PEER REVIEW ON DEVELOPMENT FINANCE STATISTICS

DENMARK
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Executive Summary

The Peer Review on Development Finance Statistics of Denmark was carried out from 2-6 September 2019. The review team consisted of representatives from Norway and United States as well as four staff from the Secretariat. Representatives from Iceland and Romania participated as observers. The review covered the seven dimensions, namely: statistical policy issues, domestic data collection; statistical reporting; performance on DAC recommendations and international commitments; transparency; data accessibility; and publication of statistics. The report presents the key findings of the review summarised below.

The Technical Quality Support Unit (KFU) of the Ministry of Foreign Affairs is knowledgeable on ODA eligibility issues. The KFU has the mandate to collect and compile financing for development data and to control ODA eligibility of activities funded from the ODA budget. However, the training of project officers in this area appears insufficient, as they face challenges in adhering to the ODA eligibility criteria. Maintaining the integrity of ODA could become more complex, given Denmark’s strategy The World 2030 that emphasises the linkages between the Danish domestic priorities and challenges that developing countries are confronted with.

Denmark impressed with its advanced IT systems and automated tools for managing development co-operation and tracking financial commitments. The MFA’s IT platform has been designed with a service-oriented architecture that offers a great degree of flexibility in terms of modules and customised interfaces with very specific functions. Thus, each application requires little IT expertise, but is understandable to all programme officers as forms and workflows that represents the formal procedures and instructions. The data drawn from different systems are brought together in an integrated management system, in which visual interfaces have been designed to ease the workflow of the programme officers throughout the lifespan of the projects.

Denmark has a strong interest in validating its financial figures, but little emphasis is placed on quality assurance of the statistical dimensions at the activity level. As Denmark has its system almost completely automated, there are no manual quality controls of the purpose codes or policy markers (with the exception of the Rio markers on climate change). The purpose codes are filled in by programme officers, but not quality assured by any statistical team. Several purpose codes had to be changed ex-post in CRS data for 2018, upon suggestion by the Secretariat, to better reflect their descriptions. Policy markers are not a priority in Denmark, and no training is offered to programme officers on how to assign policy markers.

Denmark supports the development of the broader Total Official Support for Sustainable Development (TOSSD) statistical framework and created a new database for TOSSD data. The MFA expects difficulties in tracing TOSSD-eligible activities in other ministries, especially in ministries that do not report on ODA Denmark’s response to the first TOSSD survey was not exhaustive in this regard, but they expect to report better data next time. In the survey, non-ODA TOSSD-eligible activities had been reported at the SDG target level, and manual checks had been made to improve the data quality and robustness of the information in the descriptive fields. The reporting team created a new database for TOSSD data which were collected in Excel format from relevant departments. KFU would also like to explore the possibility of pulling partner data for TOSSD reporting from IATI. In the future, the Ministry will consider launching the data call through leadership to increase visibility and encourage other ministries to fully report.

The peer review team was impressed by how automated the IATI reporting process is. The various initiatives, such as the CSO receipt reporting and Grand Bargain humanitarian reporting demonstrate how
IATI data can be leveraged creatively.

**The website Openaid.dk displays Denmark’s aid activities.** However, the tools to explore the data are quite limited and do not seem to be frequently used by neither the communication department nor the CSO community.

**Key recommendations:**

**ODA eligibility**
- Denmark is encouraged to organise regular trainings to ensure that programme officers at MFA are well aware of what can be reported as ODA and to prevent any risks of loss of institutional memory related to possible staff turnover.

**IT architecture**
- With its sophisticated IT-systems, Denmark is encouraged to share good practices with other WP-STAT members.

**Quality assurance**
- Denmark is encouraged to consider offering formal or informal training to MFA programme staff on how data flow through the integrated interfaces and highlight the key data entry points. Denmark could enhance existing resources to help reduce coding errors and increase data quality. For instance, KFU could provide a toolkit with related training materials on its intranet page.
- KFU should work to progressively improve the quality of descriptions and refrain from using Danish language in “short descriptions” (Danish can be used only for “long descriptions”). Denmark assured that it will deliver better descriptive information, alongside the SDG-reporting starting from 2020 data.
- In order to prevent future reporting issues, Denmark should systematically use the Secretariat’s macro to identify and remove errors from their CRS report. Additionally, creating a check-list with common reporting problems could avert some regular mistakes or at least diminish their number.

**TOSSD reporting**
- Denmark is encouraged to continue its efforts on TOSSD reporting. While the right IT structures are in place for TOSSD, it could consider establishing an inter-agency TOSSD team to ensure the quality of the reporting and to discuss ODA and TOSSD in a whole-of-government setting.

**Transparency and IATI data**
- Denmark should share lessons learned from its use of IATI data for UN OCHA’s Financial Tracking Service reporting with the broader data community and highlight how these data can be used for in-country donor landscape mapping.

**Data accessibility**
- Denmark is encouraged to support a second version of the openaid.dk website to make the interface more user-friendly and add new features to the site. Improvements to the website could also stir up further interest by the public on development co-operation.

**Publication of statistics**
- Denmark could also consider identifying creative projects to help disseminate aid data and raise better awareness around development co-operation activities, including through sharing programmatic results data using storytelling methods.
Introduction – Overview of Denmark’s development co-operation, key priorities and the budgeting process

1. Denmark’s development co-operation policy and humanitarian strategy, *The World 2030*, is an integral part of Denmark’s foreign and security policy. It emphasises the linkages between the Danish domestic priorities and challenges that developing countries are confronted with, presenting a vision whereby “a safer, freer and more prosperous world makes for a prosperous and safe Denmark” (Ministry of Foreign Affairs of Denmark, 2018[2]). The policy is articulated around four strategic objectives: (1) security and development, comprising peace, stability and protection; (2) migration and development; (3) inclusive, sustainable growth and development; and (4) freedom and development, incorporating democracy, human rights and gender equality (DANIDA, 2017[1]). The objectives are crystallised in the expenditure framework that the Government presents every year to the Parliament, establishing the priorities and budget allocations of Danish development co-operation over the three following years.

2. The policy pursues the sustainable development goals (SDGs) in a geographically differentiated manner. Denmark follows a tailored approach. It also considers that, as more sources of financing become available for partner countries, financial flows become less crucial than other forms of engagement. Denmark groups partner countries in three categories, which reflect the context and the objectives Denmark aims to achieve through the support it provides (Figure 0.1). These are: (1) poor and fragile countries as well as regions characterised by fragility; (2) poor stable countries; and (3) transition and growth economies. For instance, Denmark’s priority countries include Afghanistan, Bangladesh, Myanmar, West Bank and Gaza Strip as well as countries in the Sahel and the Horn of Africa (e.g. Burkina Faso, Mali, Niger, Somalia) as well as Tanzania, Kenya, Uganda and Ethiopia (DANIDA, 2017[1]). In 2017, Denmark’s bilateral ODA was primarily targeted to sub-Saharan Africa and Asia reflecting an increased focus on fragility.

**Figure 0.1. Prioritised SDGs by country category**

Poor fragile countries and regions characterised by fragility

![Prioritised SDGs for poor fragile countries and regions](image)

Poor stable countries

![Prioritised SDGs for poor stable countries](image)

Transition and growth economies

![Prioritised SDGs for transition and growth economies](image)

Source: Information provided by MFA (2019)
Institutional architecture

3. The Minister for Development Co-operation bears the prime responsibility for Danish international development co-operation in conformity with the International Development Co-operation Act (no. 555 of 18/06/2012). The Minister of Foreign Affairs and the Minister for Development Co-operation jointly lead the Ministry of Foreign Affairs (MFA) (Ministry of Foreign Affairs of Denmark, 2012[4]). The MFA manages about 90% of the country’s ODA budget, while the remaining 10% come from other departments of the Danish Government (OECD, 2019[3]).

4. The MFA follows an integrated organisational structure to ensure consistency in the promotion of Denmark’s international interests across six different areas of activity that range from general foreign policy to administration of development assistance. Danida is still the “brand name” of Denmark’s development co-operation, but it is no longer an agency or an organisational entity. The geographical, functional or customer-focused orientation of the MFA is visible in the organisation chart (see Figure 0.2), where departments are divided into nine “professional hubs”, one of them being development co-operation (Ministry of Foreign Affairs of Denmark, 2018[5]). Certain departments are primarily entrusted with responsibilities concerning development co-operation (coloured red in the Figure), while others are involved in that realm to a lesser degree.

Figure 0.2. Organisational architecture

Source: Information provided by MFA

1 The Ministry maintains the designation of Danida as it is associated with Denmark’s “long tradition of development co-operation and assistance” (DANIDA, n.d.[7]).
5. In contrast to a highly integrated organisational structure, the administration of Denmark’s bilateral ODA in priority countries is decentralised and context-specific. For programmes to meet the particular needs of partner countries and the priorities set in the development co-operation policy and humanitarian strategy, the design of country policy papers and implementation of country programmes is managed through the Danish representation abroad. For instance, Danish embassies draft country policy papers to provide an assessment of the partner country and propose consequent strategic objectives that, including development co-operation, articulate additional areas of activity. These are subsequently presented for comment by one of the Ministers and for discussion by the Parliamentary Foreign Affairs Committee (URU). The Minister approves the final versions which can be shared with the different stakeholders (DANIDA, 2018[8]). Denmark is managing an increasing share of ODA from Copenhagen (Figure 0.3) due to the change in the nature of the support, in particular for humanitarian aid, regional support and multilateral support. All country-related activities are managed by embassies with few exceptions.

![Figure 0.3. Budget appropriations managed by embassies and headquarters](image)

Source Information provided by the MFA.

The budgeting process

6. The allocation of resources to Danish development co-operation programmes and instruments is framed in the Finance Act. The MFA prepares the proposal with contributions from Danish representations. This is first examined by a Government Steering Committee, which also prepares a draft of the budget allocations to be included in the Finance Act. The proposal then follows the legislative procedure for it to be debated and adopted by Parliament. The resulting expenditure framework is disseminated in the yearly publication “The Government’s Priorities for Danish Development Cooperation”, which provides an overview and details the ODA budget for five years – the year of reference, the previous year and the three following years (Ministry of Foreign Affairs of Denmark, 2018[2]).

7. The Finance Act is approved on a yearly basis. Its preparation starts in March with a hearing to all relevant entities in the MFA. The proposal is published in August and Parliament debates are held in
October. The final vote to approve the budget takes place in December. If approval is not secured, a temporary law is expected to be passed in the interim.

8. Denmark allocates 0.7% of its gross national income (GNI) to ODA. In 2018, Denmark was the fourth most generous donor in terms of ODA/GNI ratio among the members of the Development Assistance Committee (DAC) (OECD, 2018[9]). The country reached the 0.7% ODA/GNI target for the first time in 1978 and is one of the few DAC members that have met or exceeded the target since then (DAC, 2016[10]). Although for many years Denmark surpassed the target, in 2015 the budget for development co-operation was sharply decreased as it was adjusted to meet the exact target of 0.7% (Ministry of Foreign Affairs of Denmark, 2016[11]).

9. In the Finance Act, the budget for development co-operation is set to reach the 0.7% ODA/GNI target on a commitment basis (see Annex). The MFA monitors the target on both commitment and disbursement bases. To achieve the target, the Minister of Development Co-operation has competence to shift specific budget resources (reserves) during the year as needed. Changes throughout the year are passed through new resolutions while end-of-year adjustments to commitment frames require legislative approval.

10. With the exact 0.7% ODA/GNI target, multi-year commitments have become increasingly challenging to manage. At the same time, the increase of in-donor refugee costs in ODA has reduced available funds for other development co-operation activities and their fluctuation generates volatility. To address the uncertainties resulting from this and variations in GNI estimates, the Government introduced an adjustment mechanism in 2017 (Ministry of Foreign Affairs of Denmark, 2017[12]) to enable a margin of action in particular circumstances.

11. Through the adjustment mechanism, any insufficient commitments/provisions to reach 0.7% by the end of one year (commitment basis) are added to the following years’ volumes, so that further funds can be allocated to still attain the 0.7% target on average. The adjustment mechanism is asymmetric regarding fluctuations in refugee costs, allowing for unexpected increased refugee cost to be adjusted for in the following fiscal years. As regards country programmes, which are conceived with a 5-year time-frame even for countries that face high levels of unpredictability, programme planning might incorporate up to four different scenarios that could entail shifting objectives and levels of engagement. For programmes above DKK 39 million, a share of funds can be unallocated upon approval and included in the budget as contingencies to cover “unforeseen expenses for planned activities”. Additionally, Denmark allows for reallocations within programmes without the approval of the Under-Secretary of Development Policy in cases where they represent below “10 percent of the average annual disbursement budget of the thematic programme” (Ministry of Foreign Affairs of Denmark, 2019, p. 44[13]).
1. What are the main statistical policy issues?

1.1. Verifying the ODA eligibility of activities funded from the ODA budget

12. The Technical Quality Support Unit (KFU) of the MFA has the mandate to collect and compile financing for development data from all departments and to control ODA eligibility of activities funded from the ODA budget. In case of doubt on ODA eligibility, the departments are expected to contact the KFU team for advice already in the project design phase.

13. The peer review team and KFU senior advisors met with MFA staff to discuss the challenges in adhering to the ODA-eligibility criteria, especially for reporting on public goods, peace and security activities as well as migration assistance, which are all strategic objectives of Denmark’s development cooperation policy The World 2030. The Secretariat’s presentation included specific examples to emphasise the distinctions between activities that are ODA-eligible and those that are not.

14. MFA staff commented that the “restrictive nature” of the ODA definition made it difficult to engage private sector partners in Danish ODA activities. They also asked the Secretariat about its decision-making process related to ODA-eligibility assessments. In this regard it was clarified that these assessments are based on a variety of information, including activity titles, descriptions, semi-automated tests, sector code checks and keyword searches that identify non ODA-eligible activities. On multilateral ODA, the Secretariat described the detailed analyses it undertakes when considering adding new organisations to the List of ODA-eligible international organisations (Annex 2 of the Reporting Directives). The enforcement of ODA-eligibility criteria could be challenging, however. The Secretariat noted that the new TOSSD measure would hopefully relieve pressure from donors to shoehorn all their international co-operation in the ODA measure. In particular, a mechanism for reporting on support to global public goods via TOSSD pillar 2 should reduce the pressure for including such activities in ODA.

Specific points discussed:

- **Peace and security:** MFA programme staff flagged examples of peace and security projects, which involve the Ministry of Defence but have a long-term objective of creating a stable environment for economic and social development in recipient countries. Some MFA programme staff communicated their frustrations with what they view as restrictive ODA-eligibility criteria for security assistance and advocated for the inclusion of more security-related activities in Danish ODA reporting. KFU expressed the view that military-implemented security activities are not directly linked to the delivery of development assistance and should therefore not be included in Danish ODA portfolio. The Secretariat suggested that the online ODA Casebook could help to evaluate the ODA-eligibility of security assistance programmes.

- **Migration:** MFA staff asked about the ODA eligibility of border information systems for recipient countries. The Secretariat noted that capacity building for border management was ODA-eligible

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and was explicitly mentioned in the new migration purpose code. However, the eligibility of the “surveillance” components of such programmes could be questioned as they could primarily aim at protecting the borders of the provider countries.

- **Human rights:** MFA staff also inquired about the assessment of the ODA eligibility of human rights activities. The Secretariat responded by citing two examples of the work by the United Nations High Commissioner for Human Rights (OHCHR): OHCHR-commissioned human rights studies are not ODA-eligible, but the implementation of human rights programmes by OHCHR in developing countries is ODA.

- **Development aid to Syria:** MFA staff asked about the ODA eligibility of development aid to Syria that for security and logistical reasons physically takes place in Copenhagen. The Secretariat clarified that such activities could be ODA, as the venue of performance of the activity, as long as it benefitted Syria, would not change its ODA eligibility.

*Observations by the peer review team:*

- KFU is knowledgeable on ODA-eligibility issues but the training of project officers in this area appears insufficient.
- Given that Denmark’s strategy *The World 2030* emphasises the linkages between the Danish domestic priorities and challenges that developing countries are confronted with, maintaining the integrity of ODA could become more complex.

### 1.2. In-donor refugee costs

15. Over the last few years, the Danish Parliament has allocated large amounts of funds for in-donor refugee costs, which led to cancelling plans for other programmes. As the expenditures did not materialise at the expected level, some of these funds were transferred to other priorities in 2017, 2018 and 2019.

16. The Ministry of Immigration and Integration is in charge of calculating the ODA figures for in-donor refugee costs. Unfortunately, this Ministry was not able to participate in the Statistical Peer Review to discuss the issue in detail. Denmark was due to share its methodology on calculating in-donor refugee costs in ODA by June 2019. However, there was a delay due to a change in Government and the fact that it had not yet approved the Finance Bill for 2020. Denmark will share its model in the first quarter of 2020.

### 1.3. Calculation of ODA costs for representations abroad

17. As of 1 January 2017, all employees who have access to the MFA network must register their work hours on the MFA’s registration frame on a daily basis. These registrations are made in order to comply with the requirements of the Ministry of Finance for continuous statements on costs related to cross-cutting support functions at the MFA. In addition, the registrations serve to determine the fees for chargeable transaction costs and consular services.

18. The registration frame (see Figure 1.1.) reflects the main objectives of the MFA under the Finance Act as well as the cross-cutting objective on general administration and management. These are briefly defined as follows:

0. **General Management and Administration:** Overhead tasks (management, financial management, HR, facility services and IT) related to the organisations as a whole and not a specific main purpose.
1. **General foreign policy**: Covers all tasks related to general foreign policy, security policy, EU-policy, public diplomacy.

2. **Administration of development assistance**: Covers all tasks related to the administration of development assistance, i.e. policy issues related to development assistance, the administration of grants, communications regarding development assistance.

3. **Export and investment promotion**: Covers all tasks related to export and investment promotion, both chargeable and non-chargeable, i.e. trade policy, investment policy.

4. **Consular services**: Covers all tasks related to consular services, both chargeable and non-chargeable, i.e. the handling of applications for visa, citizenship, residence and work permits, passports, attestation and certification, personal assistance to Danish citizens abroad.

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**Figure 1.1. MFA registration frame**

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19. The ODA-eligible administrative costs for representations abroad are calculated on the basis of the time registered against Finance Act objective 2 – administration of development assistance. In addition, the proportional share of the cross-cutting objective on general administration and management is included as ODA-eligible administrative costs (see objective 0).

**Observation from the peer review team:**

- The peer review team was impressed with Denmark’s time registration system to identify ODA costs for representations abroad.
1.4. Private sector instruments (PSI)

20. The peer review team met with IFU, the Danish development finance institution (DFI). IFU shared its perspective on Danish reporting to the DAC, including on mobilisation of private capital, additionality and other issues. The issues around untying were also discussed during this session (see dimension 4).

21. IFU also operates as a fund manager. This “dual role” is interesting, as IFU may receive capital injections from the Government, but the Government may also directly invest in a fund that IFU sets up. An example is the SDG-Fund which has attracted both private and public investors (60% and 40% respectively). IFU is focused on mobilising private capital, especially pension funds and some family capital.

Reporting on private sector instruments by IFU

22. At the time of the statistical peer review, no information on additionality had been reported on IFU’s individual investments through the CRS. Neither had it provided the self-assessment of ODA eligibility of IFU. IFU stated that it would rectify both these issues, starting with the self-assessment process.³

23. The Secretariat clarified that the concept of additionality was key to justify the inclusion of PSI in ODA and that members have committed to closely look at the additionality aspect of their PSI. The Secretariat will present a report on institutional assessments and feedback on PSI reporting to the DAC in February 2020.

24. IFU’s data disclosure agreements with the investors give it the possibility to publish some data in a transparent manner (e.g. country, sector, jobs created), but explicitly prevent the publication of financial results (returns). IFU agreed to the disclosure of their PSI data as well as amounts mobilised from the private sector at activity level.

25. EKF, the Danish export credit agency, shared their views on the ODA modernisation of PSI. They presented an example of project, Lake Turkana wind power financing structure, where both IFU and EKF as well as other DFIs contributed. Based on the discount rates proposed at the time (2017), the grant element of their export credits in the example (guarantees of EIB and AfDB loans) would have passed the threshold for qualifying as ODA, due to their particularly long maturities (18 years).⁴ This raised a concern of “blurring of the lines” between historically clearly distinct types of finance: officially-supported export credits and ODA. Denmark expressed the position that it was a matter of principle to report export credits as export credits and not as ODA. However, EKF also thought that it would be too simplistic to describe their objective as solely linked to the promotion of Danish exports. They also contributed to global growth, SDGs and the creation of jobs worldwide, and were collaborating more and more with the MFA, following a whole-of-government approach, which they acknowledged would contribute to blur the lines further.

26. The Secretariat highlighted that its forthcoming report on DFIs’ institutional assessments should provide insights on how DFIs argue their case for counting their operations as ODA.

Measuring mobilisation

27. Generally, IFU finds that the OECD methods provide for a fair measurement of amounts mobilised from the private sector, and are based on a good principle of attribution. IFU understood the need for the OECD to get detailed information on the reported activities to allow the identification of potential issues

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³ IFU has informed: Self-assessment form has been completed and additionality for individual investments are now reported for new commitments from 2019.

⁴ Focus on renewable and wind energy is a specificity of EKF’s portfolio, and not necessarily representative of other Export Credit Agencies’ portfolios.
and make sure the same amount is not reported several times by different institutions. The fact that MDBs face confidentiality constraints and do not share their data at activity level with the OECD is therefore problematic, and this issue needs to be tackled by the Joint OECD-MDBs working group on mobilisation.

IFU highlighted two challenges they face in applying the OECD method:

- The point of measurement for IFU is at the time of IFU’s binding commitment. No data on the exact financing structure and mobilisation amounts is gathered at the time of financial close. However, in IFU’s experience, their data will in almost all cases still reflect the actual structure of the investment.
- The “two-year period” rule previously recommended was in IFU’s case not workable:
  - In projects where other DFIs have already invested, IFU does not have information on the timing of their investments and thus it includes full investments when calculating the amount mobilised, even though the commitments may be older than two years.
  - Mobilisation in financing rounds without IFU participation are not reported even if they occur within two years of IFU investments.

28. The topic of mobilisation was also discussed with EKF. Although the scope of the OECD DAC measure is about private finance mobilised by official development interventions only, EKF see themselves as playing an important role in mobilising resources as they lift risks from exporters which would not be able to invest otherwise. Not only do they mobilise, but they also leverage funds given that, in the agreement between the buyer and the exporter, there is a requirement that 15% of the project total amount be paid by the buyer through non-supported finance, which could be considered as “true mobilisation” of private capital. EKF thought decision makers needed to be better aware of export credits as potential powerful instruments for the purpose of mobilisation. In the policy discussion, it was still an open question whether export credits in the form of guarantees could be considered as mobilising finance; the question came up in the framework of climate finance discussions, but was now also relevant in the wider context of SDGs financing. The Secretariat notes that this requires some caution regarding the risk of double counting: the amounts guaranteed cannot be reported twice, as officially supported export credits as well as private finance mobilised.

Observations by the peer review team:

- The team appreciated the open and comprehensive exchanges in the session with IFU and EKF.

1.5. Proposed recommendations – Dimension 1

1.5.1. ODA eligibility - general

- Denmark is encouraged to continue designing projects and programmes in a way that ensures integrity of ODA despite the focus on Danish domestic priorities in the development co-operation strategy.
- Denmark is encouraged to organise regular trainings to ensure that programme officers at MFA are well aware of what can be reported as ODA and to prevent any risks of loss of institutional memory related to possible staff turnover.

5 The mobilisation period has been redefined to a “financing round” which may remove some of these limitations.
• Given that several non ODA-eligible cases were encountered in 2018 ODA reporting, Denmark could put more emphasis on ensuring that such projects do not get into the system in the first place, e.g. by focusing more on assessing the eligibility of the projects in the design phase.
• Denmark is encouraged to share the ODA Casebook on with MFA programme staff.

1.5.2. In-donor refugee costs
• Denmark is encouraged to share its methodology for calculating in-donor refugee costs in ODA in the first quarter of 2020.

1.5.3. Administrative costs
• The Secretariat will launch a survey on administrative costs, and Denmark is encouraged to share its good practice on the calculation of ODA costs for representations abroad with WP-STAT members.

1.5.4. Private sector instruments
• IFU is encouraged to look for ways to share descriptive information on its activities (e.g. including titles without the name of the client), as discussed during the review.
• IFU is encouraged to report on additionality in the near future.
2. How to make domestic data collection more effective and efficient?

29. This dimension describes how Danish aid data are captured and managed by the KFU team within MFA. The MFA is administering around 90% of Danish ODA. As noted above, the programme management is being re-centralised and a large share of ODA is managed from Copenhagen, but challenges remain to connect headquarters and country offices.

2.1. The MFA’s business processes and IT solutions

30. The MFA’s business process to compile the data needed for OECD/DAC reporting for a given year “spans ten quarters of a year” – from the preparation of the budget (Q2 of Y-1) until the completion of the CRS with feedback addressed and final corrections made (Q3 of Y+1) (see Figure 2.1).

Figure 2.1. The ten quarters of a year

31. The MFA has no database dedicated to the management of statistical data as such. KFU’s main challenge is rather to ensure the optimal use of data from the Government’s internal source-systems and making the relevant information available for statistical purposes. In this sense, Denmark does not have a statistical reporting team in place for ODA reporting, but rather “IT architects” that report statistics through automated IT-solutions attached to MFA’s relevant business processes.

32. The business processes related to committing and disbursing funds are listed below together with the IT-solutions that support them and from which statistical information is derived.
Comitting and disbursing funds

<table>
<thead>
<tr>
<th>Business processes</th>
<th>IT-solutions</th>
</tr>
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<tbody>
<tr>
<td>Prepare and approve new grants</td>
<td>Programme and Project Database (PDB) (in future: PMI) for grant/project management</td>
</tr>
<tr>
<td>Prepare and sign new commitments (engagements)</td>
<td>Financial Management Interface (FMI) and Grant Accounts Management (GRAM) for financial management</td>
</tr>
<tr>
<td>Financial management against commitments (disbursement-requests, audited accounts etc.)</td>
<td>Government standard system for bookkeeping (external)</td>
</tr>
<tr>
<td>Budget-management, including quarterly adjustments to frames</td>
<td>Result Frame Interface (RFI) for monitoring against result-framework</td>
</tr>
<tr>
<td>Monitoring results</td>
<td>Automated (daily) IATI-publication from Data Warehouse</td>
</tr>
</tbody>
</table>

33. **PDB**, the MFA’s core project/grant management system, can be accessed by both Copenhagen and embassies. Information on projects is recorded in PDB using a one-page abridged CRS-Form, covering: title, purpose code, description, country, dates, amounts and type of flow. The compilation of these data is a one-off exercise, which takes place prior to submitting the corresponding grant for approval. This has led to some data quality issues. Compilation of the data at the commitment level rather than the grant level would improve the accuracy and descriptiveness of the data.

34. PDB is based on Oracle and will be replaced with a new SQL database, with a Bootstrap User Interface, called **PMI** by end of 2019. This is taken as an opportunity to design the replacement with both ODA reporting and business needs in mind. For example, to help programme managers to assign SDG targets to the activities, KFU is embedding the OECD SDG tracker API in PMI, making the interface responsive to the content of the long descriptions.

35. **FMI**, the Financial Management Interface, and its so-called action cards allow programme managers to process book-keeping entries e.g. record new commitments, and to request and obtain approvals for disbursements. FMI pushes the approved entries to the Government’s central book-keeping system (external to MFA), via websevices. On a daily basis (every night), the booked transactions are drawn from the Government’s central Datawarehouse to MFA’s internal Datawarehouse. From this source, all applications (including FMI) are guaranteed to display the correct aggregates at any level.

36. The MFA IT solutions for administering development co-operation also include monitoring tools. **GRAM**, the Grant Accounts Management system serves to collect and quality assure information/audits from partner organisations on their use of funds they have received from MFA, thus, providing a tool for immediate accountability. **RFI**, the Result Frame Interface serves for monitoring development co-operation against a results framework with its own set of standardised indicators.

37. The MFA’s IT platform has been designed with a service-oriented architecture that offers a great degree of flexibility in terms of modules and customised interfaces with very specific functions. Thus each application requires little IT expertise, but is understandable to all programme officers as forms and workflows that represent the formal procedures and instructions. The data drawn from different systems are brought together in an integrated frame management system, in which visual interfaces have been designed to ease the work-flow of the programme officers throughout the lifespan of the projects. The different systems or applications are linked with one another through web-services, enabled by a stringent masterdata-management approach that ensures a robust hierarchy of business-keys; the project ID, grant...
ID, Engagement ID. These reliable keys allow various applications to serve the management-tasks at different levels of abstraction/aggregation while guaranteeing reliance on leaf-level data (see figure 2.2).

Figure 2.2. IT architecture

Source: Information provided by the Ministry of Foreign Affairs (2019)

38. The IT department at the MFA is responsible for the hardware- and software- platform whereas KFU is responsible for the development and management of all applications for development co-operation. KFU can modify the application programming interfaces (APIs) and is responsible for the compliance with national and international data standards relevant to the different systems. The code lists for reporting (e.g. CRS purpose codes) can for be simply updated using the XML files provided by the DAC Secretariat.

39. The systems in the Government domain are not customised for ODA management in any way. The MFA updates budget data in government-wide systems on a quarterly basis, managing the budget implementation under both commitment and disbursement frames, targeting 0.7% of GNI on both measures. The data are available at five levels: year, budget account (mapped against National Accounts), budget activity (mapped against Finance Act), engagement (corresponding to a “new commitment” in DAC statistics) and job (mapped against book-keeping).

40. In Denmark, a “commitment” means a firm, legally binding obligation that has been signed with the relevant partner, partner ministry or organisation. This can be a signed standard legal agreement (bilateral, joint or delegated) or consist of a signed development engagement document and relevant partner documentation. In the case of joint (sector) budget support or pooled funding, joint financing agreements are signed. Commitments are approved by the head of mission/unit and quality assured by a Chief Financial Officer (CFO) prior to booking, based on broad management guidelines on aid.

41. Statistically relevant data can be found at several levels of the data-model; some datasets can be improved by disaggregation whereas others will just become repetitive. With the new grant management system, PMI, Denmark will collect relevant statistical information at the engagement level rather than at the grant level as engagement provides the “right level of disaggregation” for most elements – not least the ‘long description’. It is also more in line with the commitment-based management of its ODA budget.

42. According to Denmark, their rigid masterdata-management approach and the unique keys that allow the MFA’s internal applications and the Government’s financial modules to interface are unlikely to fail. The internal systems are configured to automate valid book keeping entries; limit user access to edit financial book-keeping dimensions, thereby reducing human error to those transactions that are booked via Government standard systems.
Observations by the peer review team:

- Denmark impressed the review team in particular with its advanced IT systems and automated tools for tracking financial commitments.
- The peer review team had the impression that quality assurance of ODA data focus on the bookkeeping aspects. Compiling the statistical parameters at an earlier point in time (i.e. before an agreement is approved and signed by the CFO) would be a good way to improve the quality of CRS data.

2.2. Proposed recommendations – Dimension 2

- With its sophisticated IT-systems, Denmark is encouraged to share good practices with other WP-STAT members.
- Denmark is encouraged to implement its proposed solution on improving the quality of statistical data by filling the data at an earlier point in time (before an agreement is approved by the CFO).
3. How to improve reporting to the OECD and how to consolidate quality reporting over time?

3.1. Quality assurance process and DAC Reporting

43. This dimension reviews how Denmark compiles its statistics for reporting to the OECD.

The KFU team

44. The MFA does not have a statistical team and statistical analytical capacity has never been prioritised. Instead, the MFA has a dedicated team within KFU developing IT solutions for management of Danish aid. The IT team consists of five staff. Its main responsibilities are to:

- develop, maintain and service applications for all aspects of financial management, from overall FA budget to individual bookkeeping transactions;
- develop and maintain reporting solutions (DataWarehouse) to serve management needs as well as desk-officers and produce external publications such as CRS++ and IATI;
- respond to ad-hoc requests for completion of questionnaires or responding to questions e.g. from Parliament or journalists;
- provide first-level user-support to MFA-staff and training in the use of applications.

45. The business processes of statistical reporting and the supporting IT solutions are listed below.

<table>
<thead>
<tr>
<th>Business processes</th>
<th>IT-solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Closing accounts for year Y (February Y+1)</td>
<td>• Government standard accounting system (external)</td>
</tr>
<tr>
<td>• Collecting ODA-figures from other agencies</td>
<td>• Separate CRS-interface and power-pivots, with MFA Data Warehouse solution as</td>
</tr>
<tr>
<td>• Compiling aggregates for the advanced questionnaire</td>
<td>source- and backend system, consolidating data in annual fact-tables</td>
</tr>
<tr>
<td>• Collecting complete data-sets from other agencies</td>
<td></td>
</tr>
<tr>
<td>• Processing CRS++</td>
<td></td>
</tr>
</tbody>
</table>

46. The CRS interface creates separate CRS datasets for each year, which are updated every night. To compile the annual CRS submission, these datasets need to be complemented with data collected from
other government departments, for example, on refugee costs or payments done by the Ministry of Health to WHO.

47. The CRS records are also used to feed data to an IATI database, developed by DFID, reinstalled each night on a server outside the firewall (see DMZ in Figure 2.2). The data can be then queried directly, via API, or accessed through a web-portal with graphical navigation along standard-dimensions: openaid.dk.

**CRS submission**

48. Denmark prepares its CRS data submission at the “grant level”, while statistically relevant data can be found at several levels of the data model. For example, the purpose codes assigned at the grant level are often too general, which leads to a loss of accuracy in sectoral data. The descriptions for CRS are normally filled in after a grant has been approved, but before an agreement (commitment) has been signed. In some cases, this has led to low quality of descriptions (e.g. “to be filled in later”).

49. Consolidating CRS data at grant level made sense in the past with disbursement-based financial management, but is debatable in commitment-based management of the budget.

Quality assurance by KFU focuses on the following elements:

- **Channel of delivery**: For the channel of delivery, the agreement partner is identified as the creditor in FMI. A hierarchical dimension (channel category, channel code, organisation, creditor) ensures that the channel of delivery in CRS matches the information in the signed agreement and financial management.

- **Type of aid**: The fact that one grant can have multiple aid types has led Denmark to assign the aid types at “job level”, which leads to multiple submissions of some CRS numbers. This practice was introduced in CRS++ from 2010 in response to calls for granular statistics on aid modalities for monitoring the Paris Declaration. The aid type is one of the few code assignments that are neither automated nor decentralised. KFU assigns the codes manually, based on the signed agreement, as it has found that even experienced staff members routinely misunderstand aid types. KFU is currently carrying out a pilot with Danish partners to demonstrate the potential of IATI to serve as the source for enrichment for statistical data associated with the type B03. The pilot covers around 10% of Danish ODA, enriching internal data with partner organisations’ data on the same grants, published in IATI.

- **ODA eligibility**: KFU maintains throughout the year a “yellow list of agreements” for ODA eligibility issues which are not obvious at the time of type-of-aid encoding. For these agreements, KFU requests more information to assess their ODA eligibility. Agreements that are deemed non-eligible are marked as “deleted” in the CRS++ interface, and not included in their CRS (or IATI) reporting. For the new grant management system - PMI, KFU is further promoting awareness of ODA by requesting programme officers to confirm in a check box, that the agreement is ODA-eligible. This process is expected to encourage programme officers to reflect on whether the programme/project fulfils ODA criteria, and recognise where early consultations with KFU are needed.

50. For Rio markers, Denmark has put in place strong quality assurance by hiring a consultant to verify the marking ex-post. This process has revealed that about 30% of the agreements were originally miscoded. Staff at embassies is unaware of the exact scope of projects and many of them lack skills to assign correctly the climate markers.

51. As Denmark has its system almost completely automated, there are no manual quality controls of the purpose codes or policy markers. The purpose codes are filled in by programme officers, but not quality assured by any statistical team. Several purpose codes had to be changed ex-post in CRS data for 2018.
upon suggestion by the Secretariat, to better reflect their descriptions. Policy markers are not a priority in Denmark, and no training is offered to programme officers on how to assign policy markers. Denmark currently uses the basic CRS sheet interface alongside a newer ‘cross-cutting issues’ interface to assign markers, but is consolidating these into one list of policy-markers, including weight (percentage), in the new PMI.

52. Denmark looks into using the API developed by the Secretariat as a tool for programme officers to facilitate SDG coding. The API would suggest, for each project, the pertinent SDGs based on the descriptive information, which could trigger a reflection on whether the description was sufficiently clear or whether it needs to be reformulated.

Request to the Secretariat:

- Norway and Denmark requested the Secretariat to publish the analysis concerning Rio markers on a net disbursement basis as well as commitments.

Observations by the peer review team:

- The peer review team found the idea of a check-box system for ODA eligibility a step in the right direction, but argued that this tool should be combined with additional guidance on ODA eligibility, such as training sessions for programme officers or a statistical manual. The KFU team is very knowledgeable on ODA eligibility or WP-STAT decisions (or tracking financial commitments). However, the transfer of this knowledge is limited and could be identified as a risk factor if a part of the team in charge leaves the ministry. The skilled staff could transfer their valuable knowledge by providing training opportunities to other staff or new recruits. Training sessions are particularly recommended on ODA-eligibility issues. The Deputy Director of KFU confirmed that management is aware of the vulnerability of KFU personnel and will look for solutions in the future.

- The peer review team had the impression that pressure for automation appears related to ongoing trends at MFA which aim at reducing administrative costs and conserving staff time for other tasks.

- The peer review team noted Denmark’s strong interest in validating its financial figures, but was surprised with little emphasis placed on quality assurance of the statistical dimensions at the activity level, including on the use of purpose codes and policy markers and training officers assigning them.

3.2. Proposed recommendations – Dimension 3

3.2.1. Quality assurance

- The peer review team noted that, compared with all the other assignments of the KFU team, insufficient attention is placed on statistical data quality assurance. Denmark is encouraged to increase the emphasis in this area, dedicating additional resources.

- Denmark is encouraged to consider offering formal or informal training to MFA programme staff on how data flow through their integrated interfaces and highlight key data entry points. Denmark could enhance existing resources to help reduce coding errors and increase data quality. For instance, KFU could provide a toolkit with related training materials on its intranet page.

- An automatic e-mail notification should be sent to desk officers whenever any modification of their projects is implemented at KFU level, so that they have a chance to react or simply benefit from such information for training purposes.
• KFU should work to progressively improve the quality of descriptions and refrain from using Danish language in “short descriptions” (Danish can be used only for “long descriptions”). Denmark assured that it will deliver better descriptive information, alongside the SDG-reporting starting from 2020 data.

• In Danish systems, there is no manual quality assurance of the purpose codes or policy markers, so there is scope for improvement in this area. In addition, checks at the commitment level could be improved, before agreements are signed.

• In order to prevent future reporting issues, Denmark should systematically use the Secretariat’s macro to identify and remove errors from their CRS report. Additionally, creating a check-list with common reporting problems could avert some regular mistakes or at least diminish their number.
4. How to better monitor recommendations and commitments, for example the DAC Recommendations on Untying ODA and on the Terms and Conditions of Aid, and the commitment on increasing aid to countries most in need?

4.1. Implementation of the 2030 Agenda and TOSSD

53. Denmark supports the development of the broader Total Official Support for Sustainable Development (TOSSD) statistical framework. However, the MFA foresee difficulties in motivating other ministries to provide data for the first TOSSD data survey. This is especially expected to be the case for ministries that do not report on ODA. In the future, the Ministry will consider launching the data call through leadership to increase visibility and push other ministries to fully report.

54. KFU explained that Denmark’s response to the first TOSSD survey was not exhaustive, but that they could report better data next time. In the survey non-ODA TOSSD-eligible activities had been reported at the SDG target level, and manual checks had been made to improve the data quality and robustness of the information in the descriptive fields. However, KFU faced difficulties in feeding these improvements directly back to its source systems (in which data are stored at a less aggregate level).

55. KFU created a new database for TOSSD data which were collected in Excel format from relevant departments. KFU would also like to explore the possibility of pulling partner data for TOSSD reporting from IATI.

TOSSD reporting on export credits

56. The Secretariat recalled that export credits were treated as any other financial instrument in TOSSD reporting, and needed to comply with the same eligibility criteria. EKF participated in the TOSSD Survey, and had identified the export credits contributing to SDG targets. The SDG target had been assigned manually to projects in the renewable energy sector plus a few other sectors. They decided not to report on amounts mobilised for now, but did not exclude to do so in future (see section on mobilisation for further details). Importantly, they stated that the information shared on export credits in the context of the TOSSD Survey was public, and could be disclosed at activity level in the TOSSD dissemination tool.

57. KFU expressed the view that the TOSSD measure should have been created earlier in time, before the ODA modernisation.
Observation by the peer review team:

- The peer review team cautioned that exploring the possibility of pulling data from IATI for TOSSD reporting might work for some donors, but not for all as the quality of those data varies among members.

4.2. Untying

58. The topic of untying was discussed in the meeting with IFU, the Danish DFI. IFU investments were completely tied until 2010 (operations required a Danish company as a counterpart). These requirements were eased in 2011 when tying was linked to Danish “interests” rather than companies. Since 2017, there are no longer such tying requirements and IFU considers its operations are 100% untied (no prerequisite or favouring of Danish companies/interest), as they are “open for all proposals”. IFU sees a gradual shift to more global partnerships as fewer and fewer projects involve Danish investors or interest and more and more projects are funded together with international promoters and other DFIs with no ties to the Danish private sector. In 2018, about 50% of new activities were conducted with Danish partners and in 2019 this figure has further declined to below 10%.

Request to the Secretariat:

- The peer review team discussed the difficulties for the statistical units to verify whether an activity is “untied”. Moreover, the Reporting Directives lack clarity on what is considered sufficient to claim that a DFI is untied and the Secretariat should develop some further guidance. It should not be sufficient for the DFI to state it has an “untied mandate”, but there should be verification that the investments are actually untied.

4.3. Proposed recommendations – Dimension 4

4.3.1. TOSSD/SDG reporting:

- Denmark is encouraged to continue its efforts on TOSSD reporting. While the right IT structures are in place for TOSSD, it could consider establishing an inter-agency TOSSD team to ensure the quality of the reporting and to discuss ODA and TOSSD in a whole-of-government setting.
- EKF is encouraged to systematically identify how its operations support the SDGs and continue reporting on TOSSD at activity level.
5. How to improve transparency and the related performance on transparency indicators and indices?

5.1. Transparency and IATI

Results and IATI

59. Publishing data on IATI replaced the ‘PPO’ annex to the Danida Annual Report, which was an intensive effort but only prepared in Danish. According to Denmark, reporting through IATI and publication through Openaid saves time, but the change has resulted in lower quality project titles and descriptions. The current, first version of Openaid, launched in 2014, did not result in the expected “pull effect” for more and better information from Danish civil society nor general public. Denmark anticipates better descriptive information for 2020 flows for new engagements by capturing text at the right time and at multiple levels.

60. IATI reporting is also being leveraged to enrich data related to Danish CSO programming of funds granted as type of aid B03. CSOs are asked to publish and tag Denmark as the funder. However, unlike some other members, Denmark is reluctant to oblige CSOs to report in IATI as a condition to receiving funds, before the current pilot-phase has been completed. Moreover, CSOs may lack the technical expertise to convert data to XML files in the IATI standard.

61. According to Denmark, IATI offers a results reporting standard to fill the gap unaddressed by the aid effectiveness agenda. Denmark’s IATI publication is automatically refreshed on a daily basis offering a timely and complete, though unverified, set of activity-level data. MFA’s internal system for results reporting, RFI, uses the IATI-standardised indicator-typology.

62. The MFA currently publishes both IATI versions 1.03 and 2.02. The Ministry copied an IATI database design from DFID, and added an API to solve file size issues by auto-pagination, thus avoiding concatenating country files, in order to display the information effectively on Openaid. The IATI version 1.03 files populate the Openaid site. This is the reason why only output-data show up in OpenAid: The impact and outcome indicators are only published in the IATI-version 2.02, which is the official IATI-publication available from IATI Registry.

Data on humanitarian aid

63. There are data quality and aggregation concerns related to reporting humanitarian funding to OCHA’s Financial Tracking Service (FTS). Currently, Denmark’s humanitarian reporting is undertaken manually via EU’s EDRIS portal. Desk-officers attempt to enrich data, adding expected recipient countries, thus diverging from the correct reflection of the funding as un- or softly- earmarked. Denmark advocates for WP-STAT work on aid modalities to allow for more accurate reporting on humanitarian aid, as it is demonstrated in the Grand Bargain that alternative, competing and confusing typologies will otherwise prevail. For the FTS to provide a full picture, reporting from partner organisations is also needed. For example, Denmark relies on recipients of B01, B02 and B03 funding to assign so-called GLIDE codes to
identify what crises funds are going to, alongside other statistical qualifiers that have to be ‘unspecified’ in Denmark’s reporting. Denmark plans, as part of the ongoing pilot, to explore with CSO partners how these could report humanitarian data through IATI to provide a more comprehensive view of Danish humanitarian flows. There is also a need for OCHA to play an enhanced coordination role to facilitate the use of IATI data.

Request to the Secretariat:

- The Secretariat should consider including a discussion of the Grand Bargain in an upcoming WP-STAT session to see what role DAC statistics can play.

Observation by the peer review team:

- The peer review team was impressed by how automated the IATI reporting process is. The various initiatives, such as the CSO receipt reporting and Grand Bargain humanitarian reporting demonstrate how IATI data can be leveraged creatively.
- The peer review team noted the utility of the Openaid site as a transparency resource in order to make IATI data more digestible.

5.2. Proposed recommendations – Dimension 5

- Denmark should share lessons learned from its use of IATI data for FTS reporting with the broader data community and highlight how these data can be used for in-country donor landscape mapping.
- Denmark is encouraged to contact UN OCHA to suggest updating the FTS reporting guidance.
6. Are the data fit for purpose?

6.1. An external user perspective

64. During this session, the peer review team met with a representative from Global Focus, a CSO that shared data with the MFA.

65. The MFA has 16 strategic CSO partners that are selected through an open procedure. They receive funding from the MFA based on 4-year agreements. Every year the MFA receives a report from the CSOs on what they have done with the funds, but this is not transmitted to the OECD as part of Danish reporting because the MFA receives it too late. The CSOs consider this as an administrative burden.

66. The CSOs have an open dialogue with MFA. They are regularly invited to meetings, e.g. regarding EU development co-operation, and there are different working groups with CSOs, e.g. on the SDGs. The Minister for Development meets CSOs at least twice a year; the agenda prepared by the MFA needs to be approved by CSOs. The advisory board for the Minister is made of a professor from University of Aarhus (the head), a think tank, a consultancy company and two representatives from CSOs (nominated by CSOs in a democratic vote).

67. The CSOs see a need to enhance transparency between the Finance Act and actual spending. For example, it would be useful to connect activity-level data to the Finance Act. They have cautioned about the main trends in aid spending, stressing that the money could better serve developing countries when spent abroad, rather than in Denmark e.g. on in-donor refugee costs.

68. Denmark’s Openaid website “openaid.dk” is a good information source for the broader public and key stakeholder groups in Denmark. It is updated on a daily basis. However, for first-time users, the website is difficult to navigate to from the MFA home page (via Danida > Results > Results and transparency).

69. Openaid.dk was developed about 5 years ago to substitute the time consuming annual publication which included detailed information on each project. The website was designed as a portal for Danish aid data (and not only as a portal to IATI) according to some basic dimensions (organisations, sectors, countries, regions and projects). The website did not trigger a lot of reactions from the public, so the first version is still online. An IATI 2.1 version is published for IATI/Publish What You Fund purposes.

70. Annex A presents KFU’s proposed solution to make openaid.dk more user-friendly.

Observations from the peer review team:

- The CSO session was quite informative, even though only one CSO was represented.
- The peer review team was impressed that the Minister meets regularly with CSOs.

6.2. Proposed recommendations – Dimension 6

- Denmark is encouraged to support a second version of the openaid.dk website to make the interface more user-friendly and add new features to the site. Improvements to the website could also stir up further interest by the public on development co-operation.
- Denmark is encouraged to raise more awareness and provide more details on its aid activities, which could underline its transparency efforts.
7. How are data disseminated?

7.1. Communication and dissemination

71. Denmark uses the Openaid website for displaying its aid activities. However, the tools to explore the data are quite limited and do not seem to be frequently used by neither the communication department nor the CSO community. The communication team in MFA stated that they do not link communication around Danida’s activities with ODA figures.

72. In terms of publications, as indicated above, Denmark stopped producing an annual publication on its development co-operation and replaced it with IATI publishing. The MFA also publishes a magazine called 360, which targets CSOs, development experts, and academics. The CSO representative had positive things to say about the magazine. The CSO community are avid readers. A CSO is selected on a yearly basis to work with the Ministry to create a Christmas calendar to help raise awareness of the need to support developing countries in their development and share the positive impacts of development co-operation programmes.

73. The Communications team at MFA conducts a public annual survey to solicit knowledge and measure attitudes towards Denmark’s development co-operation policy. The public interest in development matters was about 70% in 2000 while in 2019 it had decreased to 50%. The discussion with the communication department indicated that media do not cover development matters sufficiently. The public has shown particular interest in the issue of in-donor refugee costs.

74. The Communications team has also recently conducted a segment analysis to better target public relations campaigns. The resulting analysis placed groups on a red to green colour scale.

- Red group (⅓ of people): uninformed and disinterested in learning more; oppose to foreign aid as a matter of principle and will likely not change their mind.
- Yellow group (⅓ of people): tend to be young, uninformed but not opposed to foreign aid. Highly impressionable and will shift opinions drastically if given different information.
- Green group (⅓ of people): The NGO community and informed individuals who either support but would like to see evidence or support foreign aid for ethical reasons.

75. Campaigns are carried out on multiple platforms including social media. For instance, the MFA will offer travel grants to reporters to see a project and write a story about it. Mildly successful but many journalists do not want to accept government funds in order to demonstrate impartiality.

7.2. Proposed recommendations – Dimension 7

- Denmark is encouraged to consider linking communication on development co-operation to ODA and development finance in general.
- For better communication around ODA, Denmark could produce an annual report on Danish aid figures.
- Denmark could also consider identifying creative projects to help disseminate aid data and raise better awareness around development co-operation activities, including through sharing programmatic results data using storytelling methods.
Annex A. A use-case for joining data from IATI organisation and activity files

Background

During the recent ‘statistical peer-review’ of Denmark, one of the sessions offered the opportunity for a CSO-comment on the quality of Denmark’s data, whether reported to DAC or published in IATI-format. The spokesperson from ‘Globalt Fokus’ focused the attention on one request: Allow observers to see the coherence between the content of the Finance Act (Finanslovl), as approved by Parliament, and the data reported to DAC or published in IATI and presented in OpenAid. As an immediate follow-up, and creating a tool for future considerations regarding the design of a second version of OpenAid, a Power BI report has been drafted, to clarify technical opportunities.

One constraint cannot be solved: The majority of ODA-frames are managed by commitment in Denmark, meaning that the Finance Act contains commitment-budgets, whereas the main measure on ODA-flows, in IATI as well as CRS, is Disbursements. Denmark publishes commitment-transactions in the IATI Activity-file, but the Organisation file only allows publication of disbursement budgets.

Denmark’s Ministry of Foreign Affairs manages ODA-frames according to both measures, ensuring that the ODA-target of 0.7 % of GNI is delivered, measured by disbursements. Thus it is possible for Denmark to publish disbursement budget-frames in the IATI Organisation-file, but it is important to note that the figures are different, in nature, from the ‘real’ budget-frames in the Finance Act.

Solution

OpenAid: In the current version of OpenAid.dk, the closest connection to the Finance Act is presented as two levels of ‘Main Categories’, defined as aggregations across subaccounts in the Finance Act. The highest level of aggregation is used in the tables with geographical distribution of bilateral ODA, as headings for the columns (see e.g. table for Asia 2019); a slightly more detailed aggregation is presented as headings for the rows in the table ‘Danmarks officielle bistand til udviklingslandene fordelt på hovedkategorier’. Both of these presentations were designed as elements that ensured continuity and comparability with standard-tables in the ‘Danida Annual Report’, but fails to meet the request for full traceability.

IATI-data: Ever since the automation of Denmark’s IATI-publication, it has included a key that provides a reference to the specific subaccount of the Finance Act. In IATI version 1, it was included as a separate ‘Danish’ tag in the xml-file, with the sole purpose of feeding the OpenAid aggregation of the subtotals in the aforementioned tables. In IATI version 2, it was decided to avoid such, separate tags, and use the code defined as ‘The budget identifier reported corresponds to categories that are specific to the reporting organisation’. This is exactly what it is, though it is strange to find this code as vocabulary 4 under the country-budget-items, indicating that this was not the intended use of this code. In Denmark’s Organisation file, the published subtotals of budget-lines (and expense-lines, for past years since 2013) has the ‘ref:’ element defined to work as the primary key, used to identify the budget-frame that funds the individual activity in the Activity files.

Power BI: The coherence in Denmark’s IATI-data, between the Organisation and the Activity files, allows for an immediate follow-up to the request for traceability. In the published version, it is possible to see both the annual ‘Frame’ (Org-file budget) and the realised amount (Activity-file disbursements) of any of the aggregated ‘Categories’ known from OpenAid (upper left hand element). It is possible to select any of these categories, and see which Subaccounts they represent (upper right hand element), and selecting either of these it is possible to see the portfolio of IATI-activities (lower left hand element), as well as the organisations involved as partners (lower right hand element).

This Power BI presentation is a very adequate response to the request, apart from the fact that the current
IATI-standard does not allow Denmark to publish the commitment-frames of the Finance Act in the Organisation file. It should be noted that it would have been impossible, and not just difficult, to respond to the request, if it had not been for the chosen structure of Denmark’s IATI-data, offering the join between budget-frames in the Organisation-file and the activity-data. How or when this traceability will become a feature of OpenAid.dk is not yet known, but Power BI has proven to be an effective tool to demonstrate options and opportunities.
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