The Development Assistance Committee (DAC) of the OECD met on 28 February 1992 under the chairmanship of Mr. Alexander R. Love to review the development assistance efforts and policies of Denmark. The Danish Delegation was headed by Mr. Bjarne H. Sørensen, Under-Secretary in the Ministry of Foreign Affairs. The examiners were France and Ireland.

The Committee welcomed the sustained growth of Danish aid. In 1990, net ODA disbursements of Official Development Assistance (ODA) increased by 2.4 per cent in real terms to the equivalent of $1 171 million which corresponded to 0.93 per cent of GNP. Denmark ranked third in 1990 among DAC Members with respect to the ODA/GNP ratio, following Norway and the Netherlands. The average annual increase of Danish aid over the past decade was 4.7 per cent in real terms. Furthermore, the Committee noted with appreciation that the Danish 1 per cent ODA volume target should be achieved with the recent approval by Parliament of the budget for fiscal year 1992.

The Committee welcomed Denmark’s strong support for multilateral institutions, the high concessionality of its aid terms, the concentration of bilateral ODA on low-income developing countries and the attention given to fuller integration of women into the development process. The Committee noted with satisfaction the enhanced involvement of NGOs in the development co-operation process, particularly against the background of the greater emphasis Denmark is now placing on popular participation.

The Committee noted that procedures aimed at ensuring that environmental aspects be taken into consideration had been strengthened, notably through intensified staff training, increased environmental expertise at several field offices and the adoption of an environmental action plan containing strategies for individual sectors and recipient countries. The Danish authorities considered staff resources devoted to environmental issues adequate in relation to the objectives laid down in this action plan.

The Danish Delegation informed the Committee of the implementation of the various initiatives under the 1989-93 Plan of Action for Danish development co-operation. It also elaborated on the restructuring of the aid
administration and its impact on aid policy and policy coherence in Danish relations with developing countries. The Committee welcomed the Danish effort to introduce a more coherent approach in programming ODA activities in the recipient country, based on comprehensive country strategies, which had been prepared for twelve programme countries and for two regions. Furthermore, it noted with appreciation that the Danish authorities would pursue a more integrated approach to Denmark’s relations with the developing countries to the effect that development co-operation, trade, private investments as well as political aspects would be integrated in a coherent set of policies.

Promotion of the respect for human rights, democratisation, good government and restraints in excessive military expenditures have been given increasing emphasis in the planning and implementation of Danish development aid. The Committee was interested in the Danish experience in fostering development in this area, inter alia through specific aid projects, by considering human rights as one of the major criteria in the selection of new programme countries and by raising this issue in its annual consultations with recipient countries. The Danish authorities are taking a firm position in requesting from recipient countries certain policy performance in these areas. They are prepared to consider measures such as funding through alternative channels, e.g. NGOs, and reduction or suspension of development co-operation.

As concerns programme assistance, including commodity aid, the Danish authorities agree that this type of assistance should, in principle, support measures spelled out in structural adjustment policies which are co-ordinated and supported by the World Bank. The Committee noted with interest that Denmark was in the process of undertaking a review of policies and procedures related to programme assistance in order to bring these in line with the DAC Principles for Programme Assistance, which stress the need for an internationally co-ordinated approach in this context.

The Committee noted the progress made since the last Aid Review in 1989 in respect of increased flexibility in Danish procurement policies as a step in the right direction and would welcome further action in this area.

Denmark has supported population activities primarily through multilateral channels such as UNFPA and IPPF. Danish contributions to UNFPA have increased by over 50 per cent in real terms to some $15 million between 1985 and 1990, while bilateral contributions have remained limited. The Danish policy orientation in this field is aimed at further integration of family planning into a broader health programme and supporting wider co-ordination and integration of donor activities, multilateral and bilateral, at the national and international levels. The Committee welcomed these efforts and policies. Recalling the 1990 Conclusions on Population and Development, it encouraged Denmark to explore ways of further strengthening population activities, in particular by taking more pro-active measures such as conducting active policy dialogues in this field and leading local aid co-ordination.