heads of state and government expressed concern over the slow pace towards reaching the goals and agreed to enhance efforts to achieve the results on time.

In specific terms, the summit entailed scaled-up efforts to reduce both maternal and child mortality under the so-called “Every mother, every child” initiative. The initiative means programmes and activities for a total of USD 40 billion over the next five years.

Other promises made at the summit included, for example:

- The development assistance commitments of donors must be honoured.
- Gender equality must be promoted and women’s livelihoods must be improved.
- Economic growth must benefit the broad population, and promotion of employment must constitute a core element of this approach.
- The global partnership to reduce poverty must involve a wide circle of different actors.

In addition, a specific result of the summit was an outcome document, aimed at ensuring that the activities and initiatives...
are targeted more directly towards reaching the Millennium Development Goals.

**Backing for Danish priority issues**

In particular, the international community's backing for growth and employment as an effective tool for reducing poverty was a clear Danish victory.

The same is true in regard to the efforts to promote gender equality, an area to which Denmark has campaigned hard to draw greater attention.

From Denmark, the Prime Minister and the Minister for Development Cooperation, among others, attended. In connection with the summit, Denmark held two events designed to support the summit's specific recommendations for action.

Together with Liberia’s President and Tanzania’s Prime Minister, the Danish Prime Minister hosted a meeting which in extension of the Africa Commission’s recommendations underlined the crucial role growth and employment play as catalysts for reaching the Millennium Development Goals in Africa.

In addition, the Minister for Development Cooperation, together with Inés Alberdi, Executive Director of the UN Development Fund for Women (UNIFEM), and Senegal’s Minister for Gender Equality, Awa Ndiaye, hosted a meeting on the importance that women’s social, political and economic empowerment has for achieving the Millennium Development Goals.

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**Read more**


The article “MDG summit placed focus on corporate responsibility in development programmes and initiatives” in chapter 3 of the annual report.

The article “Gender equality makes economic sense” in chapter 4 of the annual report.

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**WHY ARE THE MILLENNIUM DEVELOPMENT GOALS UNIQUE?**

Support for the Millennium Development Goals is unique on three counts:

1. The eight goals are clearly formulated.
2. A deadline has been set.
3. Regular monitoring has been agreed in order to assess the progress of efforts to reach the goals.

Furthermore, the commitments have been adopted by all UN member countries, the entire UN system, the World Bank and the International Monetary Fund (IMF).
The difficult UN summit in September on the Millennium Development Goals ended with renewed overwhelming support for the development goals. The Danish UN Ambassador played an important role in chairing the negotiations on the summit declaration together with his Senegalese colleague.

Negotiations took place in the UN building in New York until between 2 am and 4 am in the weeks in late August and early September. The objective was a summit declaration that would ensure and renew the momentum in the process of reaching the UN Millennium Development Goals. After several months of intense negotiations, the summit was able to adopt a declaration that also committed countries to continue their targeted efforts to realise the UN Millennium Development Goals. This declaration had worldwide support, even from countries such as Iran, Venezuela and Cuba.

DANISH KEY ROLE AT SUCCESSFUL UN SUMMIT

The Danish UN Ambassador Carsten Staur played an important role as co-chair of the negotiations on the summit declaration.

Photo: FN/Marco Castro
Throughout the talks, the following questions in particular gave rise to disagreement:

- The fulfilment of international development commitments, including the UN target of 0.7 per cent of GNP. In this regard, the donor countries did not wish to make further commitments.
- The circle of actors in the global partnership for development. In this regard, the developing countries, among other things, did not wish to include the private business sector and private trust funds.
- The link between security and development. A number of developing countries viewed this linkage as irrelevant for achieving the Millennium Development Goals.
- The acknowledgement of a mutual responsibility for development initiatives and programmes. The developing countries dismissed the idea of granting donor countries access to monitoring national efforts.

Read more
The summit declaration (outcome document): “Keeping the promise: United to Achieve the Millennium Development Goals”.

### LENGTHY NEGOTIATIONS BEHIND SUMMIT

The summit in New York was preceded by several months of activity and difficult negotiations.

- Autumn 2009: The Danish UN Ambassador chairs the preliminary negotiations on the framework for the summit together with his Senegalese colleague.
- January 2010: The UN Ambassador is re-appointed together with his Senegalese colleague to chair the negotiations on the summit declaration.
- Spring 2010: Several thematic briefings are held and progress reports on the Millennium Development Goals are published – including the UNDP report.
- 31 May: The first draft of the summit declaration is presented.
- June: The first draft is reviewed. The member countries at the same time draw up proposed amendments.
- 6 July: The second draft is presented, containing all the proposed amendments of member countries (138 pages).
- July: The second draft is reviewed.
- 28 July: The third draft is presented.
- August: Negotiations continue, whilst member countries draw up proposed amendments to the third draft.
- 25 August: The fourth draft is presented, containing the proposed amendments of member countries.
- 3 September: The negotiation facilitators present a comprehensive package of proposed compromises concerning all outstanding issues.
- 8 September: Agreement is reached on the negotiation facilitators’ proposal for a summit declaration.
- 13 September: The General Assembly unanimously adopts to send the declaration to the summit.
- 22 September: The summit declaration is adopted by the heads of state and government.
DENMARK’S PARTNER COUNTRIES

The bulk of Denmark’s bilateral development assistance is concentrated in Danida’s 26 partner countries. Partner countries are countries where Denmark is present with a long-term perspective as well as political and financial clout. For the majority of partner countries, long-term development cooperation with the country’s national government provides the basis for Denmark’s involvement. In other countries (e.g. Burma and Sudan), the cooperation is based on partnerships with non-governmental or international actors in the country that are in a position to promote freedom and democracy and improve livelihoods.

For each partner country, the following pages provide an outline of the country’s economic and political situation, the key events in 2010, the development cooperation with the most important bilateral programmes, and a few words about the future perspectives for the country and the development cooperation.

Data and social indicators

The country descriptions contain basic data on geographical area, population growth and GNI. These figures have been processed by the World Bank (www.worldbank.org). They also include a number of social indicators: Life expectancy, infant mortality, proportion of children attending primary school and the proportion of the population with access to safe drinking water. The last three indicators are official Millennium Development Goal indicators. See the UN Millennium Development Goals website (mdgs.un.org).

For the social indicators, a historical figure and the most recent figure are provided. This helps provide a clearer idea of the country’s progress towards achieving the MDGs. As far as possible, the year 1990 has been used as a basis for comparison, due to the fact that 1990 is the first year used to assess achievement of the MDGs. Where it has not been possible to obtain figures for 1990, the next available figure closest to 1990 is used to illustrate the progress. These historical figures are based on data processed by the World Bank in June 2011.
The parliamentary elections in September were an important event on the path to a democratic Afghanistan. However, the elections were marred by a subsequent power struggle which did not live up to an otherwise relatively democratic election. 2010 was also a year that witnessed many important conferences both in London and Kabul, which, among other things, set out guidelines for the coming years’ efforts to promote development and good governance.

AFGHANISTAN

The traditional basis of Afghanistan’s economy is agriculture and trade. Mineral deposits play an increasingly large role, and the potential is huge. However, at the present time Afghanistan is totally dependent on development assistance. The considerable international presence in the country, particularly the military presence, helps generate growth, but only in the short term. In 2010, economic growth was approx. 8 per cent. Government revenues via taxes and duties increased by almost 30 per cent in relation to 2009. However, the security situation places major constraints on growth.

Still massive poverty
Afghanistan remains one of the world’s poorest countries, and the prospects of finding a solution in the near future are remote. Appro. 50 per cent of all children receive no schooling. Despite considerable progress in recent years, many Afghans remain illiterate. This applies in particular to women.

The child mortality rate is among the highest in the world, and the health sector is unable to deliver even the most basic services. Refugee problems, lack of food and water as well as energy shortage characterise large parts of the country.

President with weak support
Even though President Karzai was re-elected in 2009, the results of the parliamentary election in 2010 showed that it may be difficult for the President to win support in the Parliament. The Afghan government and state lack popular legitimacy.

The international community invests considerable resources in the election process and anticipates that the democratic development can be kept on track.

Development Cooperation
The framework for the partnership between the international community and Afghanistan is the Afghanistan Compact, which has again been implemented as part of a national development strategy.

Widespread corruption and weak government structures mean that the prospects of actual budget support remain distant. However, huge efforts are being made to build administrative capacity at all levels and ensure proper and efficient use of development funds.

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Denmark among the largest donors
In relation to its size, Denmark is an important donor in Afghanistan. In absolute figures, Denmark belongs in the middle group together with other European countries. Under the Afghanistan Strategy 2008-2012, an annual sum of approx. USD 71.5 million has been earmarked. Added to this are humanitarian initiatives.

Denmark is a very active donor and invests considerable resources in coordination and dialogue activity. For example, Denmark is the lead donor in the education sector and an important partner in the stabilisation efforts in Helmand.

Denmark concentrates its efforts on three main focus areas. Within good governance and state-building, Denmark supports institutional capacity building, human rights, civil society organisations, the justice system and transparent and free elections. Within education, support is awarded towards activities in the National Education Strategic Plan for Afghanistan and to the education budget. Lastly, Denmark works to improve livelihoods by supporting general economic development in rural areas. This entails, for example, promoting alternatives to opium production and supporting the establishment of a micro-finance sector.

Future
The international support is expected to change gradually from a military predominance to a civilian predominance. The development funds allocated will increasingly be channelled through Afghanistan’s own institutions in the form of direct support for the national development strategies.

Denmark will continue to prioritise the three focus areas mentioned above, and Denmark will award further support towards the implementation of realistic and measurable national strategies and plans and to job-creating activities.

In the future, there will also be focus on the civilian efforts in Helmand in step with the gradual hand-over of responsibility for security to the Afghan security forces.
Major challenges for the government between women and men. The livelihoods and development opportunities is growing, and there remain major differences in the poverty line. The gap between rich and poor per cent of the population, continue to live below from remittances that Bangladeshi send home from abroad, particularly the Middle East.

Bangladesh is experiencing positive economic development. Annual growth in 2010 was approx. 6 per cent, primarily thanks to the textiles industry and remittances from abroad. The Bangladesh government faces major challenges to improve the economy, including being able to implement a tight fiscal policy, attract foreign investments and control inflation and food prices.

60 million people live below the poverty line Bangladesh is one of the most densely populated areas in the world, with 1,100 people per km². Population density and climate change put heavy pressure on the economy and natural resources.

Bangladesh is experiencing relatively positive social and economic development despite widespread poverty. Bangladesh is on the way to reaching several of the Millennium Development Goals (MDGs), including the goals relating to the reduction of infant and child mortality and equal access for girls and boys to primary school education.

However, a total of 60 million people, around 38 per cent of the population, continue to live below the poverty line. The gap between rich and poor is growing, and there remain major differences in the livelihoods and development opportunities between women and men.

Major challenges for the government Bangladesh is a secular country, where the majority of the population are Muslims and where there are Hindu, Buddhist and Christian minorities. The present government led by the Awami League party has been in power for slightly more than two years. The government is facing major challenges in honouring earlier election promises. It needs to create better living conditions for the poor, bring the rising food prices under control and fight the extensive level of corruption. The security situation in the country is generally good, despite growing social inequality and the presence of radical religious organisations.

Development Cooperation
The international donors, including Denmark, support the government’s national poverty reduction strategy, which places emphasis on economic and social development of infrastructure, energy, agriculture, water resources, education, environment and climate, human rights and good governance, as well as support for the business community through the B2B programme.

Danish bilateral assistance totalled USD 83.78 millions in 2010, which includes a large mixed credits project, the B2B Programme and climate change adaptation initiatives, corresponding to approx. 1 per cent of total development assistance to Bangladesh. Denmark awards support to sector programmes within agriculture, water supply and sanitation. In addition, Denmark supports human rights and good governance, with focus on promoting, among other things, better public administration, anti-corruption, gender equality and rights of indigenous people.

Joint efforts to improve the effectiveness of aid In 2010, the government and 18 donors, including Denmark, formulated a joint strategy for development aid to Bangladesh. The aim is to improve the effectiveness of the aid and ensure closer and more well-defined cooperation between the donors and the government.

Future
Bangladesh has a huge potential for economic and social development. The government’s ambition is for Bangladesh to become a middle-income country by 2021.

The level of assistance is expected to remain at the present level in the coming years. Within the sector programmes, increased focus is expected on efforts to create growth and employment.
The provisional figures indicate an economic growth of 2.5 per cent in 2010. This is only just about adequate to keep up with population growth. The main causes of the low growth are the international economic crisis and the floods. The floods in 2010 affected, among other things, cotton production, which is Benin’s most important export commodity, accounting for 12.5 per cent of total exports.

Continued poverty and child mortality
A third of the population in Benin live below the poverty line. Benin has made progress in the social sectors, such as health and education. A quarter of all children, however, still do not attend school, and more than one in ten children die before the age of five.

Political unrest ahead of the presidential elections
Benin is a relatively stable democracy in a volatile region. Politically, 2010 was characterised by the preparations for the presidential elections in March 2011, in which an electronic voting register in particular has caused discord between the government and the opposition. The opposition have claimed that thousands of Beninians are not listed in the register, and this will undermine the legitimacy of the upcoming elections.

Benin became a democracy in 1990. Since then, the country has succeeded in fostering positive democratic development with the peaceful hand-over of the office of president from the outgoing president to the elected president.

Development Cooperation
Benin’s poverty reduction strategy assigns high priority to the social sectors, but also the private sector must make a significant contribution to reducing poverty in both urban and rural areas. In addition, a large number of donors support good governance.

Denmark provides 8 per cent of total development assistance to Benin, making Denmark the third largest donor in the country.

Positive results within the water, education and transport sectors
In 2010, Denmark was actively involved in sector programmes within education, transport, good governance and democracy, as well as water and sanitation and agriculture.

Benin is a democratic country, but is characterised by limited economic growth. A third of the population still live below the poverty line. In 2010, the country was adversely affected by the international economic crisis and natural disasters. In 2010, Denmark decided to phase out its development assistance to Benin.
Bhutan is an agricultural country in a state of development. Whilst most of the population live in rural areas, the capital Thimpu in particular is growing rapidly. Poverty has fallen, and the government’s goal is to bring it under 15 per cent by 2013.

Bhutan is on the way to becoming a middle-income country. Annual economic growth is stable at 6-7 per cent. The service industry now accounts for 40 per cent of the economy. More hydropower plants are being built, as a result of which the country has the potential to become independent of development assistance by 2020.

Hydropower to India
Bhutan’s growing economy is closely related to India’s. Sale of hydropower-based electricity to India accounts for over 40 per cent of exports and 60 per cent of the country’s revenues. Hydropower has been expanded through large-scale investments based on loans from India. The country is also investing in IT, tourism and education.

In 2008, Bhutan introduced parliamentary democracy, and municipal elections are scheduled to be held in 2011. The ruling party, DPT (Druk Phuensum Tshogpa or the Bhutan Peace and Prosperity Party), has assigned priority to building road connections to all municipalities, access to schooling as well as safe drinking water and electricity access to everyone before parliamentary elections are held in 2013.

Development Cooperation
Development assistance covers 35 per cent of Bhutan government spending. India provides 80 per cent of the assistance. With development assistance totalling approx. USD 12.45 million in 2010, Denmark is the second-largest donor after India and accounts for 8.2 per cent of Bhutan’s total assistance. Denmark, Japan, Austria, the UN, the World Bank and the Asian Development Bank support capacity building, environment, good governance and social sectors. India and the Netherlands provide general budget support. Denmark awards sector budget support to social sectors and regional development.

Considerable progress within health and education
Denmark promotes health and education in Bhutan through the social sector programme support. Social progress is considerable. There is free access to all health care services in Bhutan. Medicine is free of charge. During the last 25 years, life expectancy has risen from 47 to 67 years.

There is an equal proportion of boys and girls attending primary school. Denmark provides technical support to vocational education and training. A high level of youth unemployment is one of Bhutan’s key challenges.

First NGOs approved
Denmark also supports good governance. The support goes to the justice system, the National Land Commission, a joint municipal support programme and civil society development. In 2010, the first NGOs in Bhutan were approved with Danish support.

A new joint environmental sector programme with support from Denmark and the UNDP/UNEP was approved in 2009. The programme is designed to support capacity building at national and local level.

Efficient administration
All donor coordination is carried out by the Gross National Happiness Commission. All Danish programmes are administered through Bhutanese structures, procedures and systems.

Cooperation with the government generally runs smoothly. The administration is efficient, and Bhutan’s public sector auditing is of high quality.

Future
The most important support comes from India, Japan, the World Bank, the Asian Development Bank and the UN. This looks set to continue. In contrast, a number of smaller bilateral donors, such as the Netherlands, Austria and Switzerland, are considering making changes after 2013.

Denmark has decided to gradually phase out its development assistance to Bhutan. Denmark is currently preparing a phasing-out support programme for the period 2011-2014.
President Evo Morales began his second term in office in 2010. With a large majority in the parliament, Morales has passed new legislation relating to, for example, decentralisation, the justice system and education. However, a large legislative task remains to be performed. Danish development cooperation with Bolivia will be phased out in 2013.

BOLIVIA

Commodities, particularly natural gas and minerals, account for 80 per cent of Bolivia’s exports and are a key source of the country’s tax revenues. The informal economy, for instance agriculture, is responsible for providing 80 per cent of employment. Economic growth in Bolivia reached up to 4.7 per cent in 2010, driven by high commodities prices. Whilst the economy has been strong, future prospects are less favourable due to heavy dependence on commodities and a very low level of private and public productive investments – too low to ensure sustained growth.

**Poverty hits the indigenous population**

Bolivia is one of the world’s most unequal societies. More than half the population, particularly indigenous people, live in poverty.

Climate change presents a major challenge. Fluctuating rainfall and melting of glaciers affect agricultural production and water supply in many areas, endangering Bolivia’s rich diversity.

**Smouldering dissatisfaction with the government**

The many different population groups want concrete results, but the government is finding it difficult to meet the great expectations it has created. 2010 witnessed a rising number of protests against lack of investments and against the government’s attempt to dismantle subsidies on petrol, as well as protests in favour of larger wage increases.

**Development Cooperation**

The international development cooperation is targeted at infrastructure, productive sectors, education, water, environment, good governance and human rights. Denmark is among the ten large donors, awarding more than USD 39.13 million in development assistance in 2010.

Agricultural support has, among other things, contributed to increasing productivity and revenues for small farms, strengthened their organisations and contributed with policy development, including instruments that can enhance production and employment in agriculture as well as processing of agricultural products.

Educational support contributes to increasing schooling and enhancing the quality of teaching. This benefits, for example, girls as well as bilingual and intercultural teaching for indigenous people.

The public sector reform programme contributes to infrastructure projects in municipalities aimed at enhancing the productive sector. Similarly, initiatives were launched to improve the efficiency of public administration.

The justice sector support promotes better access to the justice system, particularly for poor people and women. In 2010, Denmark contributed to strengthening public defence lawyers, the Ombudsman institution and efforts to promote the rights of indigenous people through legislation and information.

In 2010, the development cooperation in the environmental sector contributed to, among other things, reducing pollution caused by more than 50 industrial enterprises and mining to improving management of nature parks, benefiting the environment and indigenous people.

**Future**

The main challenge for Bolivia is to increase the productive investments, in order to secure the basis for continued poverty reduction. At the present time, investments are too low to ensure continued progress and poverty reduction. There are signs of increasing cooperation between the government and the private sector aimed at ensuring a trusting relationship and better conditions for investments. New legislation is expected in this area in 2011. Lack of progress could increase the scale of protests by popular organisations in Bolivia.

The development cooperation with Bolivia will be phased out in 2013. In the final phase, focus will be devoted to ensuring concrete results and ensuring that the initiatives are sustainable and contribute to fostering development after 2013. This will take place by ensuring that initiatives are embedded in cooperation with the Bolivian authorities and other donors. Denmark prioritises gender equality and indigenous people’s rights in all initiatives and programmes.
Traditionally, the cornerstone of Burkina Faso’s economy has been agriculture, particularly cotton production. Within the last three years, gold exports have increased significantly, with revenues from this commodity expected to rise further in the coming years.

When the gold runs out

The future economic prospects are positive in the short term, particularly because of the revenues derived from gold. In the longer term, it looks as though Burkina Faso will need to focus on a wider range of crops in the agricultural sector and on private sector development.

A total of 43.2 per cent of the country’s population live below the poverty line. Growth was 7.9 per cent in 2010, compared to 3.2 per cent in 2009. The economy and export are vulnerable because they continue to rely on a fairly small number of products. Burkina Faso obtains a large proportion of its electricity from the Ivory Coast, where the political situation was very unstable in 2010 due to the failure of the current president, Laurent Gbagbo, to accept his election defeat.

Burkina Faso has ambitious visions for growth. However, these will not be realised unless significant progress is made in the agricultural sector and in the private sector in general.

Crucial presidential elections in 2015

The ruling party has aired the possibility of amending the Constitution in order to give President Compaoré the opportunity to stand as a candidate in the next presidential election in 2015.

The proposal gave rise to considerable debate in 2010. The opposition opposes a constitutional amendment, which is a view is shared by a very large section of civil society. Concrete action and support and support to the water sector and the agricultural sector comprise the largest proportion of development assistance.

Agricultural projects required tightening

Funds have been allocated to a number of micro-projects within the agricultural sector. Micro-project funds are partly given to private farmers for, among other things, building stables and purchasing equipment. In addition, Denmark has given support towards enabling small rural municipalities to establish vaccination stations for cattle. Funds have also been given towards establishing local marketplaces for agricultural projects as part of the agricultural sector programme.

However, there was a need to tighten up the preparation and follow-up on these grants in 2010. This was highlighted in a review of the programme conducted in the middle of 2010. Therefore, Denmark’s activities in the second half of 2010 were dedicated to revising selection criteria, manuals, etc. rather than entering into agreements on new micro-projects. The disbursements to projects and initiatives in the agricultural sector were therefore less than expected.

The other part of the country programme is well on the way towards achieving the expected results.

Future

The international support is expected to continue at more or less the same level. The support will be concentrated on implementing the new poverty reduction and growth strategy.

Denmark will gradually phase out support to the education sector, but will maintain support to the water and agricultural sectors. From Danish quarters, there will be increasing attention devoted to promoting green growth in the water and agricultural sectors as well as private sector development.

The security situation in the Sahara/Sahel region also means increased focus on security policy in the future.
Natural gas, valuable wood species, minerals and textiles comprise the majority of Burma’s exports.

Exports primarily go to Thailand, India and China. The economy is predominantly based on agriculture, forestry and fisheries.

Burma’s economic situation is non-transparent due to the lack of access to reliable data. The country’s annual economic growth is estimated to be approx. 3 per cent, and not the 10 per cent stated by the government.

Natural disasters and poor management
Despite considerable natural resources, Burma is one of the poorest countries in the world. This stems from irresponsible management of the country’s economy and widespread corruption. This has resulted in a poor investment climate and high inflation. The Western countries’ trade with Burma is partly restricted by sanctions.

Burma has also been hit hard by natural disasters. Particularly Cyclone Nargis in May 2008 caused great damage, but also Cyclone Girli hit the population hard and led to large-scale devastation and loss of human life in October 2010. Approx 260,000 people are thought still to be affected by Girli and its repercussions.

The population’s access to health care, education and other basic services is limited. Only 1 per cent of the national budget goes towards health and education. HIV/AIDS, malaria, tuberculosis and malnutrition are widespread, and the infant mortality rate is one of the highest in the world.

Criticism of the election
On 7 November, Burma held its first elections in 20 years. The regime party, USDP, declared itself winner, but the election was criticised for not being free and fair. Immediately after the election, the leader of the largest opposition party, Nobel Prize Winner Aung San Suu Kyi, was released after many years under house arrest.

Development Cooperation
The political situation in Burma means that only relatively few of the traditional bilateral donors have activities in the country. The international assistance is primarily channelled through multi-donor trust funds aimed at improving health, education and living conditions.

According to OECD, international assistance to Burma totalled USD 320 million in 2009. Denmark’s contribution in 2009 was approx. USD 8.89 million, rising to approx. USD 10.85 million in 2010.

Danish contribution to multi-donor trust funds
One goal of the Danish assistance to Burma is to facilitate progress towards democracy and national reconciliation. Another goal is to mitigate the impacts of the government’s policy on the civilian population. Therefore, Danish development assistance is not channelled through the government authorities. The Danish assistance is targeted at important sectors such as health, education, human rights and democracy as well as at improving basic living conditions.

Denmark contributes to the following two multi-donor trust funds: the Three Diseases Fund within health and the Multi-Donor Education Fund within education. Support is also allocated to a number of bilateral projects within human rights and democracy and basic living conditions as well as humanitarian assistance to Burmese refugees in Thailand and to internally displaced people.

The Danish assistance to Burma is awarded within the parameters of the EU common position on, among other things, sanctions against the military regime.

Future
Denmark plans to increase its development involvement in Burma in the coming years. This will take place within health, education, human rights and democracy as well as basic living conditions.
In 2010, several members of the opposition party had their parliamentary immunity revoked, including the opposition party leader Sam Rainsy, who has chosen to leave the country and live in exile. A border conflict with Thailand re-erupted. Danish development assistance will be phased out during 2012.

The textiles industry accounts for a significant part of the country’s economy, namely 75 per cent of exports and the creation of numerous jobs. Tourism in the country is rising and constitutes 15 per cent of GNP. Agricultural production constitutes around 28 per cent of GNP.

For several years, Cambodia has experienced annual growth of almost 10 per cent. The global financial crisis hit the textiles industry, the construction industry and tourism particularly hard, causing a sharp decline in these sectors. In 2010, the decline was reversed into a growth rate of 4.5 per cent.

Fewer poor people in Cambodia

The proportion of the population which lives below the poverty line dropped from 35 per cent in 2004 to 26 per cent in 2010. Improvements were greatest in urban areas. Rural development is promising, not least in light of the economic growth and the huge potential offered by the country’s natural resources. The oil deposits are estimated to be considerable. Cambodia invests in hydro-power, mining operations and promotion of tourism. Exports of rice to China are expected to contribute considerably to the economy in the future. However, it is estimated that the high level of corruption and the weak system of law enforcement prevents investments in the country, particularly from the rich Western countries, from reaching the level of the neighbouring countries, Thailand and Vietnam.

Border conflict and opposition leader in exile

In recent years, Cambodia has experienced political peace. However, in 2010 a border conflict erupted with the neighbouring country, Thailand. During the year, members of the opposition party also had their parliamentary immunity revoked. The opposition leader fled into exile, leaving behind a weakened opposition.

Development Cooperation

The international donors have prioritised health and infrastructure together with democratisation, human rights and anti-corruption.

The general budget support comprises approx. USD 9.8 million, which constitutes 1.2 per cent of total donor support. Denmark does not award budget sector support to Cambodia.

Danida the largest donor in the forestry and fisheries sectors

In 2010, the Danish support to Cambodia comprised almost 1.5 per cent of total donor support to Cambodia. Denmark chairs three out of 19 technical working groups on behalf of all donors in the country.

In the forestry and fisheries sectors, Denmark is the largest donor. Denmark supports local management of natural resources through supporting decentralisation processes in 12 provinces and reform processes in the forestry and fisheries sectors.

The support for good governance and human rights is used, among other things, for improving trial proceedings at four provincial courts and support for the National Audit Authority. In addition, Denmark supports civil society in order to address the growing need to provide legal aid and assistance to victims of human rights violations.

Close donor coordination

The international donors coordinate their efforts in Cambodia. This takes place partly in the sector-oriented technical working groups and at bi-annual coordination meetings. In addition, the EU Member States work closely together on the division of labour between the individual sectors. However, important actors such as China and South Korea do not participate in the coordination work.

Future

The future international support will focus on generating economic growth and strengthening the private sector. The support will also go towards enhancing the framework conditions for continued economic growth and poverty reduction, including the implementation of judicial reforms and administrative reforms within the public sector, towards improvement of public financial management and towards anti-corruption activities.

The Danish assistance to Cambodia will be phased out during 2012. The Representative Office of Denmark will be closed in the middle of 2013. Danish business interests in the country will continue to be safeguarded and promoted by the Danish Embassy in Bangkok.
In 2010, the Palestinian Authority (PA) made considerable progress in its efforts to build sustainable government structures. The results have been viewed with great satisfaction in the international community.

**THE OCCUPIED PALESTINIAN TERRITORIES**

<table>
<thead>
<tr>
<th>Area</th>
<th>5,800 km²*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>4 million (2009)</td>
</tr>
<tr>
<td>Annual population growth</td>
<td>n.a.</td>
</tr>
<tr>
<td>GNI per capita</td>
<td>USD 1,290 (2008)</td>
</tr>
<tr>
<td>Foreign assistance per capita</td>
<td>USD 650</td>
</tr>
</tbody>
</table>

The growth in the Palestinian economy in recent years has been primarily driven by extensive development support. The Palestinian Authority (PA) is heavily dependent on budget support and development assistance in order to deliver public services to the Palestinian population.

In 2010, economic growth was estimated to be 9 per cent. This must be seen in relation to the dramatic decline in the Palestinian economy as a result of the Second Intifada between 2000 and 2009.

**Conflict hampers development**

One in five Palestinians is estimated to live below the poverty line. There is a great difference between the West Bank and Gaza. According to the UN, approx. 80 per cent of the population in Gaza are dependent on food relief.

The development potential in the Palestinian Territories is huge, but it can only be realised if a solution is found to the political conflict between the Israelis and the Palestinians.

The last decade has not led to the expected results with respect to a peace process. There have been several conflicts between the parties, with repeated terrorist attacks from Palestinian quarters followed by military reprisals by the Israelis.

The number of settlements and Israeli measures to restrict Palestinian access to land and water as well as freedom of movement has risen dramatically since 2000. These aspects support the Israeli military occupation of the Palestinian Territories and constitute the key obstacle to development in the Palestinian Territories.

**Development Cooperation**

The international donor efforts in the Palestinian Territories have the overall objective of supporting the realisation of a peaceful two-state solution to the conflict. The development cooperation with the Palestinian Territories is subject to the political conditions and restrictions that are a result of the conflict between Israelis and Palestinians. The political divide between the PA/Fatah in Ramallah and the Islamic organisation Hamas in Gaza has further hampered the realisation of a two-state solution.

Denmark is, relatively speaking, a major donor to the Palestinian Territories and disbursed approx. USD 28 million in total bilateral assistance in 2010. This level has remained more or less constant in recent years.

**Danish support for state-building**

The primary focus area for Danish development assistance is development of the local and municipal sector. The Danish engagement aligns with the PA’s own focus on strengthening state institutions as the way forward to building a Palestinian state. Together with the Ministry for Municipal Development, Denmark is responsible for the broad donor coordination in the municipal development field.

Denmark has, among other things, played an active role in the extensive “Municipal Development Programme”, which focuses on system development, capacity building and improved public services and municipal administration. Denmark supported the programme with USD 7 million in 2010.

In general, Denmark actively promotes increased donor coordination, and the Danish assistance is channelled to a large extent through donor consortia. In collaboration with Sweden, Switzerland and the Netherlands, Denmark has contributed to building a joint mechanism within the human rights field. This mechanism facilitates provision of more strategic and coordinated support to the Palestinian and Israeli civil society organisations.

**Future**

Until a two-state solution becomes a reality, the international donor community must be expected to engage in a high level of activity in Palestine. However, it is far from certain that a two-state solution can be found in the short term, and it cannot be ruled out that the situation will deteriorate in both the short and medium term.

The above framework conditions for the implementation of Danish development assistance bring with them a number of risks, including the escalation of violence, the intensification of the occupation regime and the shift of political power. These also necessitate an increasing need for flexibility with respect to the ongoing adjustment of the efforts in step with developments.
Etiopia held elections in spring 2010, in which the coalition government in office secured an overwhelming victory with approx. 98 per cent of the vote. In autumn 2010, the government launched its new five-year economic plan, which is to pave the way for Ethiopia to become a middle-income country by 2025.

Agriculture is the most important sector in Ethiopia’s economy. The agricultural sector accounts for 45 per cent of GNP, 80 per cent of export revenues and 85 per cent of employment.

The cornerstones of export are flowers and coffee, the latter accounting for 35 per cent of export revenues. The country also exports oil seeds, leather goods and the mildly psychedelic drug “khat”. In the long term, Ethiopia could become an important producer and exporter of renewable energy in the form of hydro-based electricity.

Shortage of food
Ethiopia is one of the world’s poorest countries. One in three Ethiopians lives on less than one dollar a day. Only one in three has access to safe drinking water. Life expectancy is low and child mortality is high.

Ethiopia produces too little food to feed its own population. The problem is regularly worsened by drought and unpredictable rainfall. Over five million Ethiopians are dependent on food aid.

Growth is threatened
During the last decade, economic growth has been among Africa’s highest, with annual growth rates of up to 10 per cent. Behind the progress are a number of reform measures, infrastructure investments and favourable conditions for agriculture. Foreign investments are steadily rising. However, only a small section of the productive sector has been privatised.

The high growth rates, however, are regularly put under pressure by unpredictable rainfall patterns that affect agriculture, by political instability in the region and by rising prices on oil and food products.

Inflation lies under 10 per cent, but it is feared that the government’s growth and transformation plan will put pressure on inflation.

Landslide victory for government coalition
Ethiopia is made up of many ethnic and religious groupings. The Constitution from 1995 defines an ethnically federal system in which the country has been divided into ten relatively autonomous regions. This has to a certain degree kept a lid on the conflicts in the country. However, the Ogada region bordering Somalia, for example, continues to experience unrest.

The election in May 2010 generally proceeded peacefully. The coalition government in office, EPREDF, regained office and consolidated its power. The government continues its efforts to control the political system and exercise control over civil society.

Development Cooperation
Ethiopia receives extensive development assistance from a number of international donors. The cornerstones in the international donor efforts are humanitarian programmes, food programmes and programmes within social sectors, such as education and health. This is supplemented by support towards promoting democracy and good governance.

The coordination of development assistance in Ethiopia is embedded in the Development Assistance Group (DAG), of which Denmark is a permanent member.

Denmark supports food programme
Denmark plays a minor role in the donor picture. The only programme in 2010 which received large-scale Danish support was the food programme, the Productive Safety Net Programme (PSNP), to which Denmark contributed USD 4.4 million in 2010. The aim of the programme is to help poor households, by, for example, creating jobs and income generating opportunities in local areas.

Despite a number of positive results in the initial phase of the PSNP programme, it has not been possible to achieve the goal of the programme, namely to lift five million households out of poverty. This has been successful for only approx. 280,000 households. Therefore, the programme has now been reformulated.

Future
The international development cooperation for Ethiopia is generally expected to continue on its present track, although it is expected that adjustments will be made to ensure the development programmes and activities promote achievement of the goals set out in the government’s new development plan.

Ethiopia was selected as a future Danish partner country at the beginning of 2011. A new programme is therefore being formulated which will focus on achieving common strategic goals and private sector development. Support to the PSNP programme is also expected to continue.

<table>
<thead>
<tr>
<th>Area</th>
<th>1,104,300 km²</th>
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<tbody>
<tr>
<td>Population</td>
<td>82.8 million</td>
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<td>Annual population growth</td>
<td>2.6 %</td>
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<td>GNI per capita</td>
<td>USD 330</td>
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<tr>
<td>Foreign assistance per capita</td>
<td>USD 46</td>
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<tr>
<td>Life expectancy</td>
<td>56 years</td>
</tr>
<tr>
<td>Child mortality under 5 years</td>
<td>210/104</td>
</tr>
<tr>
<td>Proportion of children enrolled in primary school</td>
<td>21(1994)/84(2009)</td>
</tr>
<tr>
<td>Proportion of population with access to safe drinking water (latest figure is 2008)</td>
<td>17(1990)/38</td>
</tr>
<tr>
<td>Danish bilateral assistance 2010 in USD millions (disbursements)</td>
<td>7.6</td>
</tr>
</tbody>
</table>

Danish bilateral assistance programmes 2010
- Productive Safety Net Programme (PSNP)
- Democracy and good governance
- Long-term strategic humanitarian efforts
Ghana is experiencing stable political development. In 2010, a process was launched to revise the Constitution, with 80,000 contributions from citizens in Ghana. Operations to extract oil began, and a new national development strategy was adopted. In the longer term, Danish-Ghanaian relations are expected to be more greatly characterised by cooperation regarding political policy, trade, investment, research and culture.

**Ghana**

| Ghana’s economy rests on the production of gold, cocoa, timber, aluminium and diamonds. Added to this is a growing service sector and remittances from Ghanaians living abroad. The economy is growing. After the introduction of a new model for calculating GNP, Ghana is now regarded as a middle-income country, albeit at the lowest end of the scale. According to the IMF, growth was 5.7 per cent in 2010. **Discovery of oil contributes to growth** The proportion of poor and very poor people is falling, but there continue to be major differences in income and living standards between the richer south and the poorer north. Ghana is expected to reach Millennium Development Goal 1 (MDG1) on halving poverty, but many Ghanaians are unemployed. Oil has been discovered in Ghana, which means the country can look forward to investments in infrastructure, especially transportation and energy supply, which will facilitate further economic growth and better employment opportunities. **Stable democracy in Ghana** Ghana is among the most stable and democratic countries in Africa, but the country still needs to strengthen the democratic institutions. This applies, for example, to the institutions that act as watchdogs in relation to government power: the parliament, the media and civil society. **Development Cooperation** The cornerstone of development cooperation in Ghana is the country’s development strategy. The government, development partners and civil society representatives form part of working groups organised according to different sectors, such as the health sector. This facilitates strengthened dialogue. **Positive results from Danish support** Denmark is Ghana’s fourth largest bilateral development partner. The development cooperation with Denmark totalled more than USD 89.0 million in 2010 and in general proceeds smoothly. A decentralised programme enhances local services and local administration. The health programme supports work with both private religious and public health institutions.

Danish bilateral assistance programmes 2010
- Business
- Health
- Good governance and human rights
- General budget support
- Decentralisation

**Area** 238,500 km²
**Population** 23.8 million
**Annual population growth** 2.1 %
**GNI per capita** USD 1,190
**Foreign assistance per capita** USD 66

**Life expectancy** 57 years
**Child mortality under 5 years/1000 (1990/2009)** 120/69
**Proportion of children enrolled in primary school** 60(1999)/76(2009)
**Proportion of population with access to safe drinking water (latest figure is 2008)** 54(1990)/82

Danish bilateral assistance 2010
in USD millions (disbursements) 101.2

Danish bilateral assistance programmes 2010
- Business
- Health
- Good governance and human rights
- General budget support
- Decentralisation

Denmark supports private sector development and job creation through a business sector programme. This programme aligns with the Ghanaian government’s new private sector development strategy and the Africa Commission’s recommendations. The programme for human rights and good governance strengthens the law courts and the independent Commission on Human Rights and Administrative Justice, which protects and promotes human rights and fights corruption. Denmark also supports the implementation of the development strategy through general budget support. However, this support was reduced in 2010 due to Ghana’s failure to meet all agreed targets.

**New Joint Assistance Strategy with Danish support**

The government and the international development partners in Ghana coordinate the development programmes and activities. The support goes towards implementing the Ghanaian government’s own development policy so as to ensure Ghanaian ownership of the development cooperation.

Denmark contributes actively to the development of a new Joint Assistance Strategy for the development partners’ support for Ghana’s development. Among other things, the strategy will take into account the need for division of labour between the partner countries.

**Future**

Ghana has acquired a number of new partner countries, including China, India and Brazil. There are no clear indications from Ghana’s partners regarding how they will prioritise their future support. The government and the development partners are in agreement that traditional development cooperation could be phased out over a 5-10 year period in step with the country’s rising prosperity. In the coming years, in step with Ghana’s positive economic development, Denmark will gradually focus more on the development of trade relations, political cooperation and research partnerships.
Oil and gas are the cornerstones of Indonesia’s industrial sector, which accounts for almost half of the total economy. Agriculture accounts for almost 20 per cent of the economy.

Indonesia’s economy is rooted in the domestic market, which is one of the reasons that the country has emerged relatively well from the financial crisis. In 2010, growth was 6.1 per cent. This is due especially to domestic demand and private investments. Despite the solid economic growth, approx. 14 per cent of the population still live below the poverty line. Growth also put considerable pressure on the country’s environment and natural resources.

Increasing radicalisation
The general political situation is stable, and democracy has gained a foothold in Indonesia, which is governed by President Yudhoyono. Nevertheless, radicalisation is increasing and religious conflicts regularly occur.

Added to this are regional conflicts, for example in the provinces of Papua, in the island group Moluccas, where part of the population want independence, and in Aceh in the northern Sumatra, where there continues to be political dispute regarding the peace process.

Development Cooperation
The international donor support is more than USD 889 million a year. Climate and environment is a key area for many international donors, but also good governance, support for civil society and counter-terrorism have high priority.

Denmark’s support comprises approx. USD 12.2 million per year, with an equally strong focus on climate and environment. Denmark contributes with USD 39.0 million over a five-year period to environmental management, energy efficiency and decentralised, environmentally-sound natural resource management. The programme has a very strong climate profile. The objective is, among other things, to contribute to the implementation of Indonesia’s poverty reduction strategy, in which sustainable use of natural resources is an integral element.

In addition, Denmark awards USD 8.9 million in support towards promoting human rights and democracy, anti-corruption and counter-terrorism over a four-year period. The programme seeks, among other things, to strengthen human rights through religious organisations and the police as well as strengthen counter-terrorism efforts through the Jakarta Centre for Law Enforcement Cooperation (JCLEC).

Denmark also provided emergency relief in response to the Mt. Merapi volcano eruption on Java in November 2010.

Local ownership
Together with the Indonesian government and other donor countries, Denmark has signed the Jakarta Commitments, based on the Paris Declaration and aiming to ensure effective development assistance through close collaboration between the donors and the government.

Denmark works in general to foster local ownership of the development cooperation. The main component of the Danish-supported environmental sector programme is thus implemented by the Indonesian government. Denmark supports three multi-donor trust funds and works together with EU partners to coordinate bilateral initiatives and share experience.

Future
There will continue to be extensive international support for environmental and climate sector programmes in Indonesia. Focus will be increasingly on private sector development. Despite the Indonesian growth, there is still a need for donor support, especially for capacity building of government institutions and the private sector.

Denmark plans to extend the current environment and climate sector programmes with another phase. In 2011, new climate initiatives for USD 8.9 million are planned under the international ‘Fast Start Finance’, which was announced at the UN Climate Change Conference in Copenhagen in 2009. Anti-radicalisation initiatives are also planned in 2011 under the Danish ‘Freedom Fund’.

Indonesia experienced high economic growth in 2010. Nevertheless, poverty remains widespread. Environmental and natural resources are under pressure. Democracy has gained a foothold, but continues to need support.
Kenya’s economy is dominated by agriculture, trade, production activity and tourism. The economy was hit hard by ethnic disturbances following the election in 2007, by the global financial crisis and by drought. However, the economy is now improving. In 2010, growth was 5.1 per cent.

Kenya is a very unequal society. Almost half of the population are estimated to live below the poverty line.

Continued risk of disturbances
Kenya’s coalition government is increasingly characterised by division, also internally in the government parties. Parties and politicians have long been busy positioning themselves in the lead-up to the elections in 2012. There remains a risk that the violent disturbances experienced in connection with the election in 2007 may break out again.

In the wake of the disturbances, the International Criminal Court in the Hague has summoned six high-ranking Kenyans, including two ministers and the Head of the Public Service. This action may challenge political stability in the country.

Development Cooperation
The international donor efforts are based on the joint country strategy adopted in 2007, which supports the government in its efforts to reach the UN Millennium Development Goals (MDGs) and implement Kenya’s long-term growth and development strategy, Vision 2030.

The political situation and problems with corruption have led Kenya’s development partners to decide not to provide budget support.

Information about health and contraception
Denmark is the sixth largest donor in Kenya with support totalling more than USD 62.3 million in 2010. The Danish support focuses on health, environment and climate, business promotion and good governance. The health sector programme contributes, among other things, to improving health information activities, modern methods of contraception and general health care services, with particular focus on rural areas.

The natural resource programme contributes to improving income generating opportunities, increased food security, risk reduction of natural disasters, improved water supply and improved agricultural production methods.

Through the business sector programme launched in 2010, Denmark supports companies’ competitiveness, better business environment and Kenya’s participation in the East African Community, an east African counterpart to the EU Single Market.

The support for good governance is targeted primarily at electoral reform, anti-corruption, public expenditure management and strengthening respect for human rights in the country.

Denmark plays an active role in coordinating the development cooperation between the government and the donors.

Denmark engages in efforts to further improve the effectiveness of Danish support and to adapt the activities to Kenya’s national plans and procedures.

Future
The reform process is moving forward, and there is cautious optimism among the donors. In 2012, however, the election will be crucial for the future structure of development cooperation, including the possibility of providing budget support.

Kenya’s government and the donors expect to adopt a revised joint country strategy during the first half of 2011.

The new Danish-supported business sector programme will be launched in January 2011. A new five-year health sector programme is planned for the period 2011-2015.

In 2010, Kenya obtained a new Constitution, which is expected to have a great bearing on future political stability and development cooperation. The Constitution comprises, among other things, decentralisation, distribution of land resources, human rights, anti-corruption and reform of the electoral system and justice system. A new Danish business sector programme aims to strengthen Kenyan enterprises.
Mali’s economy is dominated by self-sufficient agriculture. Cotton and gold are the largest export products. In the short term, there are expectations of growth in the agricultural sector, new investments in the gold sector and stable market prices on cotton. In the coming years, Mali faces major challenges to diversify the economy and increase growth in the private sector.

In 2010, growth was 4.5 per cent. Poverty has fallen by 9 percentage points over the last decade, but is very unequally distributed between Mali’s regions. Mali is unlikely to reach the UN Millennium Development Goals, partly due to high population growth.

Human rights and security
Consensus is a hallmark of Mali. It characterises all political processes and means that Mali’s democracy is well consolidated. However, it also makes for a slow pace of reform.

In 2010, a far-reaching proposal was drawn up to revise the Constitution from 1991. The amendments comprise the creation of a senate, a court of auditors, an independent body to regulate the media, and modernisation of the electoral system. The new bodies are designed to ensure that the public institutions become more accountable to the population.

Basic human rights are broadly respected in Mali. However, there are notable exceptions in the form of violations of women’s rights, particularly in connection with circumcision and early age marriages.

The northern regions act as a safe haven for terroristic cells linked to Al-Qaeda. In this regard, it is necessary to integrate the development cooperation and security efforts, which Mali’s government, Denmark and the other international partners prioritise.

Development Cooperation
Economic growth is a key component of the development cooperation. A quarter of the total international assistance to Mali goes towards infrastructure and productive sectors such as education and health, while support for reforms and good governance accounts for approx. 20 per cent of international assistance.

The general budget support from international donors totalled approx. USD 178 million in 2010. This corresponds to approx. 7 per cent of Mali’s national budget. The Danish budget support totalled USD 6 million.

42 km road helps farmers
The Danish development assistance to Mali primarily comprises three sector programmes for water, business and agriculture, general budget support and initiatives designed to promote good governance.

The Danish development assistance generally produces good results. One example is the rehabilitation of 42 km of road in a rural area. This has improved access to markets for many farmers. A total of 150 female entrepreneurs have received support for business development, and in 29 municipalities officials have received training in participatory planning.

The progress in the Danish sector programmes is, however, slower than expected. The support channelled through the sector programmes totalled USD 18.7 million in 2010, the budget support totalled USD 6 million and good governance US 3.2 million.

Denmark is the standard bearer for development aid effectiveness in Mali
The Danish country programme aligns fully with Mali’s own priorities and is by and large adapted to the national systems and procedures. National ownership is pronounced. In 2010, OECD/DAC proclaimed Denmark the “champion” of development aid effectiveness in Mali.

Future
Total Danish assistance to Mali is expected to rise gradually in the coming years. There will be greater focus on integrating support for agriculture and the rest of the business community in a single programme, with focus on creating growth and employment.
Danish bilateral assistance programmes in Mozambique 2010

- General budget support
- Public sector reforms
- Health
- Education
- Environment

Danish bilateral assistance 2010 in USD millions (disbursements) 85.4

2010 witnessed riots in the capital Maputo in protest at the rising costs of fuel and food, and a poverty reduction study surprisingly showed that poverty in the country had not been reduced during the last five years. The focus of the Danish country programme was enhanced in 2010.

Agriculture is the most important sector, being responsible for almost one-third of the economy and employing four out of five workers. The retail trade as well as the manufacturing and service industries are also important sectors.

Annual economic growth was 6.5 per cent in 2010. The engine for growth was primarily foreign investments in, among other things, oil and gas as well as infrastructure and tourism. The foreign investments have, however, had limited impact on employment.

Around half of the population live below the poverty line. This is shown in the Study on Child Poverty and Disparities in Mozambique published in 2010. The proportion of people living on less than one dollar a day has remained unchanged since 2003.

During the same period, the authorities have, however, been able to improve the provision of public services such as access to health clinics and education. In 2010, Mozambique halted the rise in the number of people infected with HIV, even though the number of infected people remains at a high level. There continue to be very serious problems with chronic malnutrition, which weakens general public health and children’s ability to learn.

Rising food prices caused unrest

At the beginning of 2010, a new FRELIMO government took office. Civil disturbances in September 2010, together with the poor results of the Child Poverty and Disparities study, led the government to acknowledge the need to adopt a new approach to the development of a new five-year poverty reduction strategy. The risk of renewed civil disturbances is estimated to remain high.

Development Cooperation

The donors award support in particular to education, health, including HIV/AIDS prevention, and building of infrastructure. Total donor assistance accounts for approx. 15 per cent of GNP. The general budget support accounts for approx. 5 per cent of GNP, corresponding to approx. USD 409 million. There are 19 budget support donors in Mozambique.

Denmark is among the eight largest donors. In 2010, Denmark also awarded budget support to Mozambique.

Progress in Danish-supported programmes

The key programmes that receive Danish support lie within the areas of health, including nutrition and HIV/AIDS, environment, agriculture, private sector development and good governance, as well as support to the justice sector and public sector reform.

General progress has been made in all programmes. However, the agricultural programme suffers from the lack of a clear strategy for the sector. In 2010, agriculture and private sector development received between them a total of USD 15.5 million.

Support for the health sector and HIV/AIDS prevention has continued, with an annual contribution of USD 11.03 million awarded towards implementing the national strategies. Denmark has supported the national plan for prevention and treatment of chronic malnutrition. In the Tete province, Denmark has supported the renovation of the provincial hospital, a training centre and a number of health centres.

More and more children attend school in Mozambique. Denmark has contributed to the education sector with the aim of improving quality of teaching and sustainable development within school building construction as well as teacher training.

As part of the Danish efforts to improve effectiveness and focus of development assistance, the country programme in Mozambique was radically revised in 2010. Danish support to the energy sector was phased out. The support to the education sector will be phased out in 2011.

Future

Mozambique’s government is working on a new five-year poverty reduction strategy, with focus on promoting agricultural productivity, increasing the number of small and medium-sized enterprises and creating jobs for the more than 300,000 young people who enter the labour market each year. Another important goal is the continued development of the social sectors.

As part of the efforts to enhance the focus of Danish assistance, four areas will be focused on in the future besides general budget support. These areas are private sector development, including support to value chains in agriculture, health, environment and good governance, with special focus on tax administration and the justice sector.
Agriculture is the most important occupation in the country, being responsible for one-third of GNP and employing 80 per cent of the population. Exports are modest and comprise, among other things, textile products.

Nepal is among the poorest countries in Asia, and there are signs that inequality is growing. Around 25 per cent of the population live below the poverty line.

Economic growth is approx. 3 per cent. Development assistance and increasing remittances – money that Nepalese citizens abroad send home – have ensured the country a relatively stable economic situation. In the long term, Nepal’s enormous hydropower resources will be the country’s most important source of growth.

Investments are needed in the country’s economic infrastructure in order to improve the basic framework conditions for growth and production. However, political instability hampers economic development.

The peace process is moving slowly forward
Progress in the peace process has not yet materialised. The Maoist soldiers need to be integrated either into the security forces or rehabilitated back into civilian life. Agreement has yet to be reached on key areas of the new Constitution. These concern, for example, the form of government, the electoral system and the federal division of Nepal. In addition, there is a need for stronger enforcement of law and order.

Development Cooperation
The international community supports, among other things, education, health, agriculture, local governance, climate change adaptation and infrastructure. Support is also given towards facilitating the peace process and within humanitarian assistance in the form of providing food aid to over two million people.

Denmark combines long-term development assistance with more short-term assistance to the peace process.

Support to education, energy and democracy
Denmark’s sector programme support to education goes towards a reform programme in the school sector, which has led to positive results. A total of 92 per cent of children attend primary school, with an equal distribution of boys and girls.

Denmark supports the extension of renewable energy technologies to rural areas, and also grants support to the National Centre for Renewable Energy that administers the direct support to solar panels, small hydropower plants and improved wood-burning stoves.

Denmark has supported human rights and good governance in Nepal since the early 1990’s and has also devoted focus to democracy. Support has been granted to, for example, strategic partnerships with selected NGOs, to the building of the capacity of the National Human Rights Commission, and to the introduction of an electronic electoral register.

In 2010, Denmark gave contributions to national and international NGOs as well as the UN through the peace support programme with the aim of making the ongoing constitutional process as broad and democratic as possible.

Local ownership of the development programmes
Nepal’s leadership of the development assistance has been weakened by the unstable political situation. The level of donor coordination and local ownership of the development programmes varies considerably from sector to sector.

Future
Nepal belongs to the group of least developed countries, which are expected to continue to attract considerable development assistance. Nepal’s post-conflict situation also entails that the country continues to attract considerable international attention. Several bilateral donors plan to increase their assistance to Nepal quite substantially.

Continued involvement from international quarters, including Denmark, is important for keeping the political process on track.

In 2010, Nepal was characterised by political power struggles, an uncompleted peace process and delays in the work to draft a new Constitution. The political parties were unable to find a majority for a new government before the end of 2010. The only progress made in the peace process was the discharge and initial rehabilitation of around 4,000 underage or elderly Maoist soldiers.

\[\text{Area} \quad 147,200 \text{ km}^2\]
\[\text{Population} \quad 29.3 \text{ million}\]
\[\text{Annual population growth} \quad 1.8 \%\]
\[\text{GNI per capita} \quad \text{USD 440}\]
\[\text{Foreign assistance per capita} \quad \text{USD 29}\]
\[\text{Life expectancy} \quad 67 \text{ years}\]
\[\text{Child mortality under 5 years/1,000} \quad 142/48\]
\[\text{Proportion of children enrolled in primary school} \quad 67(1999)/92(2010)\]
\[\text{Proportion of population with access to safe drinking water (latest figure is 2008)} \quad 76(1990)/88\]

Danish bilateral assistance 2010 in USD millions (disbursements) 38.1

Danish bilateral assistance programmes 2010
- Education
- Energy
- Good governance and human rights
- Peace process and conflict prevention
Nicaragua’s economy is traditionally borne by the agricultural sector, which is estimated to employ almost one-third of the labour force. Economic growth is driven by exports of, among other things, coffee, meat and sugar. The service sector accounts for half of GNP.

Nicaragua is the poorest country in Central America and the second poorest in the whole of Latin America. According to government figures, approx. 40 per cent of the population live in poverty and approx. 15 per cent live in extreme poverty. Nicaragua is dependent on development assistance and loans.

In 2010, however, the economy managed better than expected, and in the short term the economic situation is expected to remain stable with rising foreign investments. After a negative growth rate in 2009, growth was 4.5 per cent in 2010.

With a controversial judgment in 2010, the High Court approved amendments to the Constitution, allowing President Ortega to stand as a candidate again in the upcoming presidential election.

Development Cooperation
The bilateral donors have suspended budget support to Nicaragua because the government does not comply with the principles of good governance. Denmark is among the five largest of the traditional donors. In 2010, the Danish support totalled USD 30 million, of which USD 2 million was awarded to the B2B Programme.

Support to schools and textbooks
In 2010, the Danish support went towards, among other things, renovation of schools and production of materials for multi-lingual teaching in two autonomous regions on Nicaragua’s Atlantic coast. In addition, Denmark supported civil society in Nicaragua so as to promote popular participation and the advocacy activities of organisations. The support has also gone towards improving legal protection of women, young people and children.

Denmark also supported the transport sector, decentralisation, investments and capacity building in a number of municipalities in the three poorest regions. Similarly, part of the Danish support has gone towards protecting Nicaragua’s two largest protected nature areas.

Lack of willingness to engage in critical dialogue
Denmark coordinates the development assistance with the other development partners, of whom the primary donors are Germany, the Netherlands, Finland, Luxembourg, the EU Commission, the USA, the UN and the World Bank. Coordination, harmonisation and adaptation are difficult due to major delays in the formulation of a national development plan and sector strategies. Furthermore, the government lacks the willingness to engage in genuine critical dialogue that includes civil society.

Future
Several of the European donors intend to phase out their assistance to Nicaragua in the next few years. At the same time, donors such as Venezuela, Russia and Libya have shown increasing engagement.

Denmark will accelerate the phasing out of its assistance to Nicaragua. This was decided after a long period of fruitless discussions concerning an agreement on Danish support to civil society, in which Nicaragua’s government wished to determine which civil society organisations Denmark could support. The last disbursements to Nicaragua will take place in 2011, after which the activities will be discontinued as soon as possible.
In the wake of a military coup in spring, Niger acquired a revised Constitution after a referendum held in autumn 2010. A roadmap with parliamentary elections and the election of a new president at the beginning of 2011 was established. Niger experienced one of the country's worst drought periods in 2009 and 2010. More than half of the population suffered from malnutrition. In particular, children under the age of five were severely hit.

Niger's economy is first and foremost based on self-sufficient farming. Agriculture accounts for 40 per cent of GNP and also provides the basis for the livelihoods of 80 per cent of the population.

Niger has large deposits of uranium and in recent years has discovered small oil and gas reserves, which in the future can contribute to a more stable and sustainable economic development.

Drought periods are a recurring phenomenon in Niger. With an annual population growth of around 3 per cent and moderate growth within the agricultural sector, drought will hit increasingly harder unless more efficient farming methods are adopted.

Democratic institutions strengthened
In 2009, former President Tandja attempted to bring about amendments to the country's Constitution which would allow him to continue as president after his two terms in office. However, he was deposed by a military coup on 18 February 2010. After the coup, the military rulers immediately drew up a plan for the restoration of democracy in the country. Local elections as well as parliamentary and presidential elections were subsequently held at the beginning of 2011.

A newly elected president, a newly elected parliament and newly elected municipal councils offer the possibility of political stability in the coming years. Democratic development has improved after the democratic institutions were strengthened by a revised Constitution, which was approved by a referendum in autumn 2010.

The ongoing economic reforms need to be given high priority in order for there to be greater efficiency and transparency regarding the public finances.

Development Cooperation
The international donor efforts primarily target agriculture, infrastructure, growth and employment, democracy and humanitarian assistance. Around a third of the public finances is funded by donors. A quarter of the development assistance is awarded as budget support.

Support reduced after political unrest
Denmark is among the three largest bilateral donors in Niger. In 2010, however, Denmark disbursed only USD 7.1 million from the country programme on account of the political situation. A further USD 1.8 million went towards elections held in connection with the restoration of democracy. Lastly, a special humanitarian grant of USD 1.8 million was awarded to alleviate Niger’s serious food crisis. With democratic governance restored, the cooperation is in the process of being normalised.

Denmark’s development cooperation focuses on agricultural development, safe drinking water access and sanitation. In addition, Denmark supports human rights and democratic development, particularly at municipal level. The Danish activities are primarily targeted at the regions of Zinder and Diffa in southern and eastern Niger.

Working for stronger coordination
Denmark is working to strengthen donor coordination, and particularly within the water sector has contributed to improving national management of the drinking water supply. The Danish assistance also actively seeks to promote a coordinated donor approach within agricultural sector development.

Future
Niger's poverty reduction is in need of revision. It is vital that agricultural development switches from the present system of self-sufficient farming to more modernised production. Otherwise, Niger will be unable to feed itself, and recurring droughts will exacerbate the poverty situation in the country. The revenues from uranium, oil and gas need to be invested in the social sectors, such as health and education.

The Danish development cooperation will maintain its goal of sustainable economic development. In the future, particular focus will be directed towards increasing growth and employment.

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There is substantial inequality in Pakistan and there are considerable poverty problems. Approx. two-thirds of the population live on less than two dollars a day and malnutrition is a genuine problem. Annual economic growth in recent years has hovered between two and three per cent. Up to half of the population are illiterate, and the formal education system is extremely inadequate. This has created space for private Koran schools, of which a considerable number are inspired by fundamentalist ideology.

Despite several major military offensives against the Taliban, the security situation in the areas along the Afghanistan border is very bad. The Taliban has bases in these areas, from where they also carry out numerous attacks in other parts of Pakistan.

Economic reforms yet to be implemented
After many years of military rule, Pakistan gained a democratically elected civilian government in 2008. However, this has not led to the implementation of economic reforms or increased tax revenues, of which the latter only account for approx. 9 per cent of GNP. Nor has the government been able to effectively eliminate corruption in the public sector. Military expenditure absorbs approx. 30 per cent of government spending.

Development Cooperation
Continued democratic and economic development is the only way forward to ensuring stability in Pakistan and the rest of the region in the long term. This was a significant part of the reason Denmark awarded USD 23.1 million over a three-year period to Pakistan in 2010.

The development cooperation has a strong security policy perspective. The various Danish-supported projects have the overall aim of contributing to a more secure Pakistan and thus increased stability in the region.

Denmark supports democratic development
Denmark supports basic training programmes and human rights as well as civil reconstruction and stabilisation, particularly in the areas bordering Afghanistan.

The objective is to support civil society and the forces in Pakistan desiring democratic and stable development in the country, to promote respect for human rights and to counter radicalisation.

In specific terms, Denmark supports UNICEF with USD 8.9 million as a contribution to the rebuilding of schools that have been destroyed by the Taliban and floods. The goal is to provide schooling for all children when they return home from the camps for internally displaced people, where many families are currently living.

Denmark also contributes with USD 7.1 million to the World Bank’s Multi-Donor Trust Fund, which, among other things, supports rebuilding of infrastructure and delivery of absolutely basic public services. The goal is to restore economic activity and development. Added to this is support for democracy and human rights, including free media.

Through the Danish Stabilisation Fund, Denmark supports the UNODC country programme on border control between Pakistan and Afghanistan. This comprises efforts to combat drug trafficking and human trafficking and to improve the justice system, with emphasis on enhancing border control.

In addition, after the floods in August 2010, Denmark gave a commitment to provide USD 23.1 million in humanitarian assistance.

Future
The present security situation in Pakistan hampers the development cooperation, but it also makes it more relevant. The future efforts in Pakistan will keep on the present track with the overall security policy aim of countering radicalisation and fighting terrorism through support for democratic and economic development. A decision on the continued Danish support after 2012 will not be taken until during 2011 or 2012.
Somalia finds itself in a difficult political and humanitarian crisis, which is exacerbated by a difficult security situation caused by attacks by the radical Islamist organisation, Al-Shabaab, which controls large parts of southern and central Somalia. The situation is more stable in Somaliland, which held peaceful presidential elections in June 2010 resulting in a change of government. A similar situation is evident in Puntland, where the presence of pirates continues to pose a serious threat to security and development in the region.

The cornerstones of Somalia’s economy are livestock farming, fisheries and agriculture as well as local investments and remittances to private individuals from Somalis living abroad. According to UN figures, four out of ten Somalis live on less than one dollar a day.

Somalia is a fragile state with major challenges. This is the result of 20 years without a central, effective government and constant internal squabbling. This has increased poverty and led to a serious humanitarian situation in southern and central Somalia. The conflict has a destabilising effect on the entire Horn of Africa. Negative repercussions such as radicalisation and piracy are also felt in Europe and Denmark.

In Somaliland, the economy is making progress, not least due to rising exports from livestock farming. This development is also felt in Puntland, albeit more moderately. In central and southern Somalia, there is continued instability and drought, both of which hamper economic development.

Development Cooperation
The international efforts aim to improve security, partly through support for state-building and efforts to combat piracy. In line with the EU, the UN and the World Bank, Denmark pursues a twin-track approach, supporting the central government in Mogadishu and the regional governments, primarily in Somaliland, and also supporting local initiatives designed to foster stability and development from below.

The cooperation focuses on the democratisation process, good governance and well-functioning institutions, the improvement of basic living conditions and the creation of growth and employment.

Danish supports democracy and state-building
In 2010, Denmark was among the top ten international donors. Denmark seeks to promote peace and democracy at national level and build up the Somali state at local and national level. In June 2010, Denmark contributed to ensuring peaceful presidential elections in Somaliland and also supported local efforts to enhance growth, employment and exports. Through the Danish Stabilisation Fund, Denmark also supports capacity building efforts with the aim of ensuring longer-term efforts to combat piracy.

Lastly, the Region-of-Origin Initiative focuses on protecting and improving living conditions for internally displaced people in Somalia and for Somali refugees and their host population in Somalia’s neighbouring countries. Denmark is an active participant in international donor coordination.

Future
The Danish efforts in Somalia will follow a twin-track approach and be adapted to the situation in the different areas. This approach will comprise support partly for the Transitional Federal Government and partly for the regions, which are primarily in Somaliland and but also Puntland, to the extent this is possible.

In southern and central Somalia, the efforts will concentrate on promoting the political process and creating stability. The humanitarian assistance will also continue. In Somaliland, the support towards promoting peace and security as well as the democratic process and towards protecting internally displaced people will continue.

In both Somaliland and Puntland, Denmark will support alternative employment and income-generating opportunities for more small and medium-sized enterprises as well as efforts aimed at reducing and combating piracy.

Denmark is in the process of strengthening its engagement in Somalia based on the new Policy Paper for Denmark’s Engagement in Somalia, which contains an overall strategic framework for the political and development engagement in the country. The goal is to contribute to ensuring a stable Somalia that is able to take care of its own security and promote economic and social development.

A new development programme for the period 2011-2014 is undergoing preparation. The programme will comprise development cooperation and humanitarian initiatives.
A peace agreement between North Sudan and South Sudan entailed the holding of elections in 2010. This paved the way for a referendum on South Sudan’s independence in January 2011. The conflict in Darfur continues with few signs of a political solution in sight. Denmark’s efforts will focus on the independent South Sudan.

Oil exports account for 60 per cent of state revenues. The oil revenues ensure a high rate of economic growth, but fluctuations in the oil price dramatically affect the economy. This applies in particular to South Sudan, which lives off a combination of oil revenues and humanitarian and development assistance.

South Sudan’s dependence on oil revenues is worrying, particularly because the reserves are limited. In the north, the oil revenues are supplemented by a relatively well-developed agricultural economy.

Sudan has a huge growth potential thanks to mineral resources and good opportunities for operating farms. In particular, South Sudan has a huge agricultural potential, but very poor infrastructure obstructs opportunities for growth in this sector.

With respect to the poverty situation, Sudan ranks number 154 out of 169 countries in the UNDP Human Development Index.

Increasingly worrying developments in Darfur

In 2010, the political situation was dominated by the peace agreement between North and South Sudan and the elections in spring 2010. Developments in Darfur continue to give cause for concern. Internally displaced people returned in large numbers to South Sudan ahead of the popular referendum on independence in January 2011. This contributed to exacerbating the already grave humanitarian situation.

Development Cooperation

The international community primarily supports Sudan through international organisations such as the UN and the World Bank and through NGOs. The direct budget support is extremely moderate.

With respect to North Sudan, this reluctance to award direct budget support is due to the international community’s relations with the government and President Bashir, against whom charges have been brought by the International Criminal Court in the Hague.

In South Sudan, the explanation is weak government structures. The lack of clarification concerning South Sudan’s future status has until now resulted in only limited support being awarded towards establishing sustainable national and local government structures and institutions.

Substantial humanitarian support

Danish support to Sudan amounted to approx. USD 35.6 million in 2010. Development assistance accounted for half, whilst region-of-origin assistance to refugees and internally displaced people accounted for the other half. Substantial humanitarian assistance was also provided.

This places Denmark among the major international donors to Sudan after countries such as the USA, the UK and Norway.

The principal Danish development programmes focus on primary school education, conflict management, capacity building, and protection and integration of returning refugees. The region-of-origin assistance and the humanitarian assistance are channelled primarily through Danish NGOs and humanitarian funds. In South Sudan, besides humanitarian assistance, Denmark provided substantial support towards, among other things, implementing the peace agreement. In North Sudan, Denmark’s humanitarian assistance has focused on Darfur.

Denmark is a member of the Joint Donor Office together with a number of like-minded donor countries. It is a consortium that aims to ensure effective donor coordination, which is a great challenge in Sudan.

Future

The international community is expected to continue awarding support to particularly Darfur and to the soon-to-be independent South Sudan. Expectations are that South Sudan can look forward to a considerable increase in development assistance from a greater number of donors.

Denmark will maintain its humanitarian support to Darfur. In addition, it is expected that the future Danish support will focus on securing peace and stability and on building functioning government structures and institutions, nationally and locally, in South Sudan. In addition, there is a huge need for support towards creating growth and employment as well as for efforts that enhance the rights of women and their role in society, also politically.
Tanzania is one of the world’s poorest countries. The cornerstones of the economy are the agricultural and service sectors, including tourism.

The economy is gaining strength and grew by approx. 7 per cent in 2010. This was primarily caused by a positive development within several sectors, including telecommunications, construction, finance and tourism as well as other service sectors.

However, growth is hampered by inadequate infrastructure within the energy and transport sectors.

Growth in labour-intensive trades such as agriculture has been slower, as a result of which the country is finding it difficult to achieve the Millennium Development Goal of halving poverty by 2015.

Peaceful elections in Zanzibar
Tanzania is a relatively stable country. The elections in spring 2010 proceeded peacefully. The sitting President Jakaya Kikwete was re-elected, albeit with a lower percentage of the vote than at the last election in 2005. The opposition thus made significant gains.

In Zanzibar, the elections in 2010 also proceeded peacefully compared to previous elections.

Development Cooperation
The international donors support the country’s poverty reduction strategy through general budget support and support awarded to a number of sectors, including infrastructure, energy, agriculture, health, water and education.

Budget support to Tanzania amounted to almost USD 462 million in the financial year for 2010/11. The largest donors are the UK, the World Bank and the African Development Bank.

Denmark is among the ten largest donors in Tanzania, on a par with other Nordic countries. In 2010, Denmark disbursed USD 17.8 million in general budget support.

Better access to health care services
The largest Danish programme is a health sector programme amounting to approx. USD 32 million annually. It is designed to contribute to facilitating more equitable access to health care services, with particular emphasis on women and children. The business sector programme aims to improve the framework conditions for Tanzania’s business community and contribute to enhancing the ability of enterprises to penetrate the international markets. Danida also supports cooperation between Tanzanian and Danish enterprises through the B2B Programme.

The environmental sector programme focuses on climate change adaptation and sustainable management of Tanzania’s natural resources and environment, including urban environment. The Danish road sector programme contributes to improving Tanzania’s transport infrastructure as a foundation for broad-based social and economic development.

In addition, support is provided to democracy and good governance, including support for public administration.

The Danish assistance is delivered in partnership with other donors and the Tanzanian government. This takes place within the framework of Tanzania’s “Joint Assistance Strategy for Tanzania”.

Future
The broad international support to Tanzania is expected to be maintained in the future.

Danish assistance is planned to be focused on three main areas: promotion of a dynamic business sector, better general public health, and sustainable management of Tanzania’s natural resources. The projects and initiatives in these areas are underpinned by general budget support and support for improving governance.
The cornerstone of Uganda’s economy is agriculture, which accounts for 23 per cent of GNP. Coffee, fish and tea are the largest export products.

In 2010, Uganda had an economic growth rate of 7 per cent. The global financial crisis did not affect the Uganda economy to any major extent. In an east African context, Uganda is among the countries that attract most foreign investments.

Poverty rate falling
The poverty rate fell from approx. 56 per cent of the population in 1992 to 24.5 per cent in 2010. However, there are large geographical differences, as poverty continues to be much more widespread in northern Uganda. Growth needs to be able to keep pace with a high annual population growth of more than 3 per cent, and Uganda also suffers from a lack of employment opportunities.

Oil has been discovered in Uganda, and in the long term could change the country’s economy.

Weak opposition and popular ruling party
Uganda is a young democracy, and solid democratic principles have not yet gained a firm foothold. The ruling party, the National Resistance Movement (NRM), has had a solid grip on power since 1986 and is popular among large sections of the population. At the same time, the opposition has limited resources for running election campaigns.

Development Cooperation
The international donor efforts are targeted at supporting agriculture, infrastructure and social sectors, combined with democratisation, human rights and anti-corruption. There is also increasing attention focused on private sector development, particularly within agricultural production and the development of sustainable value chains.

In 2010, donors financed approx. 30 per cent of the national budget. The budget support awarded to Uganda totalled approx. USD 266 million and accounts for approx. 35 per cent of total donor support.

Development assistance with three objectives
Denmark is the third largest bilateral donor in Uganda. Denmark awards sector budget support towards improving water and sanitation, rebuilding district roads in the poorest districts in northern Uganda and implementing the government’s Peace, Recovery and Development Plan for Northern Uganda.

Denmark supports growth and employment within the U-Growth Programme, which aims to support the Uganda government in its efforts to further develop a sustainable export-driven economy. The support goes to, among other things, the agricultural sector, to agri-business development and to the rehabilitation of district roads. A total of 35,000 farmers and small and medium-sized enterprises have received loans under the programme.

Farming-related activities are used to support economic activity and employment in North Uganda, where poverty is twice as high as in other parts of the country. Danish efforts to support good governance focus on enhancing democratic development, protecting human rights and preventing armed conflict. In 2010, Denmark contributed to ensuring that more than four million Ugandans learned about their human rights and democratic rights. In addition, focus is placed on public sector reforms and anti-corruption.

Lastly, support is provided to promote social development, i.e. support towards preventing the spread of HIV/AIDS and towards improving water and sanitation.

Future
Denmark expects to maintain its engagement in Uganda in the coming years. This engagement will be based on the priorities set out in the Ugandan National Development Plan for Uganda and the Danish Strategy for Denmark’s Development Cooperation and will focus on improving growth and employment, democracy and good governance, important public services, reproductive health as well as recovery and development in the fragile North Uganda.
The cornerstones of Vietnam’s economy are rice, coffee, pepper as well as industrial products such as textiles, footwear, furniture and processed agricultural products.

The country is among the world’s fastest growing economies. In 2010, growth reached 6.8 per cent after a small drop to 5.3 per cent in 2009. In 2010, the country joined the group of middle-income countries, although it is classified as a lower middle-income country.

Poverty was reduced from 58 per cent in 1993 to 10 per cent in 2010 and is more prevalent in rural areas and among ethnic minorities.

Continued need for reforms
Vietnam is politically stable. The Communist Party has a monopoly on the political process and does not permit direct challenge to its authority.

The need for improvements in education and infrastructure is pronounced. There is also a need for economic reforms, liberalisation of state-owned enterprises, improved environment and energy efficiency as well as better governance.

Development Cooperation
Japan, the World Bank and the Asian Development Bank account for two-thirds of development assistance to Vietnam, which is awarded primarily in the form of credits.

The major development partners primarily focus on economic infrastructure, but a wide range of other development partners are active within health, education, private sector development, rural development, good governance and anti-corruption.

Budget support accounts for approx. 20 per cent of total assistance.

Results within growth, development and health
Denmark is Vietnam’s seventh largest development partner, to which it awarded approx. USD 67.6 billion in bilateral assistance in 2010. Denmark awards general budget support towards implementing Vietnam’s Comprehensive Poverty Reduction and Growth Strategy and also supports a number of large programmes.

The results of many years of Danish assistance to Vietnam have been considerable. For example, approx. 500,000 farming families have increased their income significantly as a result of support for agricultural sector development.

Vietnam’s National Target Program on Rural Water Supply and Sanitation, which receives Danish sector budget support, supplies safe drinking water in the rural districts in all the country’s provinces and has led to greater prioritisation of sanitation at local level. Over one million poor people have gained access to safe drinking water and better sanitation.

Denmark supports a National Target Program on Climate Change Adaptation, focusing on climate adaptation and mitigation of climate change as well as energy efficiency, and also an environmental programme focusing on urban environment, air pollution, clean technology and stronger administration in the Ministry of the Environment.

Lastly, Denmark supports good governance and civil society, justice sector reform and the business and fisheries sectors. The value of the Vietnamese exports of fishing products rose from USD 445 million in 1995 to USD 4.4 billion in 2010, partly as a result of Danish support.

Donor harmonisation is difficult
The Vietnamese government has strong ownership of development cooperation. The government’s interest in using its own systems and in ensuring donor cooperation appears, however, to be less enthusiastic. At the same time, a number of European donors are in the process of phasing out their development assistance to Vietnam, which hampers donor harmonisation.

Future
A number of Vietnam’s traditional bilateral development partners will phase out their development assistance in step with the country’s economic and social progress. Regional development partners, multilateral partners and different forms of credit are expected to play an increasing role in the coming years.

Denmark will gradually phase out the traditional sector programme cooperation in the coming years and increasingly focus on commercial partnerships. In the period up to 2015, Denmark will focus the development cooperation on enabling Vietnam to achieve the UN Millennium Development Goals, on promoting good governance, on tackling climate change and on ensuring socially responsible and green growth.
Even though Zambia is a poor country, high copper prices and a record harvest have lifted the country into the world’s top ten in terms of economic growth. This presents a good opportunity to reduce poverty and reduce dependence on donor assistance. Corruption is a major challenge. Denmark will phase out its development assistance to Zambia by the end of 2013.

ZAMBIA

Area 752,600 km²
Population 12.9 million
Annual population growth 2.5 %
GNI per capita USD 960
Foreign assistance per capita USD 98
Life expectancy 46 years
Child mortality under 5 years/1,000 (1990/2009) 179/141
Proportion of children enrolled in primary school 77(1994)/92(2009)
Proportion of population with access to safe drinking water (latest figure is 2008) 49(1990)/60

Danish bilateral assistance 2010 in USD millions (disbursements) 25.1
Danish bilateral assistance programmes 2010
- Transport
- Water and sanitation
- Education
- Good governance and democratisation
- HIV/AIDS
- Environment

In total, 70 per cent of Zambia’s export revenues come from copper. There is a huge untapped potential for extraction of other minerals, including uranium, and the energy sector also has potential. However, the pace of cultivating other sectors is slow.

Zambia has emerged relatively well from the global economic crisis of recent years. This is partly due to high copper prices, a record harvest and extensive activity in the construction industry. In 2010, growth was 7.6 per cent, placing the country among the top ten internationally in terms of economic progress.

Continued widespread poverty
In general, Zambia is well on the way to entering the markets of neighbouring countries in the region, which bodes well for the future. The same can be said of rapidly increasing investments in Zambia by emerging economies such as China and South Africa. Unfortunately, unreliable energy supply and inadequate maintenance of roads and railway tracks slows down development.

However, poverty is still widespread, particularly in rural areas, and the economic growth has failed to radically change this situation. In this respect, an analysis conducted in 2010 shows that 60 per cent of the population live on under one dollar a day. This is partly related to the lack of political resolve to implement reforms, for example in relation to taxation and decentralisation. The economic inequality between rural and urban areas is greater than in most countries at a similar level of economic development as Zambia.

Prolonged election campaign
In general, the efforts to build and consolidate democracy in Zambia are moving forward. Presidential and parliamentary elections are due to be held in 2011, and 2010 was very much dominated by the election campaign, characterised by growing tensions between the rival parties and aggressive personal attacks. Even though there is a reasonably free press, President Banda’s party is accused of using the state-owned media as a mouthpiece.

Development Cooperation
There is increasing interest among donors to promote the private sector, generate economic growth, create more jobs and promote commercial partnerships. The international community has traditionally supported agriculture, infrastructure, social sectors, human rights and public reforms, including anti-corruption.

The Danish assistance is concentrated on improving basic training programmes, roads, water supply, sanitation, environment and climate, HIV/AIDS prevention and promoting good governance.

Misappropriation of funds and slowness from Zambian quarters
Danish assistance accounts for less than 3 per cent of total development assistance. Disbursements of USD 46.2 million were planned for 2010, but only approx. USD 25 million was actually disbursed. This was due to slowness, lack of a national investment plan and misappropriation of funds by the Zambian authorities, particularly in relation to road sector programmes, although this sector did not directly affect Danish development funds.

At the end of 2010, after engaging in critical dialogue with the government, Denmark and the other donors secured adequate fundamental changes to administration to enable the cooperation to resume after a lengthy period of interruption. In general, however, the programmes are moving forward at a very slow pace.

Future
In connection with the Danish government’s decision to reduce the number of partner countries in order to enhance the focus and impact of Danish development initiatives, it has been decided to phase out Danish bilateral assistance to Zambia by the end of 2013. In this respect, all commitments already made will be disbursed. Zambia wishes to become less reliant on donor assistance and has expressed understanding of Denmark’s decision.

The positive economic development and the positive potential for growth as well as the strengthened relations with new partners such as China, together with the positive results of assistance in important areas such as human rights, gender equality and democratisation, will help prepare Zambia for greater independence of development assistance in the future.
The coalitio n government in Zimbabwe held together in 2010, but not without difficulty. Economic development was favourable, and on the political stage initial efforts were made to implement important reform measures. An actual democratic breakthrough has yet to occur.

The agricultural sector continues to play a key role in Zimbabwe’s economy, but growth is evident in other sectors, including the tobacco industry and mining sector.

Zimbabwe’s economy came under severe pressure and was close to collapsing in 2008. Since the Transitional Government took office in February 2009, the economy has regained its balance. The government has introduced a dollar-based economy, which has brought inflation under control. As a result, growth accelerated to 9 per cent in 2010.

Ambiguous legislation and general political uncertainty, however, continue to deter investment.

Minor progress, major problems
A large proportion of the population live below the poverty line, and unemployment is massive. Zimbabwe is far from reaching the UN Millennium Development Goals (MDGs). However, progress has been achieved in certain areas. For example, the proportion of adults infected with HIV/AIDS fell from around 25 per cent of the population in 2000 to approx. 14 per cent in 2010.

State revenues have risen sharply in the last couple of years, making it possible to restore basic social services.

The coalition government dented, but still intact
The stable political development in Zimbabwe brought good opportunities for rapid development. However, the political situation was fragile at the end of 2010. A political climate characterised by confrontation and speculation about an impending election caused great instability and threatened to derail the coalition government.

The democratic reforms more or less came to a standstill in 2010. However, a nationwide process to revise the Constitution was launched, and independent democratic commissions, for example concerning human rights and media, were set up.

Development Cooperation
The efforts of the donors throughout 2010 shifted from short-term humanitarian activities in the direction of more coherent development assistance with a long-term perspective. The so-called ZIM Fund (Zimbabwe Multi-Donor Trust Fund) was set up to support infrastructure initiatives. The fund is a flagship in the efforts to promote more coherent development cooperation.

No direct support is granted to governmental actors, but the assistance is increasingly coordinated with the government’s own national planning.

Distinct Danish profile
At the end of 2010, Denmark was the fourth largest bilateral donor, with a budget framework of USD 53.4 million for 2010-2012. Since the Transitional Government took office in 2009, Denmark has actively adopted a high-level international profile in its support for reforms. In 2010, this entailed, among other things, that both the Minister for Development Cooperation and the Foreign Affairs Committee of the Folketing (Danish Parliament) paid a visit to Zimbabwe. Copenhagen was visited by Zimbabwe Minister of Finance Tendai Biti. In addition, Denmark played host to a meeting of the entire donor group in December 2010.

Denmark supports private sector development within agriculture, good governance, democracy and human rights. Denmark also supports multilateral funds which, for example, support the rebuilding of physical infrastructure for electricity and water supply.

Donor coordination is close and good. It takes place in thematic working groups and in the so-called Fishmongers Group, where the largest bilateral donors meet to discuss general political matters. There is ongoing dialogue between donors and local partners in order to promote local ownership of the development cooperation.

Future
A continuing shift from short-term humanitarian assistance towards a normalisation of development assistance is expected, but the unstable political situation may result in steps backward.

Zimbabwe Transitional Programme 2010-2012
- Private sector-led recovery of agricultural production
- Improvement of infrastructure and policy development in the public sector through multi-donor trust funds
- Good governance, democracy and human rights

Danish bilateral assistance 2010 in USD millions (disbursements) 26.9
Zimbabwe Transitional Programme 2010-2012
· Private sector-led recovery of agricultural production
· Improvement of infrastructure and policy development in the public sector through multi-donor trust funds
· Good governance, democracy and human rights
BREAKDOWN OF DEVELOPMENT ASSISTANCE FOR 2010, USD.*

TOTAL ASSISTANCE: USD 2,868.97 MILLION

BILATERAL ASSISTANCE 71 % – USD 2,030.1 MILLION

MULTILATERAL ASSISTANCE 29 % – USD 838.87 MILLION

AFRICA 29 % USD 820.4 MILLION

ASIA 16 % USD 463.0 MILLION

LATIN AMERICA 4 % USD 122.3 MILLION

EUROPE 1 % USD 22.9 MILLION

BILATERAL DEBT RELIEF 2 % USD 45.7 MILLION

NON-COUNTRY DISTRIBUTED BILATERAL ASSISTANCE 8 % USD 231.8 MILLION

NOT INCLUDED UNDER SECTIONS 06.3 AND 06.11.19 11 % USD 324.1 MILLION

THE WORLD BANK GROUP 5 % USD 130.4 MILLION

EU 9 % USD 252.2 MILLION

REGIONAL DEVELOPMENT BANKS 2 % USD 48.2 MILLION

UN 10 % USD 284.3 MILLION

OTHER MULTILATERAL ASSISTANCE 4 % USD 112.2 MILLION

Note: The percentage states the share of total development assistance.

* The development assistance krone has been calculated on the basis of the disbursements reported for 2010 to the OECD/DAC as Denmark’s Official Development Assistance (ODA). In 2010 bilateral assistance also includes disbursements to multilateral regional and reconstruction assistance, Section 06.38.01, and stability and security efforts, Section, 06.38.02.
Denmark’s official assistance to developing countries is presented on the following pages in table form.

Pages 140 to 144 contain Denmark’s assistance divided into categories, followed by assistance divided by countries and regions.

On pages 145 to 146 sector distribution of bilateral assistance is presented (for example education, health, transport etc.). This is followed by tables for Denmark’s multilateral contributions to international organisations, humanitarian assistance, disbursements to Danish NGOs’ development activities, development research, suppliers of consultancy services and assistance from selected OECD countries (development percentage).

A section on fraud with Danish development assistance and one on the extent to which Danish development assistance achieves the goals that were set come after the tables.

An overview is then presented of the names of persons with seats in Danida’s council, board and committees. The final section clarifies the concepts for different types of development assistance, bilateral and multilateral assistance, budget support, crosscutting initiatives etc.
## Denmark’s Official Assistance to Developing Countries Divided into Main Categories, 2009-2010

<table>
<thead>
<tr>
<th>USD million</th>
<th>2009</th>
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<td></td>
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<td>Assistance through NGOs</td>
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<td>Information activity</td>
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<td>Other bilateral assistance</td>
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<td>Extraordinary humanitarian contributions &amp; International Humanitarian Service (IHB)</td>
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<td>Other</td>
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<td><strong>1,706.1</strong></td>
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<td><strong>Multilateral assistance under Sections 06.3 and 06.11.19</strong></td>
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<td>International development research</td>
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<tr>
<td>UN Development Programme (UNDP)</td>
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<td>65.9</td>
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<tr>
<td>UN Children’s Fund (UNICEF)</td>
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<td>32.5</td>
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<td>HIV/AIDS, population and health programmes</td>
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<td>124.3</td>
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<td>UN Agriculture and Food programme</td>
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<td>Global environment programmes</td>
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<td>Other UN assistance programmes</td>
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<td>110.7</td>
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<td>Regional banks</td>
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<td>19.2</td>
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<td>Regional and other development funds</td>
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<td>51.6</td>
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<tr>
<td>Assistance through the European Development Fund</td>
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<td>79.0</td>
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<td>International human rights organisations</td>
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<td>2.5</td>
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<tr>
<td>Multilateral humanitarian assistance</td>
<td>79.5</td>
<td>81.8</td>
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<tr>
<td>Other</td>
<td>-5.9</td>
<td>-4.2</td>
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<td><strong>645.6</strong></td>
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<td><strong>Total government assistance under Sections 06.3 and 06.11.19</strong></td>
<td><strong>2,262.6</strong></td>
<td><strong>2,351.7</strong></td>
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*Continued*
DENMARK’S OFFICIAL ASSISTANCE TO DEVELOPING COUNTRIES DIVIDED INTO MAIN CATEGORIES, 2009-2010

<table>
<thead>
<tr>
<th>USD million</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government assistance not granted under Finance Act recount Sections 06.3 and 06.11.19</td>
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<tr>
<td>Administration of development assistance etc.</td>
<td>150.3</td>
<td>141.8</td>
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<tr>
<td>DCISM (Development Research Section 06.11.13)</td>
<td>3.9</td>
<td>3.7</td>
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<tr>
<td>Repayment of state loans</td>
<td>-12.9</td>
<td>-12.5</td>
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<tr>
<td>International operations of defence forces and police force</td>
<td>10.5</td>
<td>11.0</td>
</tr>
<tr>
<td>Expenses for reception of refugees</td>
<td>87.4</td>
<td>149.1</td>
</tr>
<tr>
<td>IFU/IØ/IFV share contributions</td>
<td>4.6</td>
<td>28.5</td>
</tr>
<tr>
<td>Portion of Danish pools and lottery funds</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Loss on Nigeria debt buyback</td>
<td>31.0</td>
<td>0.5</td>
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<td>Bilateral assistance not granted under Sections 06.3 and 06.11.19</td>
<td>276.9</td>
<td>324.0</td>
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<tr>
<td>Community financed EU assistance</td>
<td>215.0</td>
<td>177.1</td>
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<td>Contribution to UNFCCC (COP15)</td>
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<td>Assessed contributions to UN peacekeeping operations</td>
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<td>2.8</td>
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<td>Assessed contributions to IAEA</td>
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<td>Contributions to international organisations</td>
<td>8.5</td>
<td>7.6</td>
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<tr>
<td>Multilateral assistance not under Sections 06.3 and 06.11.19</td>
<td>270.1</td>
<td>192.4</td>
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<td>TOTAL DANISH ASSISTANCE REPORTED TO OECD /DAC</td>
<td>2,809.7</td>
<td>2,868.1</td>
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<td>GNI *)</td>
<td>319,028.1</td>
<td>316,415.4</td>
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<tr>
<td>Assistance percentage</td>
<td>0.88</td>
<td>0.91</td>
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<tr>
<td>Total bilateral assistance reported to OECD /DAC</td>
<td>1,905.5</td>
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<td>Total multilateral assistance reported to OECD /DAC</td>
<td>904.2</td>
<td>838.0</td>
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*) Statistics Denmark, June 2011.

DENMARK’S DEVELOPMENT ASSISTANCE AS PERCENTAGE OF GNI

<table>
<thead>
<tr>
<th>Year</th>
<th>Assistance percentage</th>
</tr>
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<tbody>
<tr>
<td>1990</td>
<td>0.94</td>
</tr>
<tr>
<td>2002</td>
<td>0.96</td>
</tr>
<tr>
<td>2003</td>
<td>0.84</td>
</tr>
<tr>
<td>2004</td>
<td>0.85</td>
</tr>
<tr>
<td>2005</td>
<td>0.81</td>
</tr>
<tr>
<td>2006</td>
<td>0.80</td>
</tr>
<tr>
<td>2007</td>
<td>0.81</td>
</tr>
<tr>
<td>2008</td>
<td>0.82</td>
</tr>
<tr>
<td>2009</td>
<td>0.88</td>
</tr>
<tr>
<td>2010</td>
<td>0.91</td>
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</table>
## DENMARK’S BILATERAL ASSISTANCE 2010

<table>
<thead>
<tr>
<th>Country</th>
<th>Project and programme assistance</th>
<th>NGO assistance</th>
<th>Research and projects in Denmark etc.</th>
<th>Special environmental assistance</th>
<th>Humanitarian assistance and IHB</th>
<th>Neighbourhood Programme</th>
<th>Total</th>
<th>% of country-specific bilateral assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>609.6</td>
<td>114.6</td>
<td>5.5</td>
<td>35.0</td>
<td>55.8</td>
<td>0.0</td>
<td>820.4</td>
<td>57.4%</td>
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<td>Asia</td>
<td>309.1</td>
<td>44.1</td>
<td>2.8</td>
<td>38.0</td>
<td>64.5</td>
<td>3.7</td>
<td>463.0</td>
<td>32.4%</td>
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<tr>
<td>Latin America</td>
<td>74.8</td>
<td>23.3</td>
<td>0.5</td>
<td>0.2</td>
<td>23.5</td>
<td>0.0</td>
<td>122.3</td>
<td>8.6%</td>
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<td>Europe</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.0</td>
<td>0.0</td>
<td>22.4</td>
<td>22.9</td>
<td>1.6%</td>
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<tr>
<td><strong>Total country-specific excluding debt remission</strong></td>
<td><strong>993.7</strong></td>
<td><strong>182.2</strong></td>
<td><strong>8.9</strong></td>
<td><strong>72.9</strong></td>
<td><strong>144.7</strong></td>
<td><strong>26.1</strong></td>
<td><strong>1,428.6</strong></td>
<td><strong>100.0</strong></td>
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<td>Non-country-specific</td>
<td>91.1</td>
<td>15.1</td>
<td>34.3</td>
<td>54.8</td>
<td>34.7</td>
<td>1.8</td>
<td>231.7</td>
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<tr>
<td>Bilateral debt remission</td>
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<td>324.0</td>
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<td><strong>TOTAL</strong></td>
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<td></td>
<td></td>
<td></td>
<td><strong>2,030.1</strong></td>
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### Amounts in USD million (disbursements)

<table>
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<tr>
<th>Country</th>
<th>Project and programme assistance</th>
<th>NGO assistance</th>
<th>Research and projects in Denmark etc.</th>
<th>Special environmental assistance</th>
<th>Humanitarian assistance and IHB</th>
<th>Neighbourhood Programme</th>
<th>Total</th>
<th>% of country-specific bilateral assistance</th>
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<td><strong>Partner countries</strong></td>
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<td>Benin</td>
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<td>33.3</td>
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<td>101.2</td>
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<td>4.8</td>
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<td>1.8</td>
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<td>8.6</td>
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<td><strong>820.4</strong></td>
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</tbody>
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1) Not including debt remission. Falls under Appropriations Act Account 06.32. Comprises programme and project assistance to Africa, Asia and Latin America, personnel assistance, the B2B Programme, Mixed Credits, regional and regions of origin assistance as well as assistance to democracy and human rights. 06.32.11 the Neighbourhood Programme is reported together with 06.11.19 in the Neighbourhood Programme column.

2) Falls under Appropriations Act Account 06.33. Comprises assistance channelled through NGOs.

3) Falls under Appropriations Act Account 06.35.01. Comprises research, projects in Denmark, information grants, cultural cooperation, fact-finding activities as well as seminars, courses and conferences.

4) Falls under Appropriations Act Account 06.34. Comprises the special environmental assistance 06.34.01.50 UNEP, 06.34.01.60 GEF as well as 06.34.01.80. Other environmental contributions included as multilateral assistance.

5) Falls under Appropriations Act Account 06.39.02. Comprises extraordinary humanitarian assistance, IHB and regions of origin activities.

6) The Neighbourhood Programme Sections 06.11.19 and 06.32.11. Only the disbursements that can be included as ODA in accordance with the DAC directive.

7) Excluding debt relief.

8) Comprises inter-regional projects that are not country-specific.
### Denmark’s Bilateral Assistance to Asia 2010

<table>
<thead>
<tr>
<th>Country</th>
<th>Project and programme assistance</th>
<th>NGO assistance</th>
<th>Research and projects in Denmark etc.</th>
<th>Special environmental assistance</th>
<th>Humanitarian assistance and IHB</th>
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<td>8.5</td>
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<td>Vietnam</td>
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### Denmark’s Bilateral Assistance to Latin America 2010

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<th>Special environmental assistance</th>
<th>Humanitarian assistance and IHB</th>
<th>Neighbourhood Programme</th>
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<td></td>
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<td>Other countries</td>
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<td><strong>23.5</strong></td>
<td><strong>121.9</strong></td>
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</tr>
</tbody>
</table>

1) Not including debt remission. Falls under Appropriations Act Account 06.32. Comprises programme and project assistance to Africa, Asia and Latin America, personnel assistance, the B2B Programme, Mixed Credits, regional and regions of origin assistance as well as assistance to democracy and human rights. 06.31.11 the Neighbourhood Programme is reported together with 06.11.19 in the Neighbourhood Programme column.
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4) Falls under Appropriations Act Account 06.34.01.50 UNEP, 06.34.01.60 GEF as well as 06.34.01.80. Other environmental contributions included as multilateral assistance.
5) Falls under Appropriations Act Account 06.34.02. Comprises extraordinary humanitarian assistance, IHB and regions of origin activities.
6) The Neighbourhood Programme Sections 06.11.19 and 06.32.11. Only the disbursements that can be included as ODA in accordance with the DAC directive.
### Denmark’s Bilateral Assistance to Europe 2010

<table>
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<tr>
<th>Country</th>
<th>Project and programme assistance</th>
<th>NGO assistance 2</th>
<th>Research and projects in Denmark etc. 3</th>
<th>Special environmental assistance 4</th>
<th>Humanitarian assistance and IHB 5</th>
<th>Neighbourhood Programme 6</th>
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<tr>
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<td><strong>0.0</strong></td>
<td><strong>0.0</strong></td>
<td><strong>22.4</strong></td>
<td><strong>22.9</strong></td>
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</tbody>
</table>

1) Not including debt remission. Falls under Appropriations Act Account 06.32. Comprises programme and project assistance to Africa, Asia and Latin America, personnel assistance, the B2B Programme, Mixed Credits, regional and regions of origin assistance as well as assistance to democracy and human rights. 06.32.11 the Neighbourhood Programme is reported together with 06.11.19 in the Neighbourhood Programme column.

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6) The Neighbourhood Programme Sections 06.11.19 and 06.32.11. Only the disbursements that can be included as ODA in accordance with the DAC directive.
### Sector Distribution of Bilateral Assistance 2009 and 2010*

<table>
<thead>
<tr>
<th>Sector</th>
<th>2009 USD million</th>
<th>2010 USD million</th>
<th>2009 %</th>
<th>2010 %</th>
</tr>
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<tbody>
<tr>
<td><strong>Social infrastructure</strong></td>
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<td></td>
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<tr>
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<td>Primary education</td>
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<td>84.6</td>
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<td>5.0</td>
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<td>Secondary education</td>
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<td>1.3</td>
<td>0.6</td>
</tr>
<tr>
<td>University and other tertiary education</td>
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<td>0.8</td>
<td>0.5</td>
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<tr>
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<td>103.5</td>
<td>6.5</td>
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</tr>
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<td>Primary health</td>
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<td>3.2</td>
<td>2.9</td>
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<td><strong>Reproductive health and population programmes</strong></td>
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<td>0.7</td>
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<td><strong>Other social infrastructure</strong></td>
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*Continued*
### Sector Distribution of Bilateral Assistance 2009 and 2010*

<table>
<thead>
<tr>
<th>Sector</th>
<th>2009 USD million</th>
<th>2010 USD million</th>
<th>2009 %</th>
<th>2010 %</th>
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<td>12.2</td>
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<td>115.2</td>
<td>132.1</td>
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<td>7.7</td>
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<tr>
<td>Other integrated development projects</td>
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<td>76.7</td>
<td>3.4</td>
<td>4.5</td>
</tr>
<tr>
<td>Programme and food aid</td>
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<td>68.6</td>
<td>5.1</td>
<td>4.0</td>
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<td>Debt relief</td>
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<td>45.8</td>
<td>0.3</td>
<td>2.7</td>
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<td>Emergency relief and refugees in region of origin</td>
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<td><strong>1,706.1</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
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*) Calculated according to disbursements. Comprises bilateral disbursements under Sections 06.5 and 06.11.19. Distributed on the basis of the primary purpose code.
## DENMARK’S MULTILATERAL CONTRIBUTIONS TO INTERNATIONAL ORGANISATIONS 2009-2010

<table>
<thead>
<tr>
<th>Organisation</th>
<th>2009 USD million</th>
<th>2010 USD million</th>
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<tbody>
<tr>
<td>EDF European Development Fund</td>
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<td>106.0</td>
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<td>IDA International Development Association</td>
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<td>UNDP United Nations Development Programme</td>
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<td>Global Funds to Fight AIDS, Tuberculosis and Malaria</td>
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<td>IPPF International Planned Parenthood Federation</td>
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<td>UNAIDS Joint United Nations Programme on HIV/AIDS</td>
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<td>10.7</td>
</tr>
<tr>
<td>UNEP United Nations Environment Programme</td>
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<td>WHO World Health Organisation</td>
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*Continued [here](#)*
### Denmark's Multilateral Contributions to International Organisations 2009-2010

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<th>2010 USD million</th>
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<td>Inter-American Development Bank, Inter-American Investment Corporation and Multilateral Investment Fund</td>
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<td>International Livestock Research Institute</td>
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<td>World Trade Organisation</td>
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<td>0.5</td>
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<tr>
<td>Population Council</td>
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<tr>
<td>United Nations High Commissioner for Human Rights (extra-budgetary contributions only)</td>
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<td>0.0</td>
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<td>EIB European Investment Bank</td>
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<td>-26.7</td>
</tr>
<tr>
<td>Other multilateral contributions</td>
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<td>Other</td>
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<td>-4.2</td>
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<td><strong>645.6</strong></td>
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<td>Other multilateral assistance not under Section 06.3</td>
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<tr>
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<td>Assessed contribution UNDPKO (6%)</td>
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<tr>
<td>Assessed contribution IAEA (33%)</td>
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<tr>
<td><strong>TOTAL MULTILATERAL ASSISTANCE REPORTED TO OECD/DAC</strong></td>
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<td><strong>838.0</strong></td>
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HUMANITARIAN ASSISTANCE DIVIDED BY ORGANISATIONS 2010

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<thead>
<tr>
<th>Organisation</th>
<th>USD million</th>
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<td>United Nations Office of the United Nations High Commissioner for Refugees</td>
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<tr>
<td>United Nations Office of Co-ordination of Humanitarian Affairs</td>
<td>23.3</td>
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<td>United Nations Relief and Works Agency for Palestine Refugees in the Near East</td>
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</tr>
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<td>14.9</td>
</tr>
<tr>
<td>United Nations Children’s Fund</td>
<td>13.6</td>
</tr>
<tr>
<td>Save the Children Denmark</td>
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<tr>
<td>Danish Emergency Management Agency</td>
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</tr>
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<td>NIRAS - Consulting Engineers &amp; Planners A/S</td>
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<td>Médecins Sans Frontières in Denmark</td>
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<tr>
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<tr>
<td>Ministry of Rural Rehabilitation and Development</td>
<td>3.6</td>
</tr>
<tr>
<td>Adventist Development and Relief Agency</td>
<td>3.5</td>
</tr>
<tr>
<td>Danish Committee for Aid to Afghan Refugees</td>
<td>3.2</td>
</tr>
<tr>
<td>Norwegian Refugee Council</td>
<td>3.1</td>
</tr>
<tr>
<td>Mission East</td>
<td>3.0</td>
</tr>
<tr>
<td>United Nations Mine Action Service</td>
<td>2.7</td>
</tr>
<tr>
<td>Ministry of Finance, Planning and Economic Development</td>
<td>2.5</td>
</tr>
<tr>
<td>Danish Afghanistan Committee</td>
<td>2.3</td>
</tr>
<tr>
<td>Caritas Denmark</td>
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<tr>
<td>Terra Nuova</td>
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<tr>
<td>Ibis</td>
<td>0.9</td>
</tr>
<tr>
<td>United Nations Population Fund</td>
<td>0.9</td>
</tr>
<tr>
<td>MS Danish Association for International Cooperation</td>
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</tr>
<tr>
<td>International Aid Services Denmark</td>
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<td>International Organisation for Migration</td>
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<td>Other*)</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>261.2</strong></td>
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</table>

*) The lowest limit is USD 0.5 million. In this table humanitarian assistance is calculated as the sum of the humanitarian assistance reported as bilateral (Appropriations Act Section 06.39.02) and the humanitarian assistance reported as multilateral (Appropriations Act Section 06.39.01).
## HUMANITARIAN ASSISTANCE DIVIDED BY COUNTRIES AND REGIONS 2010

<table>
<thead>
<tr>
<th>Country/region</th>
<th>USD million</th>
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<td>Somalia</td>
<td>10.8</td>
</tr>
<tr>
<td>Kenya</td>
<td>7.3</td>
</tr>
<tr>
<td>Congo, Democratic Republic of</td>
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</tr>
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<td>Uganda</td>
<td>2.9</td>
</tr>
<tr>
<td>Niger</td>
<td>2.8</td>
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<tr>
<td>Burundi</td>
<td>1.8</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>1.0</td>
</tr>
<tr>
<td>Other Africa</td>
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</tr>
<tr>
<td>Haiti</td>
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</tr>
<tr>
<td>Other Latin America</td>
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<tr>
<td>Pakistan</td>
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<td>Afghanistan</td>
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<tr>
<td>Gaza/West Bank</td>
<td>16.9</td>
</tr>
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<td>Syria</td>
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</tr>
<tr>
<td>Sri Lanka</td>
<td>3.8</td>
</tr>
<tr>
<td>Burma (Myanmar)</td>
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<tr>
<td>Iraq</td>
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</tr>
<tr>
<td>Other Asia</td>
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<tr>
<td>Balkans</td>
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<tr>
<td>Non-country-specific</td>
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</table>
## DISBURSEMENTS TO DANISH NGOs’ DEVELOPMENT ACTIVITIES 2010

<table>
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<th>USD 1,000</th>
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<tr>
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<td>31,803.5</td>
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<tr>
<td>DanChurchAid</td>
<td>22,784.3</td>
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<tr>
<td>Ibis</td>
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<tr>
<td>Project Advice and Training Centre</td>
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<tr>
<td>Danish Red Cross</td>
<td>13,542.1</td>
</tr>
<tr>
<td>LO/FTF Council</td>
<td>11,806.2</td>
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<tr>
<td>CARE Denmark</td>
<td>10,317.5</td>
</tr>
<tr>
<td>Save the Children Denmark</td>
<td>9,160.2</td>
</tr>
<tr>
<td>Adventist Development and Relief Agency</td>
<td>8,592.1</td>
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<tr>
<td>Caritas Denmark</td>
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<tr>
<td>Disabled Peoples Organisations Denmark (DPOD)</td>
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<tr>
<td>3F United Federation of Danish Workers</td>
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<tr>
<td>Danish Missionary Council – Department of Development</td>
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<td>WWF World Wide Fund for Nature</td>
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<td>GV Ghana Friendship Groups in Denmark</td>
<td>2,753.4</td>
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<td>Danish Association of the Blind</td>
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<tr>
<td>Nepenthess</td>
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<td>Danish Hunters’ Association</td>
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<td>Danmission</td>
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<tr>
<td>Danish Youth Council (DUF)</td>
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<tr>
<td>Danish Refugee Council</td>
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<tr>
<td>Danish Family Planning Association</td>
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<td><strong>TOTAL</strong></td>
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**DENMARK’S DEVELOPMENT COOPERATION IN FIGURES**
DANISH NGOs’ SELF-FINANCING

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<th>Private contributions 2007 USD million</th>
<th>Private contributions 2007 as percentage of total revenue</th>
<th>Private contributions 2008 USD million</th>
<th>Private contributions 2008 as percentage of total revenue</th>
<th>Private contributions 2009 USD million</th>
<th>Private contributions 2009 as percentage of total revenue</th>
<th>Private contributions 2010 USD million</th>
<th>Private contributions 2010 as percentage of total revenue</th>
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GEOGRAPHICAL DISTRIBUTION OF DANISH NGOs’ DEVELOPMENT ACTIVITIES 2010

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<td>Africa</td>
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<td>Asia</td>
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<td>Europe etc.</td>
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<td>Non-country-specific</td>
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**DEVELOPMENT RESEARCH 2010**

**Total research commitments as part of Danish development assistance USD million**

<table>
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<tr>
<th>Description</th>
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<tbody>
<tr>
<td>Funds subject to competition, including projects under the Consultative Research Committee (FFU) and pilot projects</td>
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</tr>
<tr>
<td>Support to projects in Denmark, including for the preparation of Universities Denmark four platforms</td>
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<tr>
<td>Audits</td>
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<tr>
<td>International agricultural research</td>
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<tr>
<td>Other international development research</td>
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<td><strong>TOTAL</strong></td>
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**SUPPLIERS OF CONSULTANCY SERVICES 2010**

**Top 20 list of suppliers of consultancy services (short- and long-term assignments) 2010**

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<tr>
<th>No.</th>
<th>Company</th>
<th>Number of long-term contracts</th>
<th>Number of short-term contracts</th>
<th>Total contract amount USD million</th>
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<td>NIRAS</td>
<td>6</td>
<td>13</td>
<td>11.7</td>
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<td>2</td>
<td>COWI</td>
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<td>35</td>
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<td>3</td>
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<td>9</td>
<td>0.6</td>
</tr>
<tr>
<td>16</td>
<td>RDC</td>
<td>0</td>
<td>8</td>
<td>0.6</td>
</tr>
<tr>
<td>17</td>
<td>Dege Consult Aps</td>
<td>0</td>
<td>9</td>
<td>0.5</td>
</tr>
<tr>
<td>18</td>
<td>HERA</td>
<td>0</td>
<td>3</td>
<td>0.5</td>
</tr>
<tr>
<td>19</td>
<td>Oxford Policy Management</td>
<td>0</td>
<td>6</td>
<td>0.4</td>
</tr>
<tr>
<td>20</td>
<td>Linddal Consulting</td>
<td>0</td>
<td>9</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>20</strong></td>
<td><strong>211</strong></td>
<td><strong>42.7</strong></td>
</tr>
</tbody>
</table>

*The 20 suppliers above account for 74.5 per cent of the total contract amount of USD 57.3

*) JV (Joint Ventures)
### Progress in development assistance for selected OECD countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Disbursements (net) million USD</th>
<th>2009</th>
<th>2010 *)</th>
<th>Share in % of GNI</th>
<th>2009</th>
<th>2010 *)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>2,762</td>
<td>3,849</td>
<td></td>
<td>0.29%</td>
<td>0.32%</td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>2,610</td>
<td>3,000</td>
<td></td>
<td>0.55%</td>
<td>0.64%</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>4,000</td>
<td>5,132</td>
<td></td>
<td>0.30%</td>
<td>0.33%</td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>2,810</td>
<td>2,867</td>
<td></td>
<td>0.88%</td>
<td>0.90%</td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td>1,290</td>
<td>1,335</td>
<td></td>
<td>0.54%</td>
<td>0.55%</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>12,600</td>
<td>12,916</td>
<td></td>
<td>0.47%</td>
<td>0.50%</td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>607</td>
<td>500</td>
<td></td>
<td>0.19%</td>
<td>0.17%</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>6,426</td>
<td>6,351</td>
<td></td>
<td>0.82%</td>
<td>0.81%</td>
<td></td>
</tr>
<tr>
<td>Ireland</td>
<td>1,006</td>
<td>895</td>
<td></td>
<td>0.54%</td>
<td>0.53%</td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>3,297</td>
<td>3,111</td>
<td></td>
<td>0.16%</td>
<td>0.15%</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>9,457</td>
<td>11,045</td>
<td></td>
<td>0.18%</td>
<td>0.20%</td>
<td></td>
</tr>
<tr>
<td>Luxembourg</td>
<td>415</td>
<td>399</td>
<td></td>
<td>1.04%</td>
<td>0.90%</td>
<td></td>
</tr>
<tr>
<td>New Zealand</td>
<td>309</td>
<td>353</td>
<td></td>
<td>0.28%</td>
<td>0.26%</td>
<td></td>
</tr>
<tr>
<td>Norway</td>
<td>4,086</td>
<td>4,582</td>
<td></td>
<td>1.06%</td>
<td>1.10%</td>
<td></td>
</tr>
<tr>
<td>Portugal</td>
<td>513</td>
<td>648</td>
<td></td>
<td>0.23%</td>
<td>0.29%</td>
<td></td>
</tr>
<tr>
<td>Switzerland</td>
<td>2,310</td>
<td>2,295</td>
<td></td>
<td>0.45%</td>
<td>0.41%</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>6,584</td>
<td>5,917</td>
<td></td>
<td>0.46%</td>
<td>0.43%</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>11,283</td>
<td>13,763</td>
<td></td>
<td>0.51%</td>
<td>0.56%</td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>4,548</td>
<td>4,527</td>
<td></td>
<td>1.12%</td>
<td>0.97%</td>
<td></td>
</tr>
<tr>
<td>South Korea</td>
<td>816</td>
<td>1,168</td>
<td></td>
<td>0.10%</td>
<td>0.20%</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>12,079</td>
<td>12,723</td>
<td></td>
<td>0.35%</td>
<td>0.38%</td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td>28,831</td>
<td>30,154</td>
<td></td>
<td>0.21%</td>
<td>0.21%</td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td>1,142</td>
<td>1,199</td>
<td></td>
<td>0.30%</td>
<td>0.32%</td>
<td></td>
</tr>
<tr>
<td>TOTAL, OECD COUNTRIES</td>
<td>119,781</td>
<td>128,728</td>
<td>0.31%</td>
<td>0.32%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- of which, EU countries | 67,210                          | 70,150| 0.44%    | 0.46%            |      |         |

*) Amounts stated in current prices.
*) Preliminary statements.

### Debt Remission

<table>
<thead>
<tr>
<th>Year</th>
<th>% of ODA*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>5.1%</td>
</tr>
<tr>
<td>2007</td>
<td>4.8%</td>
</tr>
<tr>
<td>2008</td>
<td>3.1%</td>
</tr>
<tr>
<td>2009</td>
<td>0.2%</td>
</tr>
<tr>
<td>2010</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

*) ODA = Official Development Assistance: Total Danish development assistance as reported to OECD/DAC.
Does Danish development assistance make a satisfactory contribution to the achievement of the goals that were set up at the start?

To answer this, in 2002 Danida introduced a relatively simple measuring system that is continuously developed. A target is selected for each component in the sector programmes in the programme countries as well as for every project over USD 5.87 million. In a roads programme, for example, this could be the number of kilometres of road that have been laid or maintained. If Denmark grants general budget support, the target may be one of the indicators laid out in the recipient country’s national poverty reduction strategy.

In 2010 a total of 315 targets were set up for bilateral assistance in all countries where Danida operates.

Goal fulfilment is described in the upper table. In general goal fulfilment in 2010 is quite satisfactory: 88 per cent fulfilment at either a very satisfactory or satisfactory level. The level is quite constant and has been at between 79 and 88 per cent. The corresponding figure was 81 per cent in 2004, 83 per cent in 2005, 82 per cent in 2006, 79 per cent in 2007, 82 per cent in 2008 and 80 per cent in 2009.

The reasons why individual targets did not meet expectations vary and are often linked to conditions in the individual sector. It may be, for example, because anticipated legislation in the recipient country was not adopted after all, problems recruiting an adviser, or the inability of the partner to place manpower or facilities at disposal to implement the programme according to schedule.

Goal fulfilment of around 80 per cent is generally regarded as adequate in bilateral development assistance. Achieving 100 per cent goal fulfilment is not a goal in itself, because this can equally be an expression of ambitions being set too low beforehand as of the assistance being successful.

The greater part of bilateral assistance is implemented in the programme countries, and the table below shows the way in which the results are distributed in relation to these countries. Cf. the Ministry of Foreign Affairs website on the results of development assistance for more information concerning goal fulfilment, inter alia with analyses of different sectors.
## SATISFACTORY GOAL ACHIEVEMENT

<table>
<thead>
<tr>
<th>Country</th>
<th>Fulfilment</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>n/a</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>100.0%</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>100.0%</td>
<td>4</td>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>Benin</td>
<td>77.8%</td>
<td>8</td>
<td>6</td>
<td>3</td>
<td>1</td>
<td></td>
<td>18</td>
</tr>
<tr>
<td>Bhutan</td>
<td>92.3%</td>
<td>10</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td>13</td>
</tr>
<tr>
<td>Bolivia</td>
<td>81.3%</td>
<td>8</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td></td>
<td>16</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>86.7%</td>
<td>8</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>Cambodia</td>
<td>100.0%</td>
<td>5</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>Ghana</td>
<td>100.0%</td>
<td>15</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td>18</td>
</tr>
<tr>
<td>Indonesia</td>
<td>80.0%</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>Kenya</td>
<td>72.7%</td>
<td>13</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td>24</td>
</tr>
<tr>
<td>Mali</td>
<td>61.5%</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>15</td>
</tr>
<tr>
<td>Mozambique</td>
<td>90.9%</td>
<td>15</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td></td>
<td>23</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>100.0%</td>
<td>9</td>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td>16</td>
</tr>
<tr>
<td>Niger</td>
<td>0.0%</td>
<td></td>
<td></td>
<td>2</td>
<td>2</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Somalia</td>
<td>0.0%</td>
<td></td>
<td></td>
<td>2</td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Tanzania</td>
<td>92.3%</td>
<td>17</td>
<td>7</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>28</td>
</tr>
<tr>
<td>Vietnam</td>
<td>83.9%</td>
<td>25</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>32</td>
</tr>
<tr>
<td>Zambia</td>
<td>73.7%</td>
<td>10</td>
<td>4</td>
<td></td>
<td></td>
<td>5</td>
<td>19</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>80.0%</td>
<td>4</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Gaza/West Bank</td>
<td>0.0%</td>
<td></td>
<td></td>
<td>2</td>
<td>2</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Pakistan</td>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Sudan</td>
<td>100.0%</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td><strong>Main figures</strong></td>
<td><strong>85.6%</strong></td>
<td><strong>166</strong></td>
<td><strong>59</strong></td>
<td><strong>13</strong></td>
<td><strong>25</strong></td>
<td><strong>14</strong></td>
<td><strong>277</strong></td>
</tr>
</tbody>
</table>
THE SCOPE OF FRAUD INVOLVING DANISH DEVELOPMENT ASSISTANCE – STOCKTAKING OF COMPLETED CASES IN 2010

The overview below shows all cases in which investigations into suspicion of fraud were completed in 2010.

The completion of a case means that suspicion of abuse has proved to be unfounded, or – where the suspicion was justified – that the money that was misused was either paid back in full or in part, or that it has been established that the money is lost. Cases in progress are not included because they are still being investigated. As they are completed, these cases will be added to the list, which is regularly updated. The Audit of the State Accounts is kept informed about each case and is thus familiar with all completed and ongoing cases.

The list is drawn up as a follow up to Danida’s anti-corruption action plan and the principles of the Paris Declaration on mutual responsibility and transparency in the administration of development assistance.

An overview of all completed cases can be found on Danida’s website, where there is also further information about what the amounts cover, the nature of the challenges concerning misuse, and what Denmark is doing to combat fraud and corruption. For further information, please refer to the Ministry of Foreign Affairs quality assurance department (kva@um.dk).

<table>
<thead>
<tr>
<th>Completed (month and year)</th>
<th>Country or organisation</th>
<th>Partner</th>
<th>Objective of the activity</th>
<th>Total amount under suspicion in USD</th>
<th>Completion of case</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2010 Tanzania</td>
<td>Independent fund PASS</td>
<td></td>
<td>Private sector development for small and medium-sized enterprises</td>
<td>8,538.2</td>
<td>Money paid back</td>
</tr>
<tr>
<td>November 2010 Interregional</td>
<td>DanChurchAid</td>
<td></td>
<td>Framework agreement with DanChurchAid in Malawi</td>
<td>12,917.2</td>
<td>Money paid back</td>
</tr>
<tr>
<td>November 2010 Algeria</td>
<td>Online Newspaper Maghreb</td>
<td></td>
<td>Online Newspaper Maghreb</td>
<td>58,700.1</td>
<td>Suspicion annulled, case completed</td>
</tr>
<tr>
<td>November 2010 Uganda</td>
<td>Danish Red Cross</td>
<td></td>
<td>Framework agreement with Danish Red Cross</td>
<td>533.6</td>
<td>Money paid back</td>
</tr>
<tr>
<td>November 2010 Niger</td>
<td>Ministry of Hydraulics in Niger</td>
<td></td>
<td>Village water supply, hygiene and sanitation in Zinder and Diffa regions</td>
<td>78,437.0</td>
<td>Money paid back</td>
</tr>
<tr>
<td>November 2010 Nicaragua</td>
<td>3F (United Federation of Danish Workers)</td>
<td></td>
<td>Poverty reduction and development of democracy in Central America and the Caribbean</td>
<td>3,842.2</td>
<td>Money lost</td>
</tr>
<tr>
<td>November 2010 Guatemala</td>
<td>DanChurchAid</td>
<td></td>
<td>Framework agreement with DanChurchAid</td>
<td>48,027.3</td>
<td>Suspicion annulled concerning 46,248.5 USD, 1779 USD paid back</td>
</tr>
<tr>
<td>October 2010 Cambodia</td>
<td>DanChurchAid</td>
<td></td>
<td>Cambodia Protection Rights Women and Children (CPRWCA)</td>
<td>5,272.3</td>
<td>Money lost</td>
</tr>
<tr>
<td>October 2010 Burkina Faso</td>
<td>Ministry of Water and Agriculture</td>
<td></td>
<td>Private sector component CASPEA</td>
<td>54,164.6</td>
<td>Suspicion annulled concerning 54,110.8 USD, 853.8 USD paid back</td>
</tr>
<tr>
<td>October 2010 Ethiopia</td>
<td>AC Denmark - International Child Support and Women and Children Development Organisation (WCDO)</td>
<td></td>
<td>Grib fremtiden – Empowerment for children’s right to education, health, participation and protection</td>
<td>28,871.0</td>
<td>Suspicion annulled concerning 24,730.0 USD, 4,141.0 USD lost</td>
</tr>
<tr>
<td>Completed (month and year)</td>
<td>Country or organisation</td>
<td>Partner</td>
<td>Objective of the activity</td>
<td>Total amount under suspicion in USD</td>
<td>Completion of case</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-------------------------</td>
<td>---------</td>
<td>---------------------------</td>
<td>-------------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>August 2010</td>
<td>South Africa/ Pretoria</td>
<td>African Capacity Building Foundation (ACBF)</td>
<td>African Capacity Building Foundation (ACBF)</td>
<td>N.A.</td>
<td>Suspicions annulled, case completed</td>
</tr>
<tr>
<td>August 2010</td>
<td>Ghana</td>
<td>HJ Furniture Ltd. and Woodhouse Ltd.</td>
<td>Upgrading and standardisation of furniture production</td>
<td>17,787.9</td>
<td>Money paid back</td>
</tr>
<tr>
<td>August 2010</td>
<td>Tanzania</td>
<td>Danish Moravian Mission (BDM)</td>
<td>Framework agreement with MS Danish Association for International Cooperation</td>
<td>6,581.5</td>
<td>Money lost</td>
</tr>
<tr>
<td>July 2010</td>
<td>Cambodia</td>
<td>Provincial Advocacy Network (NAND)</td>
<td>Framework agreement with DanChurchAid</td>
<td>196.0</td>
<td>Money paid back</td>
</tr>
<tr>
<td>July 2010</td>
<td>Uganda</td>
<td>Sudan Human Rights Association (SHRA)</td>
<td>Framework agreement with MS Danish Association for International Cooperation</td>
<td>2,401.4</td>
<td>Money lost</td>
</tr>
<tr>
<td>July 2010</td>
<td>Mozambique</td>
<td>FONGA</td>
<td>Framework agreement with MS Danish Association for International Cooperation</td>
<td>1,138.4</td>
<td>Money paid back</td>
</tr>
<tr>
<td>July 2010</td>
<td>Mozambique</td>
<td>FECIV</td>
<td>Framework agreement with MS Danish Association for International Cooperation</td>
<td>4,491.1</td>
<td>Money lost</td>
</tr>
<tr>
<td>July 2010</td>
<td>Mali</td>
<td>NIRAS</td>
<td>Support for the water part of the national sector programme</td>
<td>6,225.8</td>
<td>Money paid back</td>
</tr>
<tr>
<td>July 2010</td>
<td>International</td>
<td>International Community of Women Living with HIV/AIDS</td>
<td>International community of women living with HIV/AIDS</td>
<td>N.A.</td>
<td>Case completed with no loss of funds</td>
</tr>
<tr>
<td>July 2010</td>
<td>Zambia</td>
<td>COWI</td>
<td>Water and sanitation in urban areas (Peri Urban)</td>
<td>124,515.3</td>
<td>Suspicion annulled, case completed</td>
</tr>
<tr>
<td>June 2010</td>
<td>Mali</td>
<td>Ministry of Employment</td>
<td>Business support activities</td>
<td>1,375.0</td>
<td>Money paid back</td>
</tr>
<tr>
<td>June 2010</td>
<td>Bolivia</td>
<td>Caritas</td>
<td>Knowledge centres Better access to schooling for Indian children in rural area</td>
<td>74,709.1</td>
<td>Money paid back</td>
</tr>
<tr>
<td>June 2010</td>
<td>Bangladesh</td>
<td>Ministry of Fisheries and Livestock</td>
<td>Teaching activities</td>
<td>15,475.5</td>
<td>2,490.3 USD paid back, 12,985.2 USD lost</td>
</tr>
<tr>
<td>June 2010</td>
<td>Croatia</td>
<td>European Education Forum</td>
<td>Danish EU preparatory programme</td>
<td>10,494.9</td>
<td>Money paid back</td>
</tr>
<tr>
<td>June 2010</td>
<td>Bangladesh</td>
<td>Ministry of Agriculture</td>
<td>Decentralised Fishery and Livestock Development</td>
<td>2,490.3</td>
<td>Money lost</td>
</tr>
<tr>
<td>June 2010</td>
<td>Kenya</td>
<td>MS Kenya</td>
<td>Support to local democracy concerning the use of public funding: MSKenya</td>
<td>1,496.3</td>
<td>Money lost</td>
</tr>
<tr>
<td>May 2010</td>
<td>Nicaragua</td>
<td>Radio Mujer</td>
<td>Information activities</td>
<td>33,163.2</td>
<td>Money lost</td>
</tr>
<tr>
<td>May 2010</td>
<td>Nicaragua</td>
<td>IT firm</td>
<td>Formation of a telephone company</td>
<td>188,907.5</td>
<td>Suspicion annulled, case completed</td>
</tr>
<tr>
<td>May 2010</td>
<td>Vietnam</td>
<td>Global Competitiveness Facility</td>
<td>Promotion of global competitiveness</td>
<td>0</td>
<td>Danish money not affected, case completed</td>
</tr>
<tr>
<td>May 2010</td>
<td>Tanzania</td>
<td>CRDB bank</td>
<td>Support to CRDB</td>
<td>0</td>
<td>Danish money not affected, case completed</td>
</tr>
<tr>
<td>May 2010</td>
<td>Nepal</td>
<td>Nepal’s Ministry of Education</td>
<td>Basic school for all, 2004-09</td>
<td>0</td>
<td>Procurement procedures brought into order and responsibility placed</td>
</tr>
<tr>
<td>Completed (month and year)</td>
<td>Country or organisation</td>
<td>Partner</td>
<td>Objective of the activity</td>
<td>Total amount under suspicion in USD</td>
<td>Completion of case</td>
</tr>
<tr>
<td>---------------------------</td>
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</tr>
<tr>
<td>May 2010</td>
<td>Ghana</td>
<td>Ministry of Local Government, Rural Development and Environment</td>
<td>Decentralisation to districts</td>
<td>16,187.0</td>
<td>Money paid back</td>
</tr>
<tr>
<td>April 2010</td>
<td>Bolivia</td>
<td>Ministry of Agriculture</td>
<td>Institutional support to the Ministry of Agriculture</td>
<td>9,558.3</td>
<td>Money paid back</td>
</tr>
<tr>
<td>April 2010</td>
<td>Somalia</td>
<td>Danish Refugee Council</td>
<td>Reconstruction of sustainable living conditions and protection of the rights of those affected by conflict in Somalia</td>
<td>4,625.0</td>
<td>Suspicion annulled</td>
</tr>
<tr>
<td>March 2010</td>
<td>Zimbabwe</td>
<td>Red Cross South Africa</td>
<td>Humanitarian assistance to Zimbabwe</td>
<td>222.3</td>
<td>Suspicion annulled</td>
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<tr>
<td>March 2010</td>
<td>Niger</td>
<td>CARE Denmark</td>
<td>Just resource management and strengthening of civil society</td>
<td>17,787.9</td>
<td>Suspicion annulled regarding 16,846.2 USD and 941.7 USD paid back</td>
</tr>
<tr>
<td>March 2010</td>
<td>Mozambique</td>
<td>MS Danish Association for International Cooperation</td>
<td>Assistance to Mozambique</td>
<td>22,689.0</td>
<td>13,927.9 USD paid back and 8,761.1 USD lost</td>
</tr>
<tr>
<td>March 2010</td>
<td>Niger</td>
<td>Ministry of Education</td>
<td>Promotion of hygiene and sanitation in schools</td>
<td>N.A.</td>
<td>Danish money not involved. Money belonging to other donors in the same sector paid back.</td>
</tr>
<tr>
<td>March 2010</td>
<td>Uganda</td>
<td>WWF World Wide Fund for Nature (WWF DK)</td>
<td>Participant oriented environmental management</td>
<td>24,654.0</td>
<td>Money paid back</td>
</tr>
<tr>
<td>March 2010</td>
<td>Sudan</td>
<td>Save the Children Denmark</td>
<td>Humanitarian interventions in Darfur</td>
<td>530,533.0</td>
<td>Suspicion annulled</td>
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<tr>
<td>March 2010</td>
<td>Liberia</td>
<td>Danish Refugee Council</td>
<td>Humanitarian interventions in Liberia</td>
<td>16,898.5</td>
<td>Money paid back</td>
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<tr>
<td>March 2010</td>
<td>India</td>
<td>IWGIA (International Work Group for Indigenous Affairs)</td>
<td>Project on examination of legislation</td>
<td>9,836.2</td>
<td>Suspicion annulled</td>
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<tr>
<td>March 2010</td>
<td>Tanzania</td>
<td>BEST fund</td>
<td>Supports business organisations in Tanzania</td>
<td>903.63</td>
<td>Money paid back</td>
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<tr>
<td>February 2010</td>
<td>Afghanistan</td>
<td>DFID</td>
<td>Improved living conditions</td>
<td>N.A.</td>
<td>Danish funds not involved</td>
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<tr>
<td>February 2010</td>
<td>Uganda</td>
<td>Danish Refugee Council</td>
<td>Support to regions of origin effort in Uganda</td>
<td>53,981.3</td>
<td>Money paid back</td>
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<tr>
<td>February 2010</td>
<td>Uganda</td>
<td>Several regional institutions in Uganda</td>
<td>Commonwealth Heads of Government meeting</td>
<td>N.A.</td>
<td>Danish funds not involved. Dialogue on resolution of the matter proceeding satisfactorily</td>
</tr>
<tr>
<td>February 2010</td>
<td>Bangladesh</td>
<td>NGO: Taungya</td>
<td>Access to the judicial system</td>
<td>6,143.0</td>
<td>Money paid back</td>
</tr>
<tr>
<td>February 2010</td>
<td>Sri Lanka</td>
<td>National Water Supply</td>
<td>Reconstruction assistance in the water sector following the tsunami</td>
<td>N.A.</td>
<td>Suspicion annulled</td>
</tr>
<tr>
<td>January 2010</td>
<td>Bolivia</td>
<td>Universidad Antonomia Gabriel Rene Moreno</td>
<td>Forestry research in Bolivia</td>
<td>6,065.7</td>
<td>4,915.9 USD paid back Suspicion concerning 1,149.8 USD annulled</td>
</tr>
<tr>
<td>January 2010</td>
<td>Afghanistan</td>
<td>Mission East</td>
<td>Multi-sector assistance to remote rural areas in north-eastern Afghanistan</td>
<td>40,912.2</td>
<td>Money lost due to robbery</td>
</tr>
</tbody>
</table>

Number of cases 2010 51 cases
Total amount lost (USD) 2010 126,538.1
THE BOARD

The Danish Board for International Development Cooperation (or the Board) advises the Minister for Development Cooperation. The Board discusses suggestions for bilateral and multilateral programmes and proposals for Danida’s strategies and action plans. The Minister for Development Cooperation appoints the Board’s nine members and one observer for three years. The Board meets ten times a year. By means of video conferencing, during its meetings the Board engages in dialogue with the Danish missions in countries where projects and programmes are implemented.

Klaus Bustrup (Chairman)
Marie-Louise Knuppert (Vice-chair)
Secretary of the Danish Confederation of Trade Unions
LO – The Danish Confederation of Trade Unions

Henrik Secher Marcussen
Professor
Roskilde University
Department of Society and Globalisation International Development studies

Anders Ladekarl
Secretary General
Danish Red Cross

Lars B. Goldschmidt
Director, Confederation of Danish Industries

Michael Stevns
Director, The Danish Agriculture and Food Council

Marie Visti Hansen
Chief Consultant, Danish Chamber of Commerce

Anne Mette Kjær
Associate Professor, PhD.
Department of Political Science, University of Aarhus

Mimi Jakobsen
Secretary-General
Save the Children Denmark

Niels Thuesen
Managing Director
ACTN

Alternates
For Mimi Jakobsen:
Frans Mikael Jansen
Secretary General
MS Danish Association for International Cooperation

For Henrik Secher Marcussen:
Lisbeth Valentin Hansen
Director, DHI

For Anders Ladekarl:
Lisa Henry
Relief Director, DanChurchAid

For Lars B. Goldschmidt:
Marie Gad
Consultant, Confederation of Danish Industries

For Michael Stevns:
Jens Kvorning
Head of Department, The Danish Federation of Small and Medium-sized Enterprises

For Niels Thuesen:
Vagn Bertelsen
Secretary-General, IBIS

For Anne Mette Kjær:
Michael W. Hansen
Associate Professor, PhD, Copenhagen Business School

CONSULTATIVE RESEARCH COMMITTEE

The Consultative Research Committee for Development Research (or the Research Committee) is to ensure strategic utilisation of funds for development research. The eight members of the Research Committee are appointed by the Minister for Development Cooperation for three years.

The following Research Committee members were appointed by the Danish Board for International Development Cooperation

Henrik Secher Marcussen
Professor
Roskilde University, Chairman

Anne Mette Kjær
Associate Professor, PhD.
University of Aarhus

Lisbeth Valentin Hansen
Director, MSc.
DHI

Anette M. Reenberg
Professor, dr. scient.
University of Copenhagen, Vice-chairman

Peter Skinhøj
Professor, dr. med.
Copenhagen University Hospital

Niels Eilers Koch
Managing Director, dr. agron.
University of Copenhagen

Jens Kovsted
Head of Department, PhD.
Copenhagen Business School

John Nielsen
Head of Department
Ministry of Foreign Affairs of Denmark

Consultative Research Committee for Mixed Credits

The Committee for Mixed Credits distributes an annual frame for interest subvention. Supplies of equipment and accompanying services in the developing countries are financed with interest-free loans.

The nine members of the Committee for Mixed Credits are appointed by the Minister for Development Cooperation. The Committee contains representatives from relevant ministries, trade unions and the business sector.

Members and alternate members
(in brackets)
Chair
Lise Friis
Director
Bo Kahler Christensen
The Danish Bankers Association (Kristina Breyen, Legal consultant)
Signe Hansen
Special consultant
Economic Council of the Labour Movement (Frithof Hagen, Economist)

Karina Clausen, EKF
Senior underwriter
Ministry of Economic and Business Affairs (Jan Vassard, Deputy Director, EKF)

Jens Erik Ohrt
International consultant
Danish Confederation of Trade Unions (Anette Berentzen, International consultant)

Henning Roslev Buhk
Director
Cimbria Unigrain A/S
Confederation of Danish Industry (Marie Gad, Consultant)

Members and alternate members
(in brackets)
Chair
Lise Friis
Director
Bo Kahler Christensen
The Danish Bankers Association (Kristina Breyen, Legal consultant)
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Jens Erik Ohrt
International consultant
Danish Confederation of Trade Unions (Anette Berentzen, International consultant)

Henning Roslev Buhk
Director
Cimbria Unigrain A/S
Confederation of Danish Industry (Marie Gad, Consultant)

Business representatives:
Ulla M. Konnerup
Head of Department Atkins

John K. Lassen
Director
### The Council

The Danish Council for International Development Cooperation (or The Council) follows the work of the Board and offers advice and recommendations. The Council’s themes are determined by the chairman in cooperation with the Ministry of Foreign Affairs. The Council has approximately 50 members, who are appointed by the Minister for Development Cooperation for three years. The Council’s members are representatives of authorities, institutions and organisations, or private individuals with special expertise. The Council deals with Danish development policy or current international issues.

<table>
<thead>
<tr>
<th>Personal members</th>
<th>Representatives of organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holger Bernt Hansen (Chairman) Professor, dr. phil.</td>
<td>Frans Mikael Jansen Secretary General Danish Aids Foundation</td>
</tr>
<tr>
<td>Centre of African Studies University of Copenhagen</td>
<td></td>
</tr>
<tr>
<td>Christian Fris Bach Director</td>
<td>Henriette Laursen Director DanChurchAid</td>
</tr>
<tr>
<td>ib Byghøj Professor</td>
<td>Jan Sjursen Secretary General Caritas</td>
</tr>
<tr>
<td>Department of International Health Institute of Public Health, Centre of Health and Society University of Copenhagen</td>
<td></td>
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<tr>
<td>Viggo Fischer Chairman Danish Afghanistan Committee</td>
<td></td>
</tr>
<tr>
<td>Ebba Holme Hansen Professor The Danish Institute of Pharmaceutical Sciences</td>
<td></td>
</tr>
<tr>
<td>Nanna Hvidt Director Danish Institute for International Studies (DIIS)</td>
<td></td>
</tr>
<tr>
<td>Peter Damgaard Jensen Managing Director PKA A/S</td>
<td></td>
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<tr>
<td>Elisabeth Møller Jensen Director KVINFO</td>
<td></td>
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<tr>
<td>Anders Jerichow Journalist</td>
<td></td>
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<tr>
<td>Steen Lau Jørgensen Director World Bank Headquarters</td>
<td></td>
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<tr>
<td>Elsebeth Krogh Director Copenhagen Consultants</td>
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<tr>
<td>Susanne Larsen Chairwoman The National Council for Volunteering</td>
<td></td>
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<tr>
<td>Grethe Pedersen Consultant Marie Stopes International</td>
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<tr>
<td>Kristian Schmidt Principal Advisor European Commission</td>
<td></td>
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<tr>
<td>Trine Sick Communications consultant</td>
<td></td>
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<tr>
<td>Jakob Simonsen Nordic Director UNDP Denmark &amp; Nordic Office</td>
<td></td>
</tr>
<tr>
<td>Steffen Stenberg Director ECHO</td>
<td></td>
</tr>
<tr>
<td>Finn Tarp Professor Department of Economics University of Copenhagen</td>
<td></td>
</tr>
<tr>
<td>Johannes Østergaard Senior Consultant Danish Agricultural Council</td>
<td></td>
</tr>
<tr>
<td>Tore Asmussen International Secretary Danish Union of Teachers</td>
<td></td>
</tr>
<tr>
<td>Bjørne B. Christensen Secretary General Danish Family Planning Association</td>
<td></td>
</tr>
<tr>
<td>Troels Dam Christensen Coordinator Danish 92 Group</td>
<td></td>
</tr>
<tr>
<td>Hans Peter Dejgaard Civil Engineer Danish Society of Engineers</td>
<td></td>
</tr>
<tr>
<td>Susanne Dolberg Deputy Director The Danish Bankers Association</td>
<td></td>
</tr>
<tr>
<td>Lars Engberg-Pedersen Senior researcher Danish Institute for International Studies</td>
<td></td>
</tr>
<tr>
<td>Jørgen Estrup National Chairman Danish United Nations Association</td>
<td></td>
</tr>
<tr>
<td>Janice Goodson Førde Chairwoman Women and Development</td>
<td></td>
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<tr>
<td>Marie Gad Consultant Confederation of Danish Industry</td>
<td></td>
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<tr>
<td>Sil Holst Organisation consultant Disabled People’s Organisations Denmark</td>
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<tr>
<td>Hanna Line Jakobsen Youth President Danish Red Cross</td>
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</table>
DANISH INFORMATION COMMITTEE

The Information Committee advises the Board and the Ministry of Foreign Affairs concerning principles and guidelines for granting subsidy for information activity in Denmark about the developing countries. The Information Committee together with the Ministry of Foreign Affairs distributes the funds in the Information Grant. The Information Committee was set up by the Board for International Development Cooperation. It consists of seven persons appointed for three years by the Minister for Development Cooperation.

**Kim Carstensen**
Leader of WWF’s global climate programme
WWF World Wide Fund for Nature (Chairman)

**Mette Davidsen-Nielsen**
Journalist
Formerly head of DRz

**Hans-Henrik Holm**
Head of Department
Jean Monnet Professor
Danish School of Journalism

**Lotte Folke Kaarsholm**
Journalist
Information

**John Pedersen**
Partner
Firm of Consultants, Operate

**Jørgen Skovsgaard**
Chief consultant,
Ministry of Education

**Poul Tang**
ICT consultant
County Centre for Teaching

**Vibeke Vinther**
Head of Communication
MS Danish Association for International Cooperation
Development cooperation comprises many different types of assistance. The wide range of types and instruments of assistance ensures that Denmark is able to organise flexible, versatile development cooperation and play an active part in development policy in numerous contexts. At the same time, the various types of assistance can often complement each other to maximise their effect.

**Bilateral and Multilateral Assistance**
Assistance given directly by one country to another is called bilateral assistance. Multilateral assistance, on the other hand, is channelled through international organisations, for example UN organisations, the World Bank Group and the EU.

**Mixed Credits**
The scheme involving mixed credits for developing countries was established in 1993. A mixed credit is a loan on terms like those of an export credit, whereby Denmark pays most or all of the interest. The credit can finance Danish project supplies to development projects in credit-worthy developing countries with a per capita GNI of maximum USD 3,084. The scheme was primarily established to finance development projects in countries of interest to the Danish business sector.

**Budget support**
The definition of budget support is that donor funds are administered together with the funds of the programme country itself and are utilised through the public expenditure system in the developing country with the objective of financing the public budget. When Denmark grants budget support, financial means are thus transferred from the Danish Government to the government in the partner country.

The Danish funds are pooled with the funds of the partner country, are utilised through the partner country’s own financial systems, and are managed by using the partner country’s own procedures for the administration of finances. This form of assistance is used to an increasing extent because to a very high degree it promotes the partner country’s ownership of development and because the creation of expensive parallel structures is avoided. General budget support can be granted as well as more specific budget support where the support goes directly to a particular sector.

When the funds are used, the Danish funds cannot be separated from other funds in the partner country’s budget. It is thus impossible to earmark Danish funds when this form of assistance is employed. For this reason a certain quality in the budget and the financial management is required. In the countries where Denmark grants budget support, capacity building always forms part of the support. This improves the ability of public institutions for good financial management and administration.

Denmark never grants budget support alone, but always in cooperation with other donors. However, this does not alter the possibility of Denmark taking independent steps if this proves necessary.

**B2B Programme**
Denmark’s Business-to-Business Programme (B2B Programme) comprises support for the establishment of long-term cooperation between Danish and local companies in Danish programme countries and South Africa. The aim of the B2B Programme is to further local business development with a focus on the following development criteria: a) Increased employment, including a focus on women in work, b) Environmental improvements, including the working environment and the outer environment, c) Promotion of crosscutting considerations such as employee rights, and d) Strengthening of the local company’s competitiveness.

**Humanitarian Assistance**
Danish contributions to emergency aid, including disaster relief, and contributions to international refugee cooperation come under the heading of humanitarian assistance. This is generally provided through international aid organisations and Danish NGOs.

**NGO Assistance**
A significant part of Danish assistance is channelled through private organisations - NGOs. NGOs have a number of comparative advantages in relation to other actors in development assistance cooperation. For example, NGOs are particularly well qualified to create international understanding and to consolidate popular support for development assistance in both the North and the South. At the same time, NGOs work closely with local organisations in the South, involving the target groups who are highly prioritised in Danish assistance and reinforcing the role of the local partners in civil society.
Transitional assistance

Transitional assistance may be granted for a period of time to developing countries undergoing a period of drastic reorganisation or reconstruction, for example following economic liberalisation or armed conflict. Transitional assistance comprises provisional but multiannual initiatives.

Denmark seeks to organise it such that it can be implemented without prolonged Danish assistance.

Personnel Assistance

Personnel assistance is offered to partners as part of technical assistance for capacity building. Advisers play a central role in sector programme support as contributors to the partner dialogue, as contributors of specific knowledge and experience, and as agents of Danish assistance.

Project assistance

Project assistance is a temporary, organised effort aiming at achieving a defined goal. This may be, for example, support for building schools in a specific area.

Regional assistance

Efforts are taking place at regional level to promote regional cooperation and integration. Regional assistance is focused on natural resource management and the environment, economic cooperation and integration, conflict prevention and conflict resolution, human rights and democracy and certain specific functional areas, for example infrastructure.

Sector Programme Support

Since the mid-1990’s, bilateral assistance has been reorganised from project assistance to sector programme support. Sector programme support for programme countries is concentrated in 3-4 sectors per country.

Sector support may assume many forms. The form depends, for example, on the sector and recipient country involved and how well the country’s administrative system works (whether the necessary capacity is available locally). This type of assistance is conditional on the recipient country either having or being in the process of preparing a national sector strategy.

Danida’s support programme in a sector is long-term, typically lasting 15-20 years, and may comprise funds for both operations and investment.

In most cases, sectors are more traditional areas such as agriculture, health care and education. However, as in Bolivia, the sector approach may also involve the status and development potential of the indigenous peoples, or a cross-cutting business sector programme as in Tanzania and Ghana.

Within the framework of a sector programme, Danida normally supports development and capacity building at multiple levels. At the top level, it supports the development of national policies, strategies and action plans for activities in the sector.

At the intermediate level in particular, for example in agencies and administrative districts, support is provided for the enhancement of institutional capacity. This may involve the training and education of administrators and accountants, or it may take the form of support for administrative reforms, making the organisation better equipped to implement the sector plans.

The major part of sector programme support involves support for the implementation of concrete activities for the population in districts and municipalities. This may take the form of construction of health care clinics and the establishment of water supplies in poor rural areas, improvement of cultivation methods for small farmers, or development of secondary roads in areas with poor road connections.

The specific activities under the sector programme, such as capacity building, administrative reforms, vaccination or construction of clinics, are called components.

At the core of a sector programme is the principle that the recipient country gains ownership of development programmes and activities. Ownership means that the recipient country has assumed or can assume responsibility for the organisation of the programmes and the implementation of the activities. It is also the intention that in the long term the recipient country should finance ever-increasing parts of the initiatives.

There may be eight to ten different donors in a sector. Reorganisation to sector programme support requires that the donors coordinate their activities and base them on the plans and strategies of the recipient country for a given sector to a much greater extent than previously.

Crosscutting Initiatives in Programme Assistance

To achieve positive, sustainable results through sector programme support, it is often necessary, in advance or in parallel, to implement initiatives at macro level or in areas that cover several sectors. Typical areas are general budget support, the implementation of public sector reforms including decentralisation, activities for the promotion of democratisation, respect for human rights and good governance and the promotion of a favourable business climate.
### HIGHLIGHTS FROM 2010

**Launch of the Strategy for Danish Humanitarian Action 2010-2015: Addressing Vulnerability, Climate Change and Protection Challenges**

**JANUARY**

- Søren Pind replaces the former Minister for Development Cooperation Mrs. Ulla Tørnæs
- The Minister for Development Cooperation visits Zimbabwe to express clear support for reforms and democracy

**FEBRUARY**

- Madeleine Albright receives the MDG3 torch, which is presented by the Minister for Development Cooperation

**MARCH**

- High-level MDG3 Conference “Women’s Empowerment and Employment” takes place in Eigtveds Pakhus
- World Bank President Zoellick visits Copenhagen

**APRIL**

- The Minister for Development Cooperation visits Nepal and Bangladesh together with a Danish business delegation and opens the conference “Energy for Growth”

- The World Bank adopts a voting reform that brings the developing countries’ share of votes up to 47 per cent
The Minister for Development Cooperation visits Tanzania and participates in the World Economic Forum on Africa

Act on the Danish Institute for Multiparty Cooperation adopted in the Danish parliament, Folketinget

Replenishment of the Global Environment Facility (GEF) with USD 4.3 billion. The Danish contribution is USD 71 million

The Folketing (Danish parliament) adopts the new strategy for Denmark’s development cooperation “Freedom from Poverty – Freedom to Change”

Crown Princess Mary becomes Patron of UNFPA and takes part in the conference “Women Deliver” 7-9 June in Washington, where the Minister for Development Cooperation also participates

Danida Development Days in Eigtveds Pakhus under the heading “New Trends in International Development”. The point of departure is Danida’s new strategy for development cooperation

Secretary-General Ban Ki Moon appoints Stine Bosse “Special advocate for MDG3”
### September

- Debate on entrepreneurship, growth and employment and the launch of the Africa Commission’s progress report at Copenhagen Business School

- The Danish Council for International Development Cooperation convenes a public meeting at which the Minister for Development Cooperation presents the Government’s development policy priorities up to 2015

- New policy for fragile states launched by the Minister for Development Cooperation and the Minister for Foreign Affairs

### October

- Economist Hernando De Soto, world-renowned in development fora, visits Copenhagen and takes part in round-table discussion and an open debate about his argument that securing the property rights of the poor leads to economic growth in developing countries

- The Minister for Development Cooperation visits Kenya and Somalia with focus on reconstruction and stabilisation of Somalia

- “Women in Global Security” high-level conference with the participation of the ministers for defence, development cooperation, and foreign affairs. The conference simultaneously marks the 10th anniversary of the adoption of UN Resolution 1325 on women, peace and security

### November

- The Minister for Development Cooperation visits the Maldives together with the Minister for Climate to grant swift support for climate change adaptation

- The Minister for Development Cooperation launches a new international research programme that is to research and document the types of development assistance that work and what assistance achieves

### December

- The Minister for Development Cooperation launches the Freedom Pool, which is to promote democracy and counteract radicalisation in the developing countries

- The Minister for Development Cooperation visits 30 Danish upper secondary schools to discuss Danish development policy

- Conclusion of talks concerning the 16th replenishment of the IDA (International Development Association) with USD 250 billion
DENMARK’S BILATERAL ASSISTANCE 2010 BROKEN DOWN BY COUNTRY. USD MILLION

OTHER COUNTRIES
- Asia: 83.2
- Africa: 135.2
- Latin America: 52.3

Indicative values
- NIGER: 12.8
- BOLIVIA: 40.6
- SUDAN: 35.9
- BURKINA FASO: 33.3
- GHANA: 101.2
- MALI: 30.6
- BENIN: 39.1
- ZAMBIA: 25.1
- ZIMBABWE: 26.9
- GHANA: 101.2

Denmark’s Bilateral Assistance 2010

Data broken down by country. USD million.

Other countries:
- Asia: 83.2
- Africa: 135.2
- Latin America: 52.3

Map showing bilateral assistance by country.
Danida’s Annual Report 2010 has been published on the website of the Ministry of Foreign Affairs of Denmark (www.um.dk).

A Danish version of this report is available. It can be ordered or downloaded from the website www.danida-publikationer.dk.

The text of this publication may be freely quoted.

The Programme and Project Brief (PPO) can be read in Danish www.um.dk. This brief documents the status of all bilateral and multilateral programmes and projects.