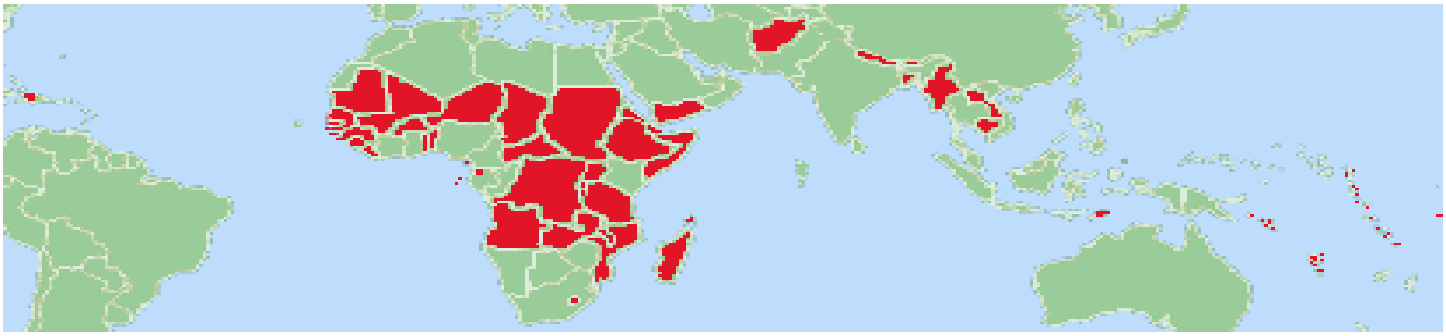

Survey on International Support Measures specific to the Least Developed Countries (LDCs) related to Bilateral Official Development Assistance (ODA)

Denmark

Summary Results

prepared by the United Nations Department of Economic and Social Affairs (DESA) and the Committee for Development Policy (CDP) Secretariat*

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* This summary was prepared by the DESA/CDP Secretariat, based on the survey response submitted by Denmark. The content, findings, interpretations, and conclusions as expressed in this summary reflect the views of its authors, and do not necessarily represent the views of the United Nations or Denmark. The views presented in this document should not be considered as the official position of neither the United Nations nor Denmark.

A. ODA Commitments and flows

The Programmes of Action for the Least-Developed Countries (LDCs) aim at improving human conditions of the population of the LDCs and provide frameworks for partnership between LDCs and their development partners.[a]

At the first United Nations Conference on the LDCs in 1981, the members of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) committed themselves to allocating 0.15 per cent of their total gross national income (GNI) (including funds channelled through international organizations) to LDCs.[b] In the 2001 Conference, all donor countries reaffirmed their commitment to make their best efforts to accelerate their endeavours to reach the target. Meanwhile, donor countries that had already met the 0.15 per cent target undertook to reach the 0.20 per cent target promptly.[c]

a See General Assembly, A/CONF.191/13, 20 September 2001.

b See *Strengthening International Support Measures for the Least Developed Countries*, Policy Note, UN/DESA/CDP, August 2010, p.13-14.

c Goal 28-30, A/61/82, p.25.

Annex Table 1 describes Denmark's total net ODA flows, the ODA flows to LDCs as a share of total ODA, and the net ODA-to-GNI ratio.

Country response

Denmark's total net ODA is far above 0.2 percent of its GNI. The country continues to implement required measures to meet the targets set in the Programme of Action for the Least Developed Countries for the Decade 2001-2010.

B. LDC status and ODA priorities

The United Nations Committee for Development (CDP) uses the following criteria to identify LDCs: low-income levels, as determined by GNI per capita; weak human resources, as measured by the Human assets Index (HAI); and high economic vulnerability, as defined by the Economic Vulnerability Index (EVI).[d] Donors may consider the LDC criteria for establishing ODA priorities and allocation.

d See the "*Handbook on the Least Developed Country Category: Inclusion, Graduation and Special Support Measures*", UN/DESA/CDP, 2008.

Country response

LDC status in itself does not determine the allocation of Danish Development Assistance but, among the criteria used in the identification of LDCs, GNI measure is taken into consideration for establishing ODA priorities and distributions. Other indicators are also taken into account when evaluating aid allotment to recipients countries, such as: economic and social development level; developmental needs and development plans; assistance received from other donors; opportunities to engage in a fruitful dialogue with the government; possibilities for developing cooperation on human rights and gender issues; and previous cooperation experiences with the concerned country.

Denmark gives priority in its ODA allocation to the following LDCs: Bangladesh, Benin, Bhutan, Burkina Faso, Mali, Mozambique, Nepal, Uganda, and Zambia.

C. Grant element, tied aid and conditionalities of ODA to LDCs

In the 1978 Recommendation on Terms and Conditions of Aid, DAC members agreed on a series of measures designed to improve the overall financial terms of aid, either by increasing the share of grants, or by reducing the interest rate or lengthening the repayment period of loans. DAC members agreed to raise the overall grant element of aid to 86 per cent, with special provisions in the case of LDCs.

With regard to the tying of aid, OECD-DAC members adopted, in 2001, a recommendation to untie much of the ODA to LDCs. Untied aid is defined as ODA in the form of loans and grants whose proceeds are fully and freely available to finance procurement from all OECD countries and substantially all developing countries. The 2005 Paris Declaration on Aid Effectiveness reiterated the 2001 DAC Recommendation and envisaged that progress in untying be monitored.[e]

e See the *Paris Declaration on aid effectiveness: Ownership, Harmonization, Alignment, Results and Mutual Accountability*, OECD/DAC, 2005.

Country response

Denmark has taken measures to implement the 1978 DAC Recommendation on Terms and Conditions of Aid on the average grant element of ODA to LDC recipients. Denmark reported lower interest rates and longer repayment periods specifically offered to LDCs, and indicated that its ODA was delivered through grants.

Measures have also been taken to implement the 2001 DAC Recommendation on untying aid to recipient LDCs. Denmark has fully untied its developement assistance.

As for the rest of the developing countries, no aid conditionalities are applied to LDCs.

IV. LDC-specific bilateral support programmes

LDC-specific bilateral support measures can be provided in the form of special funds and programmes, cooperation activities, training activities, and other modalities (excluding WTO-related technical assistance and support to the Integrated Framework for trade-related technical assistance to LDCs, as these are dealt with under a separate survey).

Country response

Denmark does not have any LDC-specific bilateral support measures in place.

E. LDC-specific multilateral support measures

Multilateral support measures that are specific for LDCs could be provided through multilateral technical assistance funds, or Trust Funds of international organizations to facilitate the participation of LDCs in international meetings.

Country response

Denmark contributed to the Least Developed Countries Fund (LDCF) operated by the Global Environment Facility (GEF), which was established to support the preparation and implementation of National Adaptation Programmes of Action (NAPAs) in LDCs. It also lent financial assistance to the United Nations Conference on Trade and Development (UNCTAD) Trust Fund for Least Developed Countries.

Denmark also lent financial assistance to various trust funds set up by international organizations to facilitate the participation of LDCs in international meetings, such as: the trust fund established to facilitate LDC participation in the United Nations Framework Convention on Climate Change (UNFCCC) process; the trust fund dedicated to foster LDC participation in meetings of United Nations Convention to Combat Desertification (UNCCD); and the trust fund created by the International Criminal Court (ICC) for the participation of the least developed countries and other developing States in the Assembly of State parties.

F. Graduated and graduating countries: objectives and policies concerning Cape Verde, Maldives and Samoa

The General Assembly resolution 59/209[f] of 28 February 2005 on the Smooth transition strategy for countries graduating from the list of least developed countries urges *"all development partners to support the implementation of the transition strategy and to avoid any abrupt reductions in either ODA or technical assistance provided to the graduated country"*. In the same resolution, the General Assembly also invites *"the graduating country, in cooperation with its bilateral and multilateral development and trading partners and with the support of the United Nations system, to prepare, during the three-year period, a transition strategy to adjust to the phasing out […] of the advantages associated with its membership on the list of least developed countries."*

Cape Verde graduated from the list of LDCs in 20 December 2007 (A/RES/59/210).

f See General Assembly Resolution 59/209, 28 February 2005.

Annex Table 2 describes Denmark's net bilateral ODA disbursements to Cape Verde.

Country response

Denmark has not commented on its development assistance activities to Cape Verde.

Maldives graduated from the list of LDCs in 1 January 2011 (A/RES/59/210 and A/RES/60/33).[g]

In accordance with General Assembly resolutions A/RES/59/209 and A/RES/62/97, Samoa was scheduled to graduate from the list in December 2010 but the General Assembly extended the transition period by an additional three years, until 1 January 2014, due to the disruption caused to Samoa by the Pacific Ocean tsunami of 29 September 2009 (A/RES/64/295).

g Maldives was a graduating country when this survey was taken.

Annex Table 3 describes Denmark's net bilateral ODA disbursements to Maldives and Samoa.

Country response

Maldives can no longer receive mixed credits from Denmark, owing to its per capita income of US$3,200, which had exceeded the maximum amount of US$2,961 set by the Danish government for this purpose.

Annex

Table 1: Overview of Denmark's total net ODA flows (bilateral and imputed multilateral flows)

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Net ODA (current US$, millions)	1 664.20	1 634.40	1 643.20	1 748.20	2 037.10	2 108.90	2 236.10	2 562.20	2 803.30	2 809.90
Share of ODA flows to LDCs on total ODA (per cent)	32.20	34.50	34.00	38.40	36.00	39.90	40.20	42.10	39.50	39.10
Net ODA to LDCs (percentage of GNI)	0.34	0.36	0.33	0.32	0.31	0.32	0.32	0.34	0.32	0.34

Table 2: Denmark's net bilateral ODA disbursements to Cape Verde

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008
Net bilateral ODA (current US$, millions)	0.02	-0.29	0.05	0.00	-0.01	0.00	0.00	0.00	
Share of grants in gross bilateral ODA (per cent)	100.00	100.00	100.00	-	100.00	-	-	-	

Table 3: Denmark's net bilateral ODA disbursements to Maldives and Samoa

Year		2000	2001	2002	2003	2004	2005	2006	2007	2008
Maldives	Net bilateral ODA (current US$, millions)	1.63	0.02	0.12	0.14	1.52	0.00	0.00	0.16	
	Share of grants in gross bilateral ODA (per cent)	119.00	100.00	100.00	100.00	100.00	-	-	100.00	
Samoa	Net bilateral ODA (current US$, millions)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Share of grants in gross bilateral ODA (per cent)	-	-	-	-	-	-	-	-	