

Millennium Development Goals

Progress Report

by Denmark **2004**



2 0 1 5



MILLENNIUM DEVELOPMENT GOALS

Progress Report by Denmark
2004

Foreword

BY DANISH MINISTER FOR INTEGRATION AND FOR DEVELOPMENT COOPERATION



Foto: Lars Grundwald.

The Millennium Declaration, adopted by Heads of State and Government in September 2000, incorporates the achievements of the large number of international conferences and summits of the 1990s and gives the international community a platform from which to combat poverty, injustice and strife. Subsequently, this universally accepted document has turned into the most spectacular driving force for international development efforts.

Soon after the Millennium Summit, the Secretary-General of the United Nations simplified the message by setting eight concrete goals for the international community to accomplish by 2015. These goals, known as the Millennium Development Goals (MDGs) are simple, yet extremely important as benchmarks, as commitments and as tools to mobilise world public opinion.

The primary responsibility for meeting the first MDGs rests with the developing countries. However, it is the responsibility of the developed countries to assist the developing countries in their strivings. This assistance is given in the form of economic and technical assistance, trade liberalisation, debt relief and a whole range of other ways of establishing a true Global Partnership for Development.

I firmly believe that it is possible to reach the eight goals – globally and nationally – but in most sub-Saharan African

countries this will require an extraordinary effort on the part of the international community – which in turn will necessitate a fair burden sharing amongst the donor community.

In September 2005, the international community will take stock of the achievements so far and assess the shortfalls.

The developing countries will report on their accomplishments with respect to incorporating the goals into their national poverty strategies and national plans. For me, it is evident that we, the donors, have the same obligation to report on the accomplishments with respect to our obligations.

Last year, as the first donor country, Denmark reported on the efforts to fulfil our commitments. Others have followed suit, and I am happy with this report to present the second Danish Goal 8 progress report. I sincerely hope that this year's report will serve as much as a source of information as a source of inspiration for all countries to do more.

Bertel Haarder
Minister for Integration
and for Development Cooperation

Table of contents

INTRODUCTION · PART A · PART B · PART C

Introduction

Background	06
Organisation of the report	08
List of abbreviations	10

A Challenges for Denmark

GOALS AND TARGETS TO BE

MET BY DEVELOPED COUNTRIES

A1 Aid	12
A2 Trade and subsidies	16
A3 Debt	20
A4 Environment	21
A5 Productive work for youth, affordable drugs and new technology	25

B Common efforts

OTHER EFFORTS VIS A VIS

DEVELOPING COUNTRIES

B1 Aid effectiveness	28
B2 Other non-official resource flows	31

C Topical issues

C1 Health	34
C2 Education	36
C3 Gender	38

2

0

1

5

Introduction

BACKGROUND, ORGANISATION AND ABBREVIATIONS

Background *The Millennium Development Goals (MDGs)*

In September 2000, 147 Heads of State and Government – and 189 nations in total – adopted the Millennium Declaration and agreed to work together to secure peace and security and to combat poverty. The Declaration combines a set of interconnected and mutually reinforcing development goals into a global agenda. These so-called Millennium Development Goals (hereafter MDGs) set the goals and targets for human development. They are centred around eight major goals.

The Millennium Development Goals

1	Eradicate poverty and hunger
2	Achieve universal primary education
3	Promote gender equality and empower women
4	Reduce child mortality
5	Improve maternal health
6	Combat HIV/AIDS, malaria and other diseases
7	Ensure environmental sustainability
8	Develop a global partnership for development

Quantitative targets have been set for most goals, which are to be achieved over a 25-year period – between 1990 and 2015. Appropriate indicators have been selected to monitor progress on each of the targets. A common list of 18 targets and 48 indicators corresponding to these goals has been prepared collaboratively by the UN, the World Bank, IMF, OECD and WTO to ensure a common assessment and understanding of the status of MDGs at global, regional and national levels.

Achieving the goals

MDG monitoring will take place at the global and country level. At the global level, the UN Secretary-General reports annually to the General Assembly on implementation of the Millennium Declaration, including progress towards the MDGs, with a more comprehensive report every five years. These reports will support a dynamic campaign to help keep poverty issues and the MDGs at the heart of the national and global development agenda. At the country level, MDG

reports will help to engage political leaders and top decision-makers as well as mobilise civil society, communities, the general public and the media. This applies to reports prepared by developing countries and both donor countries. The latter also serve as a basis for comparing the support provided by individual donor countries towards achievement of the MDGs.

In September 2003, the Danish Government published the first such report by a donor country. This second Danish report is a follow-up based on i.a. extensive discussions within the donor community on the best and most informative approach to reporting. Consequently, the structure of the report will to a large extent follow the same basic guidelines as used in other donor reports already issued or under preparation.

UN Headquarters,
New York.



Foto: Pressens Bild.



Introduction

BACKGROUND, ORGANISATION AND ABBREVIATIONS

ORGANISATION OF THE REPORT

Part A of the report focuses on the goals and targets to be met by developed countries, using the internationally agreed indicators attached to these goals and targets to assess Denmark's progress towards their attainment.

Sections A1 to A4 will cover Targets 12-15 and Target 9 under the following headings: aid; trade and subsidies; debt; environment.

Section A5 will cover Targets 16-18 in a qualitative way since the indicators attached to these targets are not defined in terms of efforts by developed countries.

Part B of the report focuses on a number of other efforts undertaken by Denmark vis à vis developing countries in addition to those covered by the MDG goals and targets addressed in Part A: aid effectiveness, and other resource flows from Denmark to developing countries.

Part C will cover a number of topical issues related to the other MDGs, notably gender, education and health.

All monetary figures in this English version of the report are presented in USD. Unless otherwise indicated, the OECD/DAC average exchange rates for the relevant years have been used to convert DKK into USD.

MDG goals and targets covered in this report

Goal 7	Ensure environmental sustainability
Target 9	Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources
Goal 8	Develop a global partnership for development
Target 12	Develop further an open, rule-based, predictable, non-discriminatory trading and financial system
Target 13	Address the special needs of the least developed countries
Target 14	Address the special needs of landlocked countries and small island developing states
Target 15	Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term
Target 16	In cooperation with developing countries, develop and implement strategies for decent and productive work for youth
Target 17	In cooperation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries
Target 18	In cooperation with the private sector, make available the benefits of new technologies, especially information and communications

Introduction

BACKGROUND, ORGANISATION AND ABBREVIATIONS

LIST OF ABBREVIATIONS

AIDS	Acquired Immunodeficiency Syndrome
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CFC	Chlorofluorocarbon
CHP	Combined Heat and Power
DAC	Development Assistance Committee (OECD)
DANIDA	Danish International Development Assistance
EFA	Education for All
EU	European Union
FAO	Food and Agriculture Organisation of the United Nations
GDP	Gross Domestic Product
GEF	Global Environment Facility
GHG	Greenhouse Gas
GNI	Gross National Income. After the introduction of a new system of national accounts (SNA) in 1993, GNI has replaced GNP (when measuring ODA).
GNP	Gross National Product. See also GNI.
HIPC	Heavily Indebted Poor Countries
HIV	Human Immunodeficiency Virus
ICPD	International Conference on Population and Development
ICT	Information and Communication Technology
IMF	International Monetary Fund
LDCs	Least Developed Countries

MDG	Millennium Development Goals
NGO	Non-Governmental Organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PPP	Purchasing Power Parities
PRGF	Poverty Reduction and Growth Facility
PRSP	Poverty Reduction Strategy Paper
PRS	Poverty Reduction Strategy
TRIPs	Trade Related Aspects of Intellectual Property Rights
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNFCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Population Fund
UNICEF	United Nations Children’s Fund
UNSD	United Nations Statistics Division
WHO	World Health Organisation
WSIS	World Summit on the Information Society
WTO	World Trade Organisation

A Challenges for Denmark

GOALS AND TARGETS TO BE MET BY DEVELOPED COUNTRIES

A1 Volume

AID *Denmark remains among the lead donors*

For the last decade, Denmark has been among the most generous of all DAC aid donors taken in terms of the proportion of its economy dedicated to Official Development Assistance (ODA). Up through the 1990's the Danish assistance was well above the UN target of 0.7 per cent of GNP, and an official target for ODA of 1.0 per cent of GNP was established. In 2002, the new Government announced that Denmark will no longer work towards a fixed percentage target but will remain "among the lead donors" in development cooperation.

Since the late 1980s, almost all of Denmark's ODA has been in the form of grants.

According to the OECD-DAC Official Development Assistance figures for 2003, Danish ODA was USD 1.747 billion, representing 0.84 per cent of GNI. Denmark thereby remains one of the world's leading donors (no. 2 on the DAC donor list)

Figures for Denmark

Indicators related to aid	1990	1995	2000	2002	2003
Net ODA, total, as a percentage of GNI	0.94	0.96	1.06	0.96	0.84
Net ODA to LDCs as a percentage of GNI	0.37	0.30	0.34	0.32	-
Percentage of total bilateral, sector-allocable ODA to basic social services (basic education, primary health care, nutrition, safe water and sanitation)* [▲]	- (34)	6.5 (37)	5.6 (40)	7.8 (43)	(49)
Percentage of ODA to landlocked countries	16.6	18.3	18.9	18.1	-
Percentage of ODA to small island developing states	1.5	1.5	0.9	0.8	-
Proportion of multilateral ODA (% of total net ODA)	40.7	44.9	38.5	36.8	41.0
Proportion of bilateral aid that is untied (%)	-	61.3	80.5	82.1	-

Source: OECD, except 2003: The Ministry of Foreign Affairs.

* Calculated on a 2-year average basis for 1997-98, 1999-2000 and 2001-02

[▲] Real figures in brackets. The OECD figures do not reflect the totality of Danish assistance to basic social sectors since the sector programmes are reported to OECD as multipurpose programmes.

At the meeting of the European Council in Barcelona in 2002, the EU Member States decided to take a concrete step towards meeting the UN goal of granting development assistance at the level of 0.7 per cent of GNP as soon as possible. In this connection, the EU Member States agreed

that the Member States that as yet had not fulfilled the minimum target of 0.7 per cent of GNP for development assistance would increase their assistance to at least 0.33 per cent by 2006, with a view to achieving a collective EU average of 0.39 per cent by 2006. Developments since the 2002 decision indicate that it is most likely that the Barcelona targets may well be exceeded in 2006.

Quality

Primary challenge to reduce world poverty

The primary challenge facing development efforts is to ensure that both Danish development assistance and the combined international efforts contribute as effectively and competently as possible to reducing world poverty.

Danish development assistance is already highly poverty-oriented. More than 30 per cent of overall Danish assistance is channelled to the least developed countries (LDCs) – a greater share than contributions from most other donor countries. The poverty focus of Danish development assistance makes it natural to concentrate a large share of bilateral assistance on Africa (58 per cent in 2003), the poorest continent with an increasing proportion of the world's poor.

Danish bilateral development assistance is concentrated on a few countries and is primarily given to 15 programme countries which are among the poorest countries in the world. These countries have been chosen mainly on the basis of a study of the needs and development opportunities of individual countries. Denmark attaches great importance to the developing country itself pursuing an effective, poverty-oriented policy with respect for good governance, democracy and human rights.

The poverty orientation of Denmark's development assistance is reflected in the choice of the 15 programme countries:
Bangladesh, Benin, Bhutan, Bolivia, Burkina Faso, Egypt, Ghana, Kenya, Mozambique, Nepal, Nicaragua, Tanzania, Uganda, Vietnam and Zambia.

A Challenges for Denmark

GOALS AND TARGETS TO BE MET BY DEVELOPED COUNTRIES

A significant part of the assistance provided to programme countries takes the form of sector programme assistance, with particular emphasis on building national capacity.

In 2003, 56 per cent of the bilateral assistance to the 15 programme countries was channelled through 48 longterm sector programmes. Where national conditions allow so, aid can be provided as general or sector budget support.

In 2003, 49 per cent of the bilateral assistance was granted to social sectors, and this share is expected to increase in the coming years.

Enhanced efforts to achieve the MDGs

The development policy priorities of the Danish Government build on the MDGs. This applies not least to:

- > Increasing bilateral efforts within the social sectors (water and sanitation, education and health) and focusing multilateral efforts on global health and population issues, thus contributing to fulfilling Goal 2 (ensuring universal primary education for every child), Goal 4 (reducing infant mortality), and Goal 5 (reducing the maternity mortality rate)
- > Promoting efforts to combat HIV/AIDS, which relates directly to Goal 6 (combating HIV/AIDS, malaria and other diseases)
- > Focusing the assistance on effective action to reduce poverty, which contributes to fulfilling Goal 1 (eradicating extreme poverty and hunger)
- > Focusing on women in the development process, which contributes to fulfilling Goal 3 (promoting equal rights between the genders)
- > Strengthening environmental efforts, which relates to Goal 7 (ensuring environmental sustainability)
- > A large number of the Government's other priorities, including the strong focus on cooperation with the private sector, trade and development, as well as harmonisation, alignment, and untying of Official Development Assistance, contributing to fulfilling Goal 8 (establishing a global partnership for development)

Furthermore, Danish multilateral efforts contribute to supporting the genuine inclusion of developing countries in international political and economic cooperation.

At the centre of these efforts is the work to ensure effective cooperation between the international organisations in the development of national poverty reduction strategies. This applies, for example, to the national Poverty Reduction Strategy Papers (PRSPs) for LDCs.

Girl at the market,
Nima neighbourhood in
Accra, Ghana



Foto: Jørgen Schytte.

A Challenges for Denmark

GOALS AND TARGETS TO BE MET BY DEVELOPED COUNTRIES

A2 TRADE AND SUBSIDIES

Poorest countries face serious trade barriers

Since the end of the Second World War, international trade negotiations have led to the elimination of many of the barriers that have restricted international trade in goods. Nevertheless, significant barriers to trade still persist – often to the detriment of the poorest countries. Whereas the more advanced developing countries have been able to make inroads in the international trade system, the least developed countries are lagging far behind. For example, from the 1950s to 2000 the LDCs' share of all global export fell from 3 per cent to just over 0.5 per cent – and with 52 per cent of that coming from only three countries (Yemen, Bangladesh and Angola).

Being an EU Member State, Denmark participates in the common trade and agricultural policy. Consequently, data relating to trade and subsidies in this reporting are to be found in a consolidated European Union MDG report

Harbour activity
in Cotonou, Benin.



Foto: Jørgen Schytte.

due early 2005. However, this section of the Danish report gives the Danish views on development challenges in these policy areas.

***Danish Government strategy
on trade and development***

In conjunction with an initiative taken during the Danish EU Presidency in 2002 the Danish Government launched a comprehensive strategy to integrate trade and development policies. The strategy sets clear goals and guidelines for Denmark's support to developing countries in their effort to capture the potential benefits from trade. It aims to ensure that different policy initiatives are not in conflict but rather mutually supportive.

The strategy outlines Danish support to developing countries towards achieving the following four objectives:

- > To participate in international trade negotiations,
- > To acquire the capacity to implement agreements and deliver results,
- > To take full advantage of market access,
- > To achieve a development-oriented outcome of the Doha Round of trade talks.

This agenda is being pursued both multilaterally and through Denmark's bilateral cooperation with individual developing countries.

Effective participation of developing countries in the forthcoming negotiations is supported primarily under the auspices of WTO.

But this is not sufficient in itself. Developing countries must also be able to benefit from the results achieved.

Denmark encourages the use of development assistance in support of efforts to implement trade agreements. Similarly, a number of multilateral organisations – such as the WTO – will have important roles to play in this area. Denmark has increased its support for trade-related technical assistance to LDCs including – by contributing to the WTO's General Trust Fund and the Integrated Framework. Allocations increased from USD 3.8 million. in 2003 to USD 6.8 million in 2004.*

*Exchange rate OECD/DAC
average 2003 (6.5766)

A Challenges for Denmark

GOALS AND TARGETS TO BE MET BY DEVELOPED COUNTRIES

In addition, bilateral assistance will be used to provide country-specific support for the implementation of agreements and capacity building.

LDCs have enjoyed quite favourable access to the markets of many developed countries for a number of years, but have only marginally managed to benefit from international trade. Reforms are often necessary at both macro and sector level if the potential of the international trade system is to be fully exploited.

The need for reform is not only limited to the trade system. Reforms must be part of the wider development agenda, aimed at fostering i.a. good governance and redistribution of wealth. The latter is especially necessary if the most vulnerable groups are to benefit from international trade.

The Danish support in this area is based on the countries' Poverty Reduction Strategies. Up to now, trade has not been integrated in the national Poverty Reduction Strategies. There are, however, real possibilities for including these topics in the broad, public debate on national policy and strategy for reducing poverty.

In addition, Denmark will work to ensure that development concerns are fully integrated in the rules governing global trade, whereby trade and development policies become mutually supportive across the entire spectrum of the Doha Round. We have therefore identified central factors that would help meet the expectations of developing countries in each area of negotiation.

The bilateral trade-related technical assistance focuses on three pilot countries – **Ghana, Tanzania** and **Vietnam**. This bilateral assistance can take several forms, including:

- > integrating the trade aspect in the sector support programmes,
- > providing support to the private sector with a view to fully benefit from existing trade agreements, and
- > providing support for complementary initiatives.

At a later stage, experiences from these countries will serve as a basis for strengthening efforts in other partner countries.

With regard to market access in general, Denmark pursues a policy whereby the poorest countries should receive the greatest reduction of tariffs, including tariff peaks and tariff escalation.

Reduction of trade barriers – points of action

More specifically in agriculture, Denmark is working to significantly reduce in particular developed countries' trade-distorting subsidies, while aiming for a complete phase-out of export subsidies. Developing countries should at the same time retain the possibility of providing temporary support to their agricultural sectors as part of overall poverty reduction and development strategies.

Furthermore, Denmark is working to ensure the implementation of the Agreement on Textiles and Clothing as soon as possible before 2005, thereby removing quantitative restrictions.

With regard to anti-dumping, Denmark supports the establishment of simpler, more precise rules that take the special needs of developing countries into consideration.

In addition to the previously mentioned position on agricultural subsidies, Denmark supports the reduction and, if possible, the elimination of fishery subsidies that damage the sustainability of fish stocks.

In connection with the discussions related to the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs), Denmark is actively engaged in trying to find solutions which to the highest degree possible accommodate the needs of developing countries for access to medicines against epidemic diseases, while taking account of the need to develop new medicines. This issue is dealt with more extensively in chapter A5 of this report.

Danish support to debt reduction

Denmark was among the first countries to recognise that the debt problems of the poorest and most indebted countries could only be solved by a reduction of their debt. Consequently, Denmark also supported the Heavily Indebted Poor Countries (HIPC) Initiative from the very beginning in 1996 and remains committed to its full implementation.

A3
DEBT

A Challenges for Denmark

GOALS AND TARGETS TO BE MET BY DEVELOPED COUNTRIES

After the adoption of the UNCTAD resolution in 1978, Denmark started to cancel repayments of ODA loans to LDCs. In 1995 at the Social Summit in Copenhagen, Denmark cancelled 100 per cent of ODA loans to LDC's.

Figures for Denmark

Indicators related to debt	1990	1995	2000	2002
Debt forgiveness as a percentage of ODA	1.7	10.8	0.0	3.0
HIPC debt relief as a percentage of net ODA	-	-	1.3*	1.7
Proportion of grants (% of total gross ODA)	98	98	98	96

* 2001
Source: OECD

* DKK/USD
exchange rate: OECD/DAC
average 2003 (6.5766)

** DKK 815 million disbursed
over several years.
DKK/USD exchange rate:
OECD/DAC average 1996
(5.7982)

Denmark has so far cancelled ODA debt in the order of USD 0.7 billion and export credits in the order of USD 0.26 billion.*

Up to the HIPC Initiative in 1996, Denmark helped a number of poor developing countries to service their debts to the International Financial Institutions. This support amounted to USD 140 million.**

Furthermore, Denmark has provided sizable contributions to the IMF's concessional facility for low income countries (PRGF) and to the HIPC Trust Fund administered by the World Bank.

While debt reduction should continue to be reserved for the poorest heavily-indebted countries, Denmark believes that there should be greater awareness of the individual country's needs for financing in order to avoid a situation where the countries that have benefited from the HIPC process initiative once more end up in a debt trap.

More attention should be paid to the capacity of developing countries to manage their own debts. Denmark will therefore work to ensure that the World Bank and the IMF in particular provide technical assistance towards debt management becoming an integral element in the formulation of macro-economic policy.

Environmental sustainability

National and international initiatives

Measures to attain Goal 7 are combined with those aimed at the goals set by the World Summit on Sustainable Development which are considered supplementary to Goal 7. At the national level, the Danish Government has embarked upon implementation of the national strategy for sustainable development, which was presented to the Johannesburg Summit.

The Danish Sustainable Development Strategy is based on eight objectives and principles:

1. The welfare society must be developed and economic growth must be decoupled from environmental impacts.
2. There must be a safe and healthy environment for everyone, and we must maintain a high level of protection.
3. We must secure a high degree of bio-diversity and protect ecosystems.
4. Resources must be used more efficiently.
5. We must take action at an international level.
6. Environmental considerations must be taken into account in all sectors.
7. The market must support sustainable development.
8. Sustainable development is a shared responsibility and we must measure progress.

Implementation of the national strategy is guided by 104 indicators, some of which are reflected below.

At the international level, a Plan of Action has been elaborated for Denmark's follow-up to the Johannesburg Summit. The Plan of Action focuses on development cooperation and the engagement with international organisations. Among the overriding objectives of the Plan of Action are:

- > an integrated follow-up to the major UN conferences, based on the MDGs as the general framework, and with the Commission for Sustainable Development contributing to this integration;
- > integration of environmental concerns into national poverty reduction strategies of developing countries, and into bilateral and multilateral development cooperation;

A Challenges for Denmark

GOALS AND TARGETS TO BE MET BY DEVELOPED COUNTRIES

- > strengthening of the international environmental governance, including by closer collaboration among multilateral environment agreements and by enhancing the capacity of developing countries to implement the agreements nationally.

According to the Plan of Action, Denmark is working towards:

- > an integrated water resources management in developing countries prior to 2005 as an important prerequisite towards the achievement of the MDGs, and the goals of the Johannesburg Summit related to poverty, safe drinking water and sanitation, hunger, slum, health and environment;
- > higher priority to support water, sanitation and health programmes in bilateral development cooperation;
- > enhancing access to sustainable energy in developing countries, including, by working towards the establishment of a financing facility for the energy initiative of the European Union;
- > giving priority to international efforts to combat communicable diseases, and contributing to limit negative environmental impact on health through integrated approaches to water, agriculture, energy and chemicals management;
- > supporting sustainable management of natural resources and sustainable agricultural development as part of the efforts towards attaining the MDGs and Johannesburg Summit goals on poverty reduction and reducing loss of biodiversity;
- > continued support for efforts towards sustainable production and consumption patterns through development assistance.

Complementary to the Plan of Action, a Strategy for Denmark's cooperation with developing countries on the environment has been drafted. The Strategy sets out the goals and action for bilateral and multilateral efforts.

It outlines priority organisations, target countries and sectoral priorities as well as work associated with mainstreaming the environmental dimension for the period of 2004 – 2008.

The Global Environment Facility (GEF) and UNEP are among the multilateral organisations receiving major financial contributions from the Danish Government. With its voluntary contributions to UNEP, the Government is consistently placed among the top ten donor countries.

Forestry and protection

The Danish Parliament in 1989 decided that the forest cover of Denmark should be doubled within a tree generation (80 – 100 years) of which half should be state-owned and half privately owned forests. Denmark has enacted a general protection of the most important habitat types, including moors, heathland, bogs meadows, lakes and watercourses.

As a pilot project, seven areas have been designated national parks in 2004.

Figures for Denmark

Indicators related to forestry and protection

	1990	1995	2000
Percentage of land area covered by forest	10.5	-	10.7
Percentage of surface area protected to maintain biological diversity to surface area	-	0.32 (1997)	-

Source: FAO, UNEP, World Bank, UNFCC, UNSD

Energy and climate protection

Denmark's energy use per GDP (PPP) decreased by 16 per cent from 1990 to 2002.

The major challenge ahead is a continuation of the decoupling of energy use from economic growth through further improvements within both production, conversion and consumption of energy in a cost-effective manner and primarily using market instruments.

There is no clear trend in CO₂ emissions per capita over the last decade. This is mainly due to Denmark's role as a swing producer in the Nordic electricity market. If CO₂ emissions are adjusted for electricity exchange and inter-annual temperature variations the trend in CO₂ per capita is a 16 per cent decrease from 1990 to 2002.

With Denmark's ratification of the Kyoto Protocol, the major challenge ahead is to achieve a 21 per cent reduction in total GHG emissions in 2008-2012. It will also be a challenge to achieve this target in the most cost-efficient way.

Since the first action plan with the aim of reducing Denmark's CO₂ emissions was adopted in 1990, several CO₂ reducing domestic policies and measures have been implemented – e.g.

A Challenges for Denmark

GOALS AND TARGETS TO BE MET BY DEVELOPED COUNTRIES

measures to promote efficient use of energy and increased use of CHP and renewable energy sources. In order to achieve the target under the Kyoto Protocol in the most cost-efficient way, Denmark will make use of the flexible mechanisms under the Kyoto Protocol as a supplement to domestic action taken in the past and to be taken in the future.

Indicators related to energy, CO₂ emissions and ozone depletion

Figures for Denmark

	1990	1995	2000	2002
Energy use (kg oil equivalent) per \$1 GDP (PPP)	0.172	0.171	0.144	0.144
CO ₂ (metric ton per capita)	10.25	11.72	9.92	10.09
Consumption of ozone-depleting CFCs (ODP tons)	3520*	3	5	1

Source: Danish Energy Agency (Energy Use), Statistics Denmark (GDP and population) and OECD (PPP) : Danish Environmental Research Institute (Carbon dioxide emissions)

* Data for 1989 have been used here because data for 1990 are not available. Source: Danish Environmental Protection Agency

Smokestack in Denmark



Foto: Bo Nymann.

As clearly shown in the table, the use of ozone-depleting CFCs in Denmark has almost been phased out.

As the consumption of ozone-depleting CFCs is almost phased out, the challenge ahead is to prevent emissions to the atmosphere of ozone-depleting substances still present in equipment and materials at their end of life. In addition, support will be given to the developing countries in their efforts to phase out their use of ozone-depleting substances.

Concerning CFC, the challenge will be to phase out the remaining few legal uses in asthma sprays and laboratories.

The phasing-out of ozone-depleting substances in Denmark is a success story. This is due to the Montreal Protocol and to the positive attitude from the public and industry in Denmark led by a common concern for the consequences of a depleted ozone layer.

Productive work for youth

Denmark strongly supports

ILO's Decent Work Agenda

In 2001, ILO was asked by the UN Secretary-General to promote decent and productive work for young people under the Youth Employment Network.

For many years, Denmark has supported ILO's Decent Work Agenda both as a contributor to the regular budget and through substantial extra-budgetary technical cooperation. One of ILO's four strategic objectives under the Decent Work Agenda is to "create greater opportunities for women and men to secure decent employment and income". Particular attention is paid to the skills development and training needs of youth and youth employment creation.

Elimination of child labour has for several years been a priority area for Denmark's extra-budgetary support under the Denmark/ILO Programme Cooperation Agreement. More than half of the 2004-2005 contribution under this agreement will be given to programmes which aim at eliminating child labour. Preventing and eliminating child labour is closely linked to the promotion and creation of decent and productive work for young people. Withdrawing children from the worst forms of child labour, keeping them in school, providing them with good education and skills training, both in the formal and non-formal system, as well as counselling and vocational guidance pave the way for decent employment and income when they grow up. Combating child labour thus has a huge impact on the fight against poverty. It leads to much brighter job prospects and better lives for young people.

Affordable drugs

Upcoming regulation to facilitate poorer countries' access to medicines

Improved access to medicines is a topic discussed by WTO Members in relation to the TRIPs Agreement (Agreement on trade-related aspects of intellectual property rights). Denmark attaches great importance to this debate. At the Ministerial Meeting in Doha 2001, Members adopted a Declaration on the TRIPs Agreement and Public Health which clarifies the flexibility already available to WTO Members when applying national health policies. On 30 August 2003, Members agreed on legal changes that will make it easier for poorer countries to import cheaper generics made under compulsory licensing if they are unable to manufacture the medicines themselves.

A Challenges for Denmark

GOALS AND TARGETS TO BE MET BY DEVELOPED COUNTRIES

All Members of the WTO have responsibility for implementing this decision into their national legislations. The most immediate efforts have to be carried out by countries with manufacturing capacities in the pharmaceutical sector. These countries will have to create a new legal basis in their patent laws to grant compulsory licences for export, according to the conditions set out in the WTO decision of 30 August 2003. An EU Council Regulation to this effect is due to be tabled in the second half of 2004.

It should be noted that the EU (by Council Regulation (EC) No 953/2003 of 26 May 2003) has established incentives that improve conditions for the pharmaceutical industry which exports key medicines at lower prices to poorer countries. The Regulation seeks to prevent trade diversion into the EU of certain key medicines and enable producers to significantly increase supplies of medicines at lower prices to countries of destination as specified in the Regulation, while keeping higher prices for the same items in the EU.

Communication technology

ICT as a tool for poverty reduction

In recent years, the role of information and communication technology (ICT) in poverty reduction has gained prominence on the international development agenda. One important example of this is the World Summit on the Information Society (WSIS), which was held in Geneva in December 2003. A second summit will be held in Tunis in 2005.

Denmark supports the integration of ICT in our common poverty reduction efforts. Denmark is engaged in documenting the relation between ICT and development and is supporting work to further mainstream ICT into the various development assistance sectors. ICT already features in Danish development activities across the board. The *Private Sector Development Programme* manages a series of initiatives suitable for stimulating ICT use in business development.

ICT activities are incorporated in programmes in Vietnam and the Mekong River in the agriculture, fisheries and water sectors. ICT is also used in an agriculture programme in Bangladesh. Furthermore, the use of ICT for education in Nepal, Afghanistan and Bhutan is being introduced.

The potential for ICT-based distance education is recognised, especially for teacher training and the availability of learning materials in minority languages.



Teaching computer technology at a Technical School in Ndola, Zambia

Foto: Jørgen Schytte.

B Common efforts

OTHER EFFORTS VIS A VIS DEVELOPING COUNTRIES

B1 **AID** **EFFECTIVENESS**

Initiatives launched to boost aid effectiveness

Aid effectiveness continues to be a central concern in Denmark's development policy. The overall strategy for Danish development cooperation "Partnership 2000" as well as the Danish Government's rolling five-year strategic plan for Danish development assistance 2004-08 underpin the principle of partner ownership and firmly establishes the partner country's and organisation's own priorities, plans and budgets as the basis to which Danish (and other partners') aid should be aligned.

The Ministry of Foreign Affairs (Danida) has set in motion a number of initiatives to adapt institutionally to the aid effectiveness agenda. By September 2003, the Ministry launched a comprehensive decentralisation of the administration of bilateral assistance.

The key motives are to enhance efficiency and to bring the decision-making processes closer to the partners, thereby facilitating harmonisation and alignment efforts at the national level and, in so doing, improving the quality and efficiency of the Danish supported programmes. A decentralisation of the administration of the multilateral assistance will follow in 2004/2005.

Department for Quality Assurance established

Parallel with the decentralisation, the Ministry of Foreign Affairs in 2003 completed a comprehensive review of the major guidelines and management tools in Danish development aid in order to update and focus the guidelines on key policy issues, such as PRS alignment and flexibility for harmonisation of procedures.

A Department for Quality Assurance was established with the mandate to review the performance of the representations and ensure continuous adaptation of the guidelines as the harmonisation and alignment agenda develops.

A greater emphasis on results-based management in the administration of Danish development cooperation is reflected in new planning and reporting processes and procedures in the bilateral assistance. This includes target setting on harmonisation and alignment in the country programmes. Likewise, strengthening of the results-based management systems is a key issue in the dialogue with the multilateral partner organisations.

Proposal for joint evaluations of multilateral aid

With the objective of enhancing overall monitoring and evaluation of multilateral organisations, while limiting transaction costs to the organisations, Denmark has in the OECD/DAC context presented a proposal for undertaking joint evaluations of multilateral organisations. The evaluations should primarily be based on the organisations' own monitoring and evaluation systems combined with external reviews and reviews by governance bodies with a view to improving coverage rate and increasing efficiency of such evaluations. The purpose is also to enhance the cooperation between multilateral and bilateral donors in the field of evaluation.

Partner countries in international fora have repeatedly called for greater coherence between policies of donor agencies and the activities in the field. Denmark seeks to meet this challenge through target setting, quality assurance and staff training.

Building the capacity of staff in the donor agencies and partner countries to put into practice the principles for harmonisation and alignment is a key challenge. In this regard, the OECD/DAC Working Party on Aid Effectiveness is an important forum for establishing joint learning processes and knowledge sharing. In a separate Nordic+ initiative, efforts are underway to establish joint in-country courses for donors and partners.

Progress can be recorded in country ownership of the harmonisation and alignment agenda in most Danish priority partner countries. It is important to monitor, however, when these efforts are translated into a reduction in the transaction costs, particularly for the partner governments, and analyse what additional initiatives are required to speed up this process.

Harmonisation-in-Practice initiative in Zambia

In 2003, seven donors signed an agreement with the Zambian government comprising a number of commitments on both sides to further the harmonisation and alignment agenda and put in place the building blocks for improved coordination and effectiveness. Since the agreement was signed, the Zambian government has taken ownership of the process and in March 2004 a new agreement was signed between Zambia and a wider group of ten donors to further the process.

B Common efforts

OTHER EFFORTS VIS A VIS DEVELOPING COUNTRIES

Harmonisation and alignment

Joint action plan on harmonisation

The Rome Declaration of February 2003 commits donor countries to respect the development priorities of partner countries and to harmonise efforts with other donors' assistance on the basis of the partner countries' own procedures. The intention is to promote the ownership by the partner countries of the development process and to reduce the administrative burden related to aid administration imposed on them.

Following up to the Rome Declaration, Denmark – together with Finland, Ireland, the Netherlands, Norway, Sweden and the United Kingdom – endorsed a joint action plan on harmonisation.

The action plan comprises a number of strategic and concrete actions to speed up and facilitate the harmonisation and alignment process with a focus on the country level. As a concrete result, the group of countries have developed a common guide for joint-financing arrangements, which has been shared widely with donor partners through OECD/DAC.

Untying Official Development Assistance

Denmark believes that development assistance must be as effective as possible. Therefore, in principle, it should not be tied to conditions concerning the procurement of goods and services in the donor countries. As a definite step towards untying development assistance, the Danish Government decided that as of January 1, 2004 the rules contained in EU procurement directives are to be applied when goods, services and construction projects are purchased by Denmark for development assistance purposes. Efforts continue in the OECD/DAC and under the auspices of the EU to untie donor country assistance. These efforts are supported by Denmark.

B2 OTHER NON-OFFICIAL RESOURCE FLOWS

Remittances

Promote smooth financial transactions without compromising safety

Globally, remittances from people working in foreign countries are estimated to exceed development aid substantially. As seen from the data below, this is clearly not the case for Denmark, although remittances are estimated to have grown in recent years.

A main challenge is how to maximise the development impact of remittances. Remittances are often sent to middle class citizens in developing countries, and not mainly to the poorest. Ways to encourage investing remittances in development-enhancing projects could be explored further.

Facilitating remittances has become more difficult in recent years. This is mainly due to the laws laid down against financing of terrorism, which have an impact on the procedures of making financial transactions. A challenge is how to combine the need for smooth transaction mechanisms with fighting financing of terrorism.

Figures for Denmark

Indicators related to non-official resource flows	1990	1995	2000	2002
Volume of remittances by migrants (US\$ million)	-	-	243	297
Volume of Foreign Direct Investment to developing countries (US\$ million)*	59	74	140	472
Foreign Direct Investment to developing countries as a percentage of GNI *	0.05	0.05	0.08	0.29
Grants by Private Voluntary Organisations/ NGOs/Foundations as a percentage of GNI	0.02	0.02	0.02	-

Source: IMF, OECD (Remittances: Statistics Denmark)

* Calculated on a 3-year average basis for 1989-91, 1994-96, 1997-99 and 2000-02

The Ministry of Foreign Affairs has financed a research project in 2001-03 on migration issues. The study was undertaken by the Danish Institute of International Studies and among other things explored the development dimensions of migrant transfers. This was done through a general (global) analysis, supplemented by country studies in Morocco and Somalia/ Somaliland.

NGO assistance

More than DKK 1 billion administered by NGOs

Although there are no requirements regarding own financing, Danish NGOs make their own contributions both for development projects as well as humanitarian activities. In the case of the smaller NGOs, this takes not least the form of voluntary work connected with project and information activities. A number of the larger NGOs likewise provide own financing by means of fund-raising and membership fees.



B Common efforts

OTHER EFFORTS VIS A VIS DEVELOPING COUNTRIES

Danish NGO project in
Catandica, Mozambique.



Foto: Lars Grundwald.

In 2000, the six NGOs having framework agreements with the Ministry of Foreign Affairs, and constituting a very substantial part of the total NGO assistance, raised revenues of USD 29.3 million, mainly from fund-raising activities in connection with humanitarian efforts, adding up to approximately 20 per cent of the total funds of the organisations. In 2003, the figure for these NGOs was USD 43.9 million.

In 2003, Danish NGOs received approximately USD 131.7 million from the official aid budget. This enabled them to carry out activities targeted at strengthening civil society in developing countries with the aim of reducing poverty, and with particular emphasis on promoting popular participation in the development process. Furthermore, they received USD 42.1 million in support for humanitarian initiatives.

The most important challenge for the NGOs is to raise the quality of their assistance. They need to focus their efforts on strengthening the capacity in local civil societies in the developing countries, at the same time as preserving and further developing the widespread knowledge in Denmark of the developing countries and development assistance.

Popular foundation should be strengthened

Danish NGOs will also have to invest considerable energy and resources in meeting the stricter requirements concerning professional capacity in measuring performance and knowledge of the countries concerned to ensure the quality and efficiency of their assistance. A number of NGOs should make more systematic, well-planned efforts than previously to strengthen their popular foundation and their information activity in Denmark.

On the basis of their ties with Danish civil society, Danish NGOs are in a special position to establish working relations and partnerships with civil society in developing countries. Danish NGOs have built up a broad network of working partners and it is anticipated that NGOs in the future can also play a central role in the efforts to strengthen civil society organisations in developing countries.

C Topical issues

Whereas Goals 1-6 – and to some extent Goal 7 – constitute obligations for the developing countries to make sure that the national poverty strategies and the national budgets are designed to steer the development process towards the implementation of the MDGs, Goal 8 represents the corresponding obligation on the part of the developed countries to provide technical and financial assistance as well as assistance in a whole range of other ways to the developing countries' efforts to implement the first seven goals.

In the preceding parts of this report, the state of the Danish implementation of its obligations under Goal 8 has been presented. However, the overall Danish development strategy has been established in the light of the Millennium Declaration in its entirety. Consequently, Danish development policy, multilaterally as well as bilaterally, is closely linked not only to Goal 8 but to each of the first seven MDGs as well.

Part C of this report deals with three topical issues where Danish development policy is closely guided by the MDGs: health, education, and gender

C1 **HEALTH**

Health

Reproductive health and the fight against HIV/AIDS

Three of the eight MDGs deal with health. These goals set specific targets for reducing maternal mortality, combating HIV/AIDS and other infectious diseases, and reducing child mortality.

As a reflection of the importance the Danish Government attaches to reaching the MDGs, the support for improving health conditions, including combating HIV/AIDS and population issues, are key priorities in the Government's Vision for New Priorities in Danish Development Assistance, 2005 – 2009 "Security, Growth – Development".

Danish development assistance within health is focused on building strong national systems for the provision of basic health care services. Well-functioning health systems at central and district level are seen as a prerequisite for both basic health care and the more disease specific interventions.

Although sexual and reproductive health and rights are not directly mentioned among the MDGs Denmark regards the implementation of the Programme of Action

adopted at ICPD as critical for the achievement of the MDGs.

Expected increase in share of bilateral aid allocated to health

Denmark supports the health sector in seven of the fifteen programme countries receiving Danish bilateral assistance. The support is channelled through the national sector programmes and addresses issues such as health sector reform and district health care.

In 2003, 11 per cent of the Danish bilateral support went to health and is expected to increase to 12 per cent in 2008.

The HIV/AIDS pandemic is increasingly affecting the development prospects of the hardest hit countries, especially in Southern Africa, where Denmark in several countries is a substantial donor. The impact of the pandemic stresses the need to adopt broad-based strategies for the fight against HIV/AIDS, aimed not only at the health sector but also at other key sectors, such as education, agriculture and infrastructure. This broad-based multisector, approach forms the basis for the Danish strategy in the fight against HIV/AIDS in the development assistance.

The foundation for Danish supported HIV/AIDS interventions is the national plans in the fight against HIV/AIDS. In addition, Denmark maintains that activities at country-level must be well co-ordinated in order to avoid duplication of efforts and high transaction costs for the national administration.

Danish supported activities in the area of both HIV/AIDS and reproductive health focus on women and youth. An example is support for reproductive health within the health sector programme in Mozambique, where youth-friendly health clinics have been established.

The Government has decided to further increase the bilateral efforts to combat HIV/AIDS by allocating additional USD 3.8 million annually during the years 2005 – 2008.*

Checking blood for HIV at the Health Care Center in Ndola, Zambia.



Foto: Jørgen Schytte.

* DKK/USD exchange rate: OECD/DAC average 2003 (6.5766)

C Topical issues

Denmark is a strong supporter of several international organisations working in the area of health, reproductive health and HIV/AIDS, such as WHO, UNFPA, UNAIDS and the Global Fund. The Government has decided to allocate another USD 6.8 million in 2005 to the work within health and population through the UN and other international organisations with a particular focus on the fight against HIV/AIDS as well as the promotion of sexual and reproductive health and rights.*

The dialogue with the organisations focuses on their involvement in partnerships and coordination, their support for vulnerable populations, such as women and children, and the mainstreaming of the MDGs (especially Goals 3, 4, 5 and 6) into the strategic frameworks of each organisation.

C2 **EDUCATION**

Education

Denmark expands support to education sector development

Education is not only a goal in its own right – education has a far-reaching impact on the development process as such. Therefore, Denmark has decided to considerably expand the support to the development of the education sector. Denmark's support for all educational development activities is based on Education-for-All (EFA) goals, the Dakar Framework for Action, and the MDGs (especially Goals 2 and 3), which Denmark is committed to help realise.

In its approach to development, and in line with the EFA goals, Denmark works to ensure the necessary balance between qualitative and quantitative elements. This implies better access to education through the provision of adequate school facilities as well as improvements in content and quality, e.g. through improved curricula, enhanced professionalism of teachers and capacity building at all levels of education systems. In this respect, institutional capacity building is of particular importance for helping to achieve the long-term objective of sustainability.

Bilaterally, the aim is to allocate 15 per cent of Danish bilateral aid to education in 2008. As from 2007, education will be the single largest sector to receive Danish bilateral development assistance and funding.

New bilateral education sector programmes will be initiated in five programme countries: Benin, Burkina Faso, Bolivia,

Nicaragua and Bhutan – in addition to ongoing programmes in Mozambique, Nepal and Zambia as well as transitional education programmes in Afghanistan and South Africa.

Multilaterally, Denmark continues to support and cooperate with UNICEF, the World Bank, UNESCO, among others.

Denmark supports UNICEF’s holistic approach to girls’ education, whereby UNICEF in partnership with national governments and other major donor agencies, especially the World Bank, are engaged both at community level and at the national level in supporting girls’ education.

Adult teaching in Noakhali, Bangladesh.



Foto: Jørgen Schytte.

Support to and cooperation with UNESCO focuses on assisting development countries to produce, strengthen and implement their national Education-for-All plans of action.

C Topical issues

The importance of civil society engagement

Cooperation with and support for the development of civil society in developing countries has always been an integral part of Danish development cooperation. In recent years, there has been increasing focus on the role of civil society in the development process.

In the area of education, Danish NGOs through their local counterparts perform an essential task as advocates of people's right to education, and also an important role in influencing educational policy reforms. Furthermore, Danish NGOs through their local counterparts provide education for children and adults who have no access to the formal educational system. It is estimated that 20 per cent of the Danish support to NGOs (equal to USD 30 million per year) is used for advocacy and activities related to education.

C3 **GENDER**

Gender

Gender equality as a catalyst for health improvement

The promotion of gender equality between women and men is an important objective of the Millennium Declaration and is reflected separately in Goal 3. The target is to eliminate gender disparity in primary and secondary education, preferably by 2005, and at all levels of education no later than 2015.

Clear links can be established between investment in education for girls and women and improvements in health; children's education; nutrition; productivity and economic growth as well as reductions in child mortality; population growth rates; and poverty. Thus, apart from being a human rights objective in itself, improvements in the status of women and promotion of gender quality are important means to reducing poverty and central to achieving all of the MDGs.

Gender equality is a cross-cutting issue in Danish development policy and development assistance.

Gender Equality Strategy

In 2002, the Danish Government on a pilot basis allocated DKK 70 million to projects on gender equality and poverty reduction. A number of concrete interventions were made in Bolivia, Benin, Ghana, Tanzania and Mozambique on women's rights; on elimination of violence against women; on engende-

ring PRS; on gender and education and health, including HIV/Aids; and on micro credits, small enterprises and trade. Lessons learnt from the projects were fed into the new “Strategy for Promoting Gender Equality Between Women and Men in Danish Development Cooperation”, which was launched in August 2004.

The strategy is based on the international framework on gender equality, such as the relevant Human Rights Conventions, CEDAW, ICPD, the Beijing Declaration and Platform for Action, the Millennium Declaration and the MDGs. The objective of the strategy is to promote gender equality in rights, access to and control over resources, and access to political and economic influence. In terms of methodology, the strategy applies a combination of gender mainstreaming and special interventions to promote the overall strategic objective. The importance of local ownership and of establishing strategic partnerships between relevant actors – governments, bilateral and multi-lateral donors, NGOs, the media, the private sector, research institutions and parliaments – are underlined.

Geographers mapping the forest districts, Accra, Ghana.



Foto: Jørgen Schytte.



C Topical issues

The strategy will be implemented at country level and through international cooperation. The latter encompasses the normative, political and legal work in the relevant UN bodies as well as cooperation with international organisations and international and regional NGOs. Finally, special policy issues, such as women, peace and security, are included. Emphasis is put on promoting synergies between bilateral and multilateral development assistance, where possible and feasible.

In Uganda, Denmark, in partnership with relevant ministries, women's NGOs and other bilateral and multilateral donors, has contributed to efforts to improve the integration of the gender dimensions into the revision of the Ugandan PRS. The approach chosen is in line with the new strategy.

In the multilateral arena, all the international organisations with which Denmark cooperates are committed to Beijing and the Platform for Action as well as the MDGs. Denmark continuously strives to make the international organisations strengthen the implementation of this commitment with the view to ensuring that Danish financial allocations to the development banks, the UN organisations and the EU are supportive of both Goal 3 and of integrating gender into all MDGs.

Danish Ministry of Foreign Affairs
Danida

Production:

© 2004

Ministry of Foreign Affairs
2, Asiatisk Plads
DK-1448 København K
Denmark
Phone: +45 3392 0000
Fax: +45 3254 0533
E-mail: um@um.dk
Internet: www.um.dk

Design and print:

Schultz Grafisk

Cover Photos:

From left:

Photo 1: Nana Reimers

Photo 2: Mikkel Østergaard

Photo 3: Ernst Tobisch

The publication can be ordered from:

Danish State Information Centre
www.danida-publikationer.dk
Phone: +45 7010 1881

ISBN:

Print version: 87-7667-095-3

Internet version: 87-7667-096-1

