

Danish Cultural Institute

Annual report 2022



Contents

	<u>Page</u>
Institute details	2
Statement by Management on the annual report	3
Independent auditor's report	4
Management commentary	8
Accounting policies	13
Income statement for 2022	15
Balance sheet at 31 December 2022	16
Notes	18
Appendix 1: Overview of Danish Cultural Institute projects in 2022	23
Appendix 2: Reporting on the framework agreement 2022	26
Appendix 3: Financial statements of the DCI special activities pool for 2022, see section 21(11)(23)(38) of the National Budget	34

The English text in this document is an unofficial translation of the Danish original. In the event of any inconsistencies, the Danish version shall apply.

Institute details

Danish Cultural Institute

(self-governing institution)

Vartov

Farvergade 27 L, 2nd floor

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Business Registration No.: 10 27 77 28

Registered in: Copenhagen

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Email: mail@danishculture.com

Board of the Danish Cultural Institute

Carsten Haurum (Chair)

Anette Wad (Deputy Chair)

Michael Ehrenreich

Erik Jacobsen

Birgitte Nauntofte

Rikke Øxner

Carsten Fenger-Grøndahl

Anders Hentze

Olaf Gerlach Hansen

Chief Executive Officer

Camilla Mordhorst

Institute auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Statement by Management on the annual report

The Board of the Danish Cultural Institute and the Chief Executive Officer have today presented and approved the annual report of the Danish Cultural Institute for the financial year 1 January to 31 December 2022.

The financial statements are prepared in accordance with the Danish Executive Order no. 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture. In our opinion, the financial statements give a true and fair view of the Institute's financial position at 31 December 2022 and of its financial performance for the financial year 1 January to 31 December 2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption by the Council of the Danish Cultural Institute.

Copenhagen, 20 April 2023



Camilla Mordhorst
Chief Executive Officer

Board of the Danish Cultural Institute



Carsten Haurum
Chair



Anette Wad
Deputy Chair



Michael Ehrenreich



Erik Jacobsen



Birgitte Nauntofte



Rikke Oxner



Carsten Fenger-Grøndahl



Anders Hetze



Olaf Gerlach Hansen

Independent auditor's report

To the Board of the Danish Cultural Institute

Opinion

We have audited the financial statements of the Danish Cultural Institute for the financial year 1 January to 31 December 2022, which comprise the income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Executive Order no. 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture.

In our opinion, the financial statements give a true and fair view of the Institution's financial position at 31 December 2022 and of the results of its operations for the financial year 1 January to 31 December 2022 in accordance with the Danish Executive Order no. 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark as well as the standards on public auditing, as the audit was conducted in accordance with the provisions of the Danish Executive Order no. 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Institution in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

In accordance with section 11 of the Executive Order no. 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture, the Institution has included in the income statement the budget for 2022 approved by the Board as comparative figures. As is also evident from the financial statements, neither the profit and loss budget nor the Appendices 1, 2 and 3 have been subject to audit.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Executive Order no. 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's report

In preparing the financial statements, Management is responsible for assessing the Institution's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Institution or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark as well as the standards on public auditing, see the Danish Executive Order no. 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark as well as the standards on public auditing, see the Danish Executive Order no. 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institution's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institution's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institution to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Executive Order no. 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Executive Order no. 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture. We did not identify any material misstatement of the management commentary.

Report on other legal and regulatory requirements

Statement on compliance audit and performance audit

Management is responsible for the transactions covered by the financial statements complying with the appropriations granted, statutes, other regulations, agreements and usual practice, and for ensuring that sound financial management is exercised in the administration of the funds and in the operation activities covered by the financial statements.

Independent auditor's report

As part of our audit of the financial statements, it is our responsibility to perform compliance audit procedures and performance audit procedures on selected subject matters in accordance with the standards on public auditing. In our compliance audit, we test selected subject matters to obtain reasonable assurance about whether the audited transactions covered by the financial statements comply with the relevant provisions of appropriations, statutes, other regulations, agreements and usual practice. In our performance audit, we make an assessment to obtain reasonable assurance about whether the systems, processes or transactions examined support the exercise of sound financial management in the administration of the funds and activities covered by the financial statements.

If, based on the procedures performed, we conclude that material critical comments should be made, we are required to report this.

We have no material critical comments to report in this respect.

Copenhagen, 20 April 2023

Deloitte

Statsautoriseret Revisionspartnerselskab

Business Registration No. 33 96 35 56



Christian Dahlstrøm

State-Authorised Public Accountant

Identification No. (MNE): mne35660

Management commentary

Core activities

In interaction with foreign countries, the mission of the Danish Cultural Institute (“DCI”) is to inform people about Danish culture, art, and society to promote international understanding and increase knowledge of foreign culture in Denmark.

DCI works with a broad cultural concept covering art, culture, science, and society. Since 1940, DCI has been working to promote art and cultural projects that demonstrate the importance of international vision, exchange, and dialogue in close association with our democratic values and the fundamental values of cultural diversity, equal rights, and sustainable development, which are also mirrored in the UN Sustainable Development Goals.

In 2021, the four-year framework agreement between DCI and the Danish Agency for Culture and Palaces was renewed. The framework agreement aims to provide a long-term and agreed-upon basis for DCI’s strategy and financial position. In addition, the agreement is a mutual indication of the future target developments of DCI activities and the politically prevailing terms. The agreement is effective from 1 August 2021 to 31 December 2024. The Danish Ministry of Culture decided to renew the framework agreement for 2017-2020 to mid-2021. Reporting on the framework agreement is available in Appendix 2.

The operating grant by the National Budget of DKK 14.8 million and the cultural activities pool of DKK 0.8 million are vital to DCI’s ability to raise external funds for our worldwide activities and initiatives. Without this foundation, we would not be able to maintain our long-term strategy and core objectives through the expected self-contribution to all projects and the basic operations necessary to build adequate surroundings and expertise for the mission and further development of the Institute.

Performance targets set out in the framework agreement (2021-2024):

Cultural projects	DCI develops new online formats providing new ways of international cultural exchange. Partner’s high-quality assessment of DCI activities is maintained.
Communication and visibility	Increase the visibility of DCI’s work on art and the social-changing potential of cultural projects. The quality of DCI’s visibility to stakeholders and the general public is strengthened.
A balanced economy	The total budget of DCI will balance over the next three years. DCI increases the share of significant, long-term strategic partnerships.

Management commentary

In 2022, DCI worked in 19 countries covered by six international branches. Activities in China and Mongolia are carried out by the branch in Beijing. Activities in Brazil are carried out by the branch in Sao Paolo. Activities in India and Türkiye are carried out by the Copenhagen head office, as permanent addresses in the two countries are currently not possible. Activities in the Eastern Neighbourhood countries, i.e., Ukraine, Belarus, Moldova, Georgia, Azerbaijan, and Armenia, are carried out by the Copenhagen head office and the Ukrainian-Danish Youth House in Kyiv. Finally, the activities in the three Baltic countries and the Baltic Sea region as well as a single EU programme in Belarus are carried out by the branch in Riga.

At the end of February 2022, DCI suspended all its activities in Russia due to the war in Ukraine. The Institute will try to let out its two apartments in St. Petersburg until the situation has stabilised and relations with Russia can be restored. In 2022, DCI decided to put its attempt to get a permanent address in Delhi on hold, as the conditions, among other things, included an independent board of directors of the Indian branch. Instead, DCI's work in India will be project-based in close collaboration with the Indian partners.

Development in activities and finances

DCI is growing on a general level. Revenue has more than doubled over the last few years. Growth is the result of externally funded multi-annual programmes. The high level of activity is therefore expected to continue. DCI has focused on balancing its operations. The foundation for such balance has now been established. In 2022, operations even showed a small profit due to a prudence concept until the principles of overheads and joint expenses had been established in the new programmes.

DCI had a total operating profit of DKK 1.5 million (before financial income and expenses). However, the net financial items show a loss of DKK 1.6 million due to the generally difficult market development in 2022. Consequently, the loss for the year totals DKK 0.1 million.

DCI had budgeted for a planned loss of DKK 0.7 million in 2022. However, net financial income was estimated at DKK 100 thousand, resulting in an estimated operating loss of DKK 0.8 million. Consequently, the total results for 2022 have improved by DKK 0.6 million compared to the budget (including financial income and expenses).

In 2022, the COVID-19 pandemic had less impact on activities than in the past two years. It has been possible to adjust, redefine, and complete activities in hybrid digital versions or as a combination of online and offline formats. Therefore, DCI estimates that the pandemic will have a limited impact on implementing future activities and projects. However, there are other good reasons for continuing to explore and develop hybrid approaches to implementing cultural projects when it comes to target groups, scope and the development of new formats.

Operating expenses of the head office and the branches amounted to DKK 6.2 million, which is DKK 0.8 million less than in 2021. The decrease is due to removing payroll costs and other co-financing by Danida and the EU.

Management commentary

The total payroll costs of the head office and the branches amounted to DKK 18.2 million, which is DKK 2.8 million more than in 2021. This increase mainly results from Danida and EU funds financing employees through the programmes.

Over the last five years, key figures and financial ratios show that DCI has achieved an operating financial balance through growth and resource redeployment. Particularly, the new major programmes launched in 2019 and 2020 contribute to this development.

	2022 DKKm	2021 DKKm	2020 DKKm	2019 DKKm	2018 DKKm
Financial highlights					
National Budget, operating grant	14.8	14.7	14.5	14.6	14.8
Grants and donations received	54.3	34.94	12.7	10.2	8.7
Other income	0.4	0.54	1.8	2.3	2.8
Total income	69.5	50.2	29.0	27.1	26.3
Expenses incl. financial income and expenses	69.6	48.5	29.7	28.8	31.6
Profit/loss for the year	-0.1	1.7	-0.7	-1.7	-5.3
Equity ratio (%)	21	29	36	70	72
Cash-to-current-liabilities ratio (%)	125	137	152	344	351

From 2018 to 2022, income increased from DKK 26.3 million to DKK 69.5 million, an increase of DKK 43.2 million, or 264%. Danida is now the largest single donor and contributed 64% of our revenue in 2022. Our second largest institutional donor is the EU, with whom we have been able to develop several new programmes, replacing each other over time. The funding provided by Danida and the EU has made it possible to considerably increase DCI's initiatives and activities in the Eastern Neighbourhood countries and to continue the close cooperation with the Baltic countries and other countries in the Baltic Sea region. In partnerships with Danish civil society organisations and local operators, we contribute to democratic development and promotion of fundamental cultural rights through international cultural exchange and dialogue. In this context, we would especially like to mention the Ukrainian-Danish Youth House led by DCI and its syndicate partner, the Danish Youth Council. The first phase of the Youth House ended in 2022 and has been replaced by a new and extended phase stretching over the next four years. The same applies to the New Democracy Fund led by DCI and its syndicate partners, the Danish Youth Council, 3F, the Confederation of Danish Industry, and International Media Support. The first phase was completed by the end of 2022 and replaced by a new and extended four-year programme in all six Eastern Neighbourhood countries. At the end of 2022, we also launched the EU-funded project "ArtPowerBelarus" based in Vilnius to promote the free arts and cultural life in and outside Belarus over the next two years in close dialogue with Belarusian partners.

Management commentary

Other income decreased by DKK 248 thousand, from DKK 666 thousand in 2021 to DKK 418 thousand in 2022.

At DCI, we are happy about the development and growth achieved, ensuring differentiated coverage of the Institute's activities and giving them more power and breadth. The increased revenue is a result of strategically targeted efforts.

Activity expenses amounted to DKK 43.7 million in 2022 against DKK 27.4 million in 2021, reflecting the increased growth in DCI activities.

The increased expenses are covered by the increase in total income. Income increased by DKK 19.3 million, from DKK 50.2 million to DKK 69.5 million. In addition, the government grant increased by DKK 19.9 million, from DKK 26.7 million to DKK 46.6 million, primarily due to Danida funding, which increased by DKK 19.8 million.

In 2022, total fees paid to board members amounted to DKK 165 thousand compared to DKK 135 thousand in 2021. The fees have been paid following the rules of procedure of the DCI Board. None of the fees has been subject to change. However, board members have been replaced, thus resulting in fewer fees paid in 2021 than in 2022.

Equity

With a total loss of DKK 0.1 million, DCI's equity amounted to DKK 15.0 million at the end of 2022 (including the value of properties in St. Petersburg). The equity mainly stems from the net proceeds from the sale of a property in Edinburgh in 2015.

The Board of DCI has decided to keep equity at the current level, considering the new high level of revenue with large external funding, which places demands on DCI's financial soundness and liquidity. The amount of equity will be evaluated annually based on expectations for DCI's total annual revenue.

Outlook

In 2023, DCI expects to be able to maintain and, in several places, increase the level and breadth of cultural collaboration and cultural projects worldwide. DCI hopes to keep the same level of activity in China, Brazil, and Türkiye. In India, DCI expects to re-increase the level of activity after being wound down for a couple of years, while we expect the activities in Russia to be suspended entirely. For the other European countries, the level of activity will be increased mainly due to the Danida and EU-funded cultural projects and programmes.

Management commentary

DCI does not expect to be able to resume its activities in Russia for the foreseeable future. Therefore, as long as possible, DCI will try to maintain its standby position with continued registration in the country and letting out the two properties in St Petersburg. However, due to the challenging situation, DCI expects some costs, as the economy in the country is tough, and it has proven hard to let out the properties.

In February 2023, the Ukrainian-Danish Youth House finally opened its doors as a physical hub for young people's democratic conversations and social intercourse. However, the official opening of the Youth House will not take place until the safety in Kyiv allows this. Nevertheless, DCI still anticipates that the Danish employee will work primarily from Denmark, with ongoing visits to Kyiv. The programme has entered its second phase with a Danida grant of DKK 11 million annually over the next four years. DCI's share is DKK 8.7 million of the total budget in 2023.

The extensive programme of the New Democracy Fund will continue under a new four-year grant by Danida of DKK 45 million a year. DCI's share is DKK 12.7 million of the total grant in 2023.

DCI continues to engage in EU projects in the Baltic Sea region and the eastern partnership countries. New EU projects will replace old ones in the Baltic Sea region and the Eastern Neighbourhood countries. At the end of 2022, a two-year EU project was launched to support the free arts and cultural life in Belarus. The project "ArtPowerBelarus" has received a total funding of EUR 2 million. DCI is the programme lead. In addition, DCI is a partner in three EU-funded projects in the Baltic Sea region: "BalticPearls", "Liveability", and "Moving Identities". In the Eastern Neighbourhood countries, DCI participates in the EU-funded project "EU4Culture". Moreover, the work continues on the applications for two other EU projects on culture, circular economy, and rural district development through cultural methods. Both projects include the participation of partners in the Baltic Sea region. Replies to the applications are expected at the end of 2023.

Overall, in 2023, DCI budgets for operating results that balance. The budget for 2023 does not include any withdrawals from equity, which amounted to DKK 15.0 million by the end of 2022.

The new EU funding requires co-financing. Accordingly, DCI will focus on raising enough money to cover this co-financing. Overall, the ambition is to consolidate the immense growth organisationally, competence-wise, and structurally throughout the entire organisation to stabilise the new level of revenue. New growth potentials are evaluated on an ongoing basis.

Events after the balance sheet date

No events have occurred from the balance sheet date to this date, which would influence the evaluation of this annual report.

Accounting policies

The financial statements and the management commentary are presented in accordance with the Danish Executive Order no. 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture, including the following fundamental principles:

The accounting policies applied to these financial statements are consistent with those applied last year.

The financial statements are presented in DKK.

Income statement

Income and expenses are recognised in the income statement according to the gross principle, including income and expenses of foreign branches. Income and expenses are accrued.

Transfers to partners are recognised in the DCI financial statements at the time of payment. In contrast, expenses in Denmark are recognised according to the time of invoicing and general principles of accrual basis of accounting.

The financial statements include an income statement compiled in accordance with the principles applied in previous years.

Balance sheet

Intangible assets

Development projects completed are measured at cost less accumulated amortisation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Straight-line amortisation is made on the basis of the following estimated useful lives of the assets:

Development projects completed	3 years
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Development projects completed are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

The Institute's properties are measured at an estimated value which is counterbalanced by an equivalent revaluation reserve. The properties are not depreciated.

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Accounting policies

The basis of depreciation is cost plus revaluation and less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
--------------------------------------------------	-----------

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Assets with an acquisition price less than DKK 31,000 are expensed in the year of acquisition.

Depreciation and impairment losses, and losses from the sale of property, plant and equipment, are recognised in the income statement under the individual expense groups. Profits from the sale of property, plant and equipment are recognised in the income statement as other income.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments

Securities recognised under current assets comprise listed bonds and investments measured at fair value (market price) at the balance sheet date.

Cash

Cash comprises cash in hand and bank deposits.

Deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Foreign currency translation

Foreign currency transactions are translated monthly, applying the average EU exchange rate (InforEURO).

Income statement for 2022

	<u>Note</u>	<u>2022 DKK</u>	<u>Budget 2022 DKK'000</u>	<u>2021 DKK'000</u>
National Budget, operating grant	1	14,800,000	14,700	14,700
Grants and donations received	2	54,300,744	21,501	34,801
Other income	3	417,996	250	666
Income		<u>69,518,740</u>	<u>36,451</u>	<u>50,167</u>
Wages and salaries, head office and branches	4	-18,150,539	-11,406	-15,387
Other operating expenses, head office and branches	5	-6,180,495	-7,223	-6,955
Activity expenses	6	-43,735,628	-18,624	-27,424
Expenses		<u>-68,066,662</u>	<u>-37,253</u>	<u>-49,766</u>
Operating profit/loss		<u>1,452,078</u>	<u>-802</u>	<u>401</u>
Financial income	7	799,416	266	2,215
Financial expenses	8	-2,355,943	-166	-871
Profit/loss for the year		<u><u>-104,449</u></u>	<u><u>-702</u></u>	<u><u>1,745</u></u>

Balance sheet at 31 December 2022

	<u>Note</u>	<u>2022 DKK</u>	<u>2021 DKK'000</u>
Development projects completed (IT)	9	116,162	255
Land and buildings	10	750,000	750
Other fixtures and fittings, tools and equipment	11	0	2
Deposits		226,229	351
Fixed assets		<u>1,092,391</u>	<u>1,358</u>
Receivables		3,038,237	1,397
Prepayments		428,984	587
Receivables		<u>3,467,221</u>	<u>1,984</u>
Other investments		<u>10,577,627</u>	<u>13,012</u>
Cash	12	<u>56,574,392</u>	<u>36,013</u>
Current assets		<u>70,619,240</u>	<u>51,009</u>
Assets		<u><u>71,711,631</u></u>	<u><u>52,367</u></u>

Balance sheet at 31 December 2022

	<u>Note</u>	<u>2022 DKK</u>	<u>2021 DKK'000</u>
Value of properties in St. Petersburg		750,000	750
Other equity		<u>14,238,495</u>	<u>14,343</u>
Equity	13	<u>14,988,495</u>	<u>15,093</u>
Transferred from allocation of activities from previous years		0	461
Change in provisions for the year		<u>0</u>	<u>-461</u>
Provisions		<u>0</u>	<u>0</u>
Long-term accruals for employee benefits		<u>0</u>	<u>0</u>
Long-term liabilities		<u>0</u>	<u>0</u>
Accruals for employee benefits		763,498	681
Other payables		6,760,739	1,747
Deferred income		<u>49,198,899</u>	<u>34,846</u>
Short-term liabilities		<u>56,723,136</u>	<u>37,274</u>
Liabilities and provisions		<u>56,723,136</u>	<u>37,274</u>
Equity and liabilities		<u><u>71,711,631</u></u>	<u><u>52,367</u></u>

Notes

	2022 DKK	2021 DKK'000
1. National Budget, operating grant		
Danish Agency for Culture and Palaces, operating grant	14,800,000	14,700
National Budget, operating grant, total	14,800,000	14,700
2. Grants and donations received		
Grants received from national institutions		
Danish Agency for Culture and Palaces, pool funding	800,000	800
Danida	44,507,346	24,681
Danish Ministry of Culture, International Cultural Panel	992,666	1,092
Danish Embassy in Brazil	52,051	0
Danish Embassy in Riga	117,992	74
Danish Embassy in China	2,715	37
Consulate General of Denmark in Shanghai	15,473	0
Danish Embassy in Estonia	32,305	0
Civil Society in Development (CISU)	50,000	0
Total grants received from national institutions	46,570,548	26,684
Donations received from Danish private donors		
Christian Hansen A/S	52,112	0
International Media Support	1,449,105	268
Rambøll	0	200
Wisti Foundation for International Understanding	212,312	297
BUPL Solidarity and Cultural Fund	3,000	0
3F (trade union and unemployment fund)	5,000	0
Augustinus Fonden	0	200
Konsul George Jorck og Hustru Emma Jorck's Fond	70,910	41
Knud Højgaards Fond	38,256	107
Novo Nordisk	3,019	7
Danske IT	0	8
Bornholm Museum	0	8
Odense City Museums	0	21
Grundfos	10,000	0
Carlsberg Foundation	0	322
S.C. Van Fonden	12,867	6
William Demant Foundation	125,000	0
Novozymes	58,514	0
Roskilde Festival	6,000	0
University of Skövde	11,585	0
Democracy in Europe Organisation (DEO)	13,783	0
Friends of Belarus in Denmark – Talaka	3,460	0
Brugsforeningernes Arbejdsgiverforening	7,362	0
The Danish Efterskole	18,159	0
The Triangle Region in Denmark	28,571	0
Total donations received from Danish private donors	2,129,015	1,485

Notes

	2022 DKK	2021 DKK'000
2. Grants and donations received (continued)		
Donations received from international donors		
British Council	10,959	8
Consulate of Finland	0	30
EUR PR	0	30
EU	3,902,223	4,313
EUNIC	343,202	133
Goethe Institute	0	147
Handan	250,000	280
Nordic Culture Fund	163,161	24
Nordic Council of Ministers	231,233	1,174
Norwegian Embassy	14,630	12
UNESCO	1,414	2
Yitay	39,638	479
Congressão Israelita	2,964	0
SPCINE	26,981	0
Cons Britanico	8,452	0
CONSULADO SUICA	8,452	0
Council of Baltic Sea States	246,647	0
Embaixada de Portugal	9,614	0
Hainan Government	74,231	0
Instituto Italiano de Cultura	20,438	0
SESC	6,466	0
Swedish Embassy	10,466	0
Baltijas mediju izcilibas centrs	76,977	0
Ziemeļvalstu Ministru padomes birojs Latvija	29,746	0
Eesti Muusika-Ja Teatriakadeemia	1,487	0
Kulturtelpa M/Darbnica	2,233	0
Consulado Geral da Belgica	2,475	0
Scubidu Producoes Cultutais	33,949	0
Daniel Gonzales Producoes	5,626	0
French Embassy in Brazil	7,781	0
Embaixada do Reino da Belgica	4,950	0
EU VoV, PoN	64,786	0
Total donations received from international donors	5,601,181	6,632
Total grants and donations received	54,300,744	34,801
3. Other income		
Wisti Foundation for International Understanding	250,000	250
Carlsberg Foundation	0	250
LEGO	47,248	0
DCI residence "Gagarin" in St. Petersburg	48,411	65
Other income	72,337	101
Total other income	417,996	666
Total income	69,518,740	50,167

Notes

	2022 DKK	2021 DKK'000
4. Wages and salaries, head office and branches		
Denmark	4,758,881	5,649
Foreign countries	13,391,658	9,738
	18,150,539	15,387
5. Other operating expenses, head office and branches		
Denmark	2,942,680	2,675
Foreign countries	3,237,815	4,280
	6,180,495	6,955
6. Activity expenses		
Cultural projects	3,711,679	4,164
Danida projects	36,409,862	20,036
EU projects	3,479,956	3,219
Other projects	134,131	0
Other income-generating activities	0	5
	43,735,628	27,424
7. Financial income		
Interest income received from banks	0	7
Return on securities	390,343	559
Cash exchange gains	161,413	56
Unrealised capital gains on securities	247,660	1,447
Realised capital gains on securities	0	146
	799,416	2,215
8. Financial expenses		
Interest expenses paid to banks	205,942	181
Bank fees	95,425	64
Cash exchange losses	0	0
Unrealised capital losses on securities	1,980,796	217
Realised capital losses on securities	73,780	409
	2,355,943	871

Notes

	Development projects completed DKK
9. Intangible assets	
Cost at 1 January 2022	1,099,359
Additions	0
Transfers	0
Cost at 31 December 2022	1,099,359
Amortisation and impairment losses at 1 January 2022	-843,505
Amortisation for the year	-139,692
Amortisation and impairment losses at 31 December 2022	-983,197
Carrying amount at 31 December 2022	116,162

	2022 DKK	2021 DKK'000
10. Buildings		
Cost at 1 January 2022	4,291,307	4,291
Financed by grants	-4,291,307	-4,291
Net cost at 31 December 2022	0	0
Revaluation at 1 January 2022	750,000	1,500
Reversed revaluation	0	-750
Revaluation at 31 December 2022	750,000	750
Carrying amount at 31 December 2022	750,000	750

Notes

	Other fixtures etc DKK
11. Property, plant and equipment	
Cost at 1 January 2022	2,123,005
Additions	0
Disposals	<u>-713,110</u>
Cost at 31 December 2022	<u>1,409,895</u>
Depreciation and impairment losses at 1 January 2022	-2,121,152
Depreciation for the year	-1,853
Reversals relating to disposals	<u>713,110</u>
Depreciation and impairment losses at 31 December 2022	<u>-1,409,895</u>
Carrying amount at 31 December 2022	<u>0</u>

	2022 DKK	2021 DKK'000
12. Cash		
Cash in hand	85,746	3
Danske Bank	47,675,283	31,629
Nykredit	31,517	22
Cash at foreign branches	<u>8,781,846</u>	<u>4,359</u>
	<u>56,574,392</u>	<u>36,013</u>
Broken down by donors:		
Danida	46,852,660	
EU	6,753,292	
DCI	<u>2,968,440</u>	
	<u>56,574,392</u>	
13. Equity		
Equity at 1 January 2022	15,092,944	14,098
Reversed property revaluation	0	-750
Profit/loss for the year	<u>-104,449</u>	<u>1,745</u>
	<u>14,988,495</u>	<u>15,093</u>

14. Liabilities

The Institute has assumed a rental obligation concerning a lease in Copenhagen. In addition, the Institute has assumed rental obligations concerning some of the foreign branches.

Appendix 1: Overview of Danish Cultural Institute projects in 2022

	Income DKK
Danida	44,507,346
EU	3,902,223
Grant-financed cultural projects	5,891,175
Total	54,300,744

The Danish Cultural Institute (“DCI”) has two types of activities; cultural projects that are carried through by grants to cover the direct costs (grant-financed activities), and field trips etc that are completed by cost recovery in full (income-generating activities). The cultural projects are typically carried through by grants from the Danish Agency for Culture and Palaces (“DACP”), private foundations, EU foundations, Danida programmes, and the Danish Ministry of Foreign Affairs.

The grant-financed cultural projects are listed on the following pages. Only cultural projects with revenue exceeding DKK 10,000 are included. Projects with revenue lower than DKK 10,000 are included as “Other projects” for each country. The project financial statements are based on the following method of accounting: Several projects are multi-annual, but only the costs incurred and income received in 2022 are included in the calculation.

The net results of the cultural projects are calculated as operating contribution margin because the calculation usually does not include wages and salaries for DCI’s permanent staff or overhead costs. In addition, the multi-annual EU projects and the grants by Danida for the New Democracy Fund and the Ukrainian-Danish Youth House in Kyiv have been recognised as part of the grant-financed activities and are not shown in the specification below.

The table above shows that DKK 54.3 million was recognised as income in 2022 and that DKK 5.9 million relates to cultural projects (grant-financed activities) shown in the specification below. Consequently, DCI generates a profit of DKK 409 thousand. The profit mainly comes from China, who contributed a contribution margin of DKK 376 thousand.

Cultural project financial statements 2022

	Income DKK	Payroll costs DKK	Operating expenses DKK	Financial items DKK	Profit/loss DKK
People's Meeting 2022	61.034	-10.000	-51.004	-30	0
Cultural Meeting 2022	40.999	-21.563	-19.436	0	0
Creative Ports EU project	-21.660	0	0	382	-21.278
Denmark	80.373	-31.563	-70.440	352	-21.278
Exhibition Bloom/Wroblewski	-87.800	0	0	0	-87.800
50th anniversary of Polish Jews settling down in DK	0	0	-13.750	0	-13.750
Poland	-87.800	0	-13.750	0	-101.550
From North to South: A Textile Art Collaboration	-41.196	0	41.196	0	0
Commons & Communities Türkiye	193.780	0	-194.066	285	0
Empire Project Merve Tuna Exhibition	19.314	-2.500	-16.814	0	0
ATTAHYGGÉ.com and ATTA Festival 2022	35.161	-8.080	-26.441	-640	0
Totem Digital Concert Music from Miklagård	11.831	-3.000	-8.831	0	0
Sound of Europe Music Festival EUNIC	31.448	-9.468	-21.930	-50	0
I SEE YOU	92.286	-7.695	-84.291	-300	0
Cosmic Fear at New Text Festival GALATAPERFORM	68.268	-10.000	-58.248	-20	0
Türkiye	410.892	-40.743	-369.425	-725	0
100 Year Baltic States	0	0	-22.500	0	-22.500
BSR Culture Gaming	11.584	0	0	0	11.584
Golden Age exhibition by SMK	180.496	0	-179.511	0	985
"The Traveling Democracy Lab"	74.727	0	0	0	74.727
Performing Gender in Times of Conflict	35.231	-34.807	0	-424	0
Development of Circular Economy projects	22.333	0	-16.226	-7	6.099
Angels in Kaunas	77.000	-30.000	-47.000	0	0
Supporting Belarusian culture under pressure	36.467	0	-36.466	-1	0
Documentary Film All for One and One for All	13.386	0	-13.386	-4	-4
RuralCulturalPlanning	246.647	-140.781	-105.851	-15	0
Quantum Aesthetics	211.200	-74.545	-136.618	-37	0
Voices of Violence 2022	33.025	-6.000	-27.014	-11	0
Food Waste Manifesto	47.029	-25.781	-21.222	-26	0
Traces in Time	10.000	0	-10.000	0	0
Iron Women and Red Stockings to Estonia and Lithuania	56.248	-3.967	-52.252	-30	0
IDFF Artdocfest / Riga	11.163	0	-11.163	0	0
Brothers & Sisters	95.916	-37.458	-58.436	-22	0
Antiwarcoalition.art	44.640	0	-44.635	-4	2
Hess-Winther-Huntley jazz trio to Riga	11.570	-6.700	-4.862	-7	0
Between the Lines - Chapter 4	18.900	-14.506	-4.382	-12	0
Åstrand/Salo Duo on Estonian tour	56.192	-35.000	-21.173	-19	0
Northern Lights Film Festival 2022	137.715	0	-137.711	-4	0
Support for meeting about Russian media	28.500	0	-28.269	0	231
Danish Film Days	21.329	-1.488	-19.830	-11	0
Nordic Days 2022	115.009	-744	-81.480	-26	32.759
Belarusian delegation at the HomoNovus theatre festival	0	0	-6.619	0	-6.619
Normal Cake, please	15.000	0	-14.875	-4	121
Other projects	66.934	-11.646	-55.474	-89	-274
DEO study trip	13.783	-2.233	-9.134	-4	2.413
The Danish Efterskole study trip	18.159	-2.231	-11.249	-7	4.672
Riga Staff Study Trip to Copenhagen	0	0	-16.750	0	-16.750
Study trip to Kaunas	28.571	0	-12.959	-4	15.609
Baltic States	1.738.753	-427.885	-1.207.046	-768	103.054

Cultural project financial statements 2022

	Income DKK	Payroll costs DKK	Operating expenses DKK	Financial items DKK	Profit/loss DKK
Rapid Response Fund Support to Kultura Medialna	110.123	0	-110.143	0	-20
Ukrainian writers under threat: relocation and support	223.176	0	-223.176	0	0
RRF support: Storytelling in Poltava	185.973	0	-185.973	0	0
RRF support: Platform Tu in exile, restart	314.232	0	-314.443	-149	-360
RRF support to the East SOS	186.105	0	-185.940	-279	-114
Other projects	-2.269	-344	-2.238	0	-4.851
Ukraine	1.017.339	-344	-1.021.913	-428	-5.345
Waterfront. Tools and networks vol. 2	20.879	0	-6.479	0	14.399
Nordic Weeks in North-West Russia	96.710	-48.284	-876	0	47.550
Navigating in information	83.371	-71.774	-17.960	0	-6.364
Other projects	6.300	-5.587	549	0	1.262
Russia	207.260	-125.646	-24.767	0	56.848
Danish Culture in Inner Mongolia	39.638	0	-39.917	0	-279
Fee - Handan Cultural Development	250.000	0	0	0	250.000
Hertz	21.583	0	-21.583	0	0
Commons & Communities	27.793	0	-27.793	0	0
Film supplement for cultural and PD activities in China	45.256	0	-45.256	0	0
Exhibition in Hainan	74.231	-10.000	-18.717	0	45.514
Peace Posters	24.266	0	-24.266	0	0
Born To Be Wild 2022	23.345	0	-8.393	-100	14.851
Cirkeline - A musical adventure	10.000	-10.000	0	0	0
Positive Energy	23.115	-2.954	-23.111	0	-2.950
From Cosmos to Open Science	29.101	0	-29.101	0	0
Mental Health with Novozymes	58.513	0	-9.500	0	49.014
Black Dog in Shanghai	15.473	0	0	0	15.473
The Hand-Brain Connection	18.506	-12.500	-6.006	0	0
Brain, Art and Science	16.177	-3.500	-12.677	0	0
Born to be wild on tour in China	44.153	0	-44.153	0	0
Other projects	39.015	0	-33.644	0	5.371
China	760.163	-38.954	-344.116	-100	376.993
Cineklap	82.254	-74.750	-7.503	0	0
PN Mentoring Lab and Seminar	199.344	-144.603	-54.741	0	0
Other projects	13.152	-7.945	-5.207	0	0
Commons & Communities	63.117	-55.370	-7.747	0	0
Futuros Presentes II	89.560	-60.519	-29.041	0	0
VIDA LOCAL RIO	179.513	-97.267	-82.246	0	0
Constructive Journalism Fellowship BM 2022	20.381	-381	-20.000	0	0
PoN Mobile Game Step 3	514.163	-498.942	-15.221	0	0
Kathrine Windfeld Tour	57.013	-32.995	-24.018	0	0
Thorning & Pedersen Residency	47.553	-5.045	-42.507	0	0
PoN Space Santos	21.914	-1.320	-20.593	0	0
Asbjørn Norgaard Residency	17.000	-16.765	0	0	235
Documentary on racism CISU	50.000	0	-50.000	0	0
Brazil	1.354.962	-995.903	-358.824	0	235
Support to Preservation of Creative Potential in Belarus	399.771	0	-399.713	0	58
Other projects	9.460	0	-9.460	0	0
Eastern Neighbourhood countries	409.231	0	-409.173	0	58
TOTAL	5.891.175	-1.661.037	-3.819.454	-1.668	409.016

Appendix 2: Reporting on the framework agreement 2022

The Danish Cultural Institute (“DCI”) has entered into a framework agreement with the Danish Ministry of Culture (“DMC”) for the period 2021 to 2024. The following pages summarise the progress in 2022, specified by activities, performance targets, operational targets, and key figures as outlined in the framework agreement. The agreement was entered into in June 2021, upon which the following reporting is based.

The DCI activities will be further specified in the management commentary for 2022.

Performance for 2022

DCI overall assesses that all six operational targets have been achieved.

The new Youth House in Kyiv and the New Democracy Fund considerably increased the Institute’s focus area and finances. The COVID-19 pandemic restrictions continued only in China. In Europe, all of our programmes were strongly influenced by the war in Ukraine, and most of them had to be adjusted and reorganised in light of the new circumstances. However, the level of activity was maintained. The overall reporting shows that DCI continues to move from many small to larger and more long-term arts and cultural projects and initiatives. The reporting also reflects a strong focus on the new programmes in the Eastern Neighbourhood countries in media publicity. Cultural projects have generally developed as expected, and targets were achieved. Many European projects have had to adjust to the new situation with the war in Ukraine. However, digital formats have been integrated into cultural projects in all branches, and the value of the projects completed remains very high to our partners.

Activity: Cultural projects

Performance target: DCI develops new online formats providing new ways of international cultural exchange.

Operational target: The individual branches develop at least one new online format providing new ways of international cultural exchange, thus reaching new target groups or a larger audience. The new formats are evaluated annually across the organisation for joint learning and inspiration.

Key figure/indicator: At least 15% of DCI activities must include digital formats in cultural exchange.

Performance achieved in 2022: The COVID-19 crisis made it imperative to think of new formats in international cultural exchange, and in several projects, new digital formats are still incorporated, although not to the same extent as before. Online formats often limit the need for air transport, thus taking the climate crisis into consideration.

Appendix 2: Reporting on the framework agreement 2022

Digital formats have been incorporated in 21 projects, equal to 17% of this year's 121 projects, so the operational target for online formats has been achieved. The individual branches have evaluated one or more best cases within the online cultural exchange.

The branches generally indicate that an online format allows for a larger audience, as the activity is no longer site-specific. For example, online formats are used for presentations, city walks, debates, workshops, and interactive online performances.

Again this year, in particular, the combination of online formats and physical project collaboration has proven to enhance and improve the physical project collaboration, as much work can be prepared in advance.

Four good examples from DCI's evaluations are presented below:

Brazil; Mobile game as a pedagogical tool: The project "Politics of Nature" (PoN) aimed to involve and connect Brazilian teenagers from all over the country across social boundaries in the concern for climate and sustainability, and to connect Brazilian and European young people, by developing, promoting, and activating a mobile game and distributing its pedagogical tool to at least 500 schools.

However, the project has spread far more than anticipated, both geographically and in terms of age. The Brazilian educational sector welcomed the game, and it won the Games for Change Latin America Award in the Impact category in November 2022. DCI expects to enter into several national agreements in 2023, just as the game will be translated into Spanish and English.

China; App-produced animations to convey sustainability knowledge: The project "Children's Amazing Tales" included a workshop for children, which aimed at using animation as an artistic tool to convey sustainability knowledge by creating animation videos for social media platforms. The workshop gave participants insight into sustainable energy, storytelling, and animation.

With the help of an animation app developed by the Danish Film Institute, five animations were produced and subsequently shown on various social media platforms. The animations were used as a tool to capture the children's creative interest when writing storylines, making props, designing scenography, and recording. The app is thus a cross-over project and a new and creative way of working with sustainability.

Türkiye; Bridge-building website: The "Commonities = Common + Communities" project has made an online platform in Türkiye based on the physical "Commons & Communities" exhibition. The website contains different cases from Türkiye, China, Denmark, Brazil, Ukraine, and the Baltic States. The platform clearly reflects the physical exhibition "Commons & Communities", as it prepares the ground for discussion and reflection on how we best use our common resources; thus, future generations can benefit from them.

Appendix 2: Reporting on the framework agreement 2022

The project bridges the gap between the digital and analogue worlds. The project's criteria for success were to build a sense of community developing from the exchange of Danish architects' knowledge in the field with that of Turkish architects and design students. The project also supports future cooperation opportunities between Türkiye and Denmark regarding their shared common values.

Ukraine; Online debates combined with physical meetings: The project "MykoMrii – Dreams for Mykolaiv" aimed at preparing young people (age 16-25) from Mykolaiv to engage in the reconstruction of their city. The young attended online meetings for two months about voluntariness, culture, local involvement, inclusion, etc. The participants listened, debated, and did their homework.

When the online meetings ended, a group of 45 young people was selected and met for a two-day preparatory seminar in Lviv and then travelled to Copenhagen. The seminar in Denmark was about democracy, human rights, and inclusion, involving various workshops, meetings, and visits to relevant institutions. After returning from the exchange visit, the participants still engage through online chat groups and physical meetings in Mykolaiv to develop specific projects.

The possibility of online theoretical meetings and sessions has been crucial and ensured that young people could participate no matter where they were in the region – and they have also been able to stay in touch after the physical seminars. When the hybrid format is a premise, and people are prepared that involvement is expected, even online, collaboration is possible within a large geographical area.

Performance target: Partners' high-quality assessment of DCI activities is maintained.

Operational target: The quality of DCI's activities is evaluated annually by asking its Danish partners, i.e., artists, cultural performers, and organisations, about DCI's contributions and in what ways the projects have strengthened and will strengthen the future intercultural dialogue.

Key figure/indicator: DCI's projects are evaluated annually. On a scale from 1-7, DCI will be satisfied with a score above 5.

Performance achieved in 2022: The partners generally consider their cooperation with DCI satisfactory. 93% agree or strongly agree with the statement "I am generally satisfied with how the project was carried out". This result corresponds to a weighted average of 6 on a scale of 1 to 7, with 7 being the best. The partners indicate, in general, that they have established new, solid cooperative relationships initiated by DCI in the relevant country.

However, the number of evaluations is low, and DCI will strive for more project evaluations next year. Nevertheless, the performance target is still considered achieved. The breakdown of answers can be found in the table below.

Appendix 2: Reporting on the framework agreement 2022

1. STRONGLY DISAGREE	2. DISAGREE	3. PARTLY DISAGREE	4. NEUTRAL	5. PARTLY AGREE	6. AGREE	7. STRONGLY AGREE	NOT RELEVANT	WEIGHTED AVERAGE
0%	4%	0%	0%	3%	45%	48%	0%	6%

Note: The table shows the distribution of answers to the question, "How much do you agree with the statement: "I am generally satisfied with how the project was carried out." Number of respondents: 29.

Unfortunately, the number of responses is decreasing, and it must be considered if questionnaires should be used in the future.

Activity: Communication and visibility

Performance target: DCI will strengthen the quality of its strategic press efforts and presence in leading national and social media. The media publicity should focus more on DCI's mission, activities, and unique position as being insightful in the cultural conditions of the countries concerned. The visibility effort will be based on DCI projects, focusing on relevance in Denmark.

Operational target: The volume of media publicity is maintained in leading national media in Denmark, but the share of media publicity in which DCI's mission, projects, and unique expert role are incorporated gradually increases.

Key figure/indicator: Baseline 40% of 290 mentions in 2020. The target is 60% of the mentions in 2021, 65% in 2022, 70% in 2023, and 75% in 2024.

Performance achieved in 2022: 2022 became a year in which the world situation changed once again. The war in Ukraine tragically renewed the relevancy and topicality of our work in the Eastern Neighbourhood region, thus being reflected in the quality of our total media publicity.

In 2022, DCI received almost 300 press cuttings*, of which about 75% was of a qualitative nature, defined as press coverage of DCI's own projects or core mission, DCI's expert role and/or a partnership/collaboration/initiative in which DCI plays a bigger role.

Consequently, the operational target of 65% has been achieved.

The analysis is based on a review of all DCI mentions** by Infomedia in 2022. It should be emphasised that Infomedia does not record radio and TV publicity as accurately as written media. However, DCI mainly experiences a great interest from just audio media, as participation is easy despite long distances. Furthermore, the recording of the DCI radio appearance is hand-held and may be subject to uncertainty.

Appendix 2: Reporting on the framework agreement 2022

In addition to more qualitative publicity, DCI increased its presence on social media in 2022 with an organic reach of almost 210,000 (impressions) on LinkedIn, nearly 190,000 (page reach) on Facebook, and almost 22,000 (reach) on Instagram. In addition, DCI upgraded its presence at the People's Meeting, the Cultural Meeting, and the Young People's Meeting. DCI had its own programme at all three events. At the People's Meeting, DCI was the leading partner of the International Scene.

*The number of press cuttings covers the times DCI was mentioned in Danish media in 2022, according to Infomedia. Therefore, the publicity ranges from short notices to large background articles, radio interviews, and television performances. In addition, there may be articles that have been repeated in several daily newspapers or platforms.

**Press coverage of the New Democracy Fund and the Ukrainian-Danish Youth House is included, as DCI is the lead partner and driving force behind all communication in Denmark. The media count, therefore, consists of searches with a wide range of search word combinations, taking into account different spelling and acknowledgements (e.g., the Danish Cultural Institute, the Danish Cultural Centre in Beijing, the Ukrainian-Danish Youth House, the Youth House in Kiev/Kyiv, the New Democracy Fund, etc).

Performance target: In the coming framework agreement period, DCI would like to test the overall relevance of the Theory of Change (ToC) method as a methodology and evaluation model by learning it and applying it to large DCI projects to share the experience with the cultural industry.

Operational target: The aim is a targeted process, beginning with learning and translating the method into the cultural field to turn it into DCI practice and subsequently sharing knowledge with other cultural institutions working with art and cultural projects as change-making initiatives.

Key figure/indicator: The method is introduced and known in 2021, the method is translated and learned in 2022, the method is mastered and used in 2023, and the method is shared in 2024.

Performance achieved in 2022: ToC is currently used in applications and projects funded by Danida. In December 2022, DCI purchased the Podio programme for the use of outcome harvesting to document further the change that DCI's activities contribute to the various projects. Outcome harvesting is an internationally recognised monitoring and evaluation method focusing on the specific changes observed, which can be verified in a given context. In addition, outcome harvesting requires the implementing organisation to describe and prove its contribution to this change. Using outcome harvesting, DCI can trace direct connections and causality between its activities and social changes. DCI started with implementing the outcome harvesting tool in the two major Danida programmes in the Eastern Neighbourhood countries and plans to roll out the tool in the entire organisation during 2023. The ambition is that outcome harvesting will become the primary monitoring and evaluation tool of DCI.

Appendix 2: Reporting on the framework agreement 2022

Activity: A balanced economy

Performance target: The total budget of DCI will balance over the next three years.

Operational target: The economy will be reorganised step by step into a higher share of external funding, thus phasing out withdrawals from equity over the next three years.

Key figure/indicator: The loss will be reduced annually according to the following plan: Baseline 2020: DKK -0.67 million, 2021: DKK -1.21 million, 2022: DKK -0.7 million, 2023: DKK 0 million, and 2024: DKK 0 million.

Performance achieved in 2022: Results were DKK -0.1 million against an estimated loss of DKK 0.7 million.

DCI has succeeded in greatly attracting external funding, e.g., the New Democracy Fund and the Youth House in Ukraine and extended annual funding for them of DKK 45 million and DKK 11 million for the next four years. Activity expenses total DKK 37.7 million, an increase of 312% compared to 2020. Funding by Danida amounted to DKK 44.5 million in 2022.

DCI had budgeted for a loss of DKK 0.7 million but ended with a loss of DKK 0.1 million due to administrative contributions from Danida that were not included in the budget and payment of unbudgeted overheads related to Danida funding.

Performance target: DCI increases the share of large cultural projects through long-term strategic partnerships.

Operational target: We are working toward large, long-term projects with a much better chance of generating positive contribution margins and increasing the volume of project finances.

Key figure/indicator: Total number of cultural projects completed per country, broken down by projects with revenue of > DKK 100 thousand.

Performance achieved in 2022: The share of projects completed was 21%, but the target was 20% and has therefore been achieved. The development differs in each country. In some countries, the number of large projects does not grow quite so fast. However, the Institute is becoming part of several huge, long-term projects ensuring a reasonable contribution margin to its operating economy and providing stability for economic planning in the next few years. Consequently, DCI is satisfied with the development, and the target must be considered achieved, as we have surpassed the target.

Appendix 2: Reporting on the framework agreement 2022

2022	Denmark	Poland	Türkiye	The Baltic States	Ukraine	Russia	China	Brazil	India	Latvia	Performance	Target
Number of projects per branch	5	1	8	46	8	10	24	14	1	4	121	150
Number of projects per branch above DKK 100 thousand	1	0	1	7	6	0	1	4	1	4	25	30
	20%	0%	13%	15%	75%	0%	4%	29%	100%	100%	21%	20%

2021	Denmark	Poland	Türkiye	The Baltic States	Ukraine	Russia	China	Brazil	India	Latvia	Performance	Target
Number of projects per branch	4	1	7	35	4	18	27	22	12	2	132	150
Number of projects per branch above DKK 100 thousand	1	0	1	5	3	4	1	2	2	1	20	30
	25%	0%	14%	14%	75%	22%	4%	9%	17%	50%	15%	20%

2020	Denmark	Poland	Türkiye	The Baltic States	Ukraine	Russia	China	Brazil	India	Latvia	Performance	Target
Number of projects per branch	4	22	5	33	8	12	18	13	19	3	137	190
Number of projects per branch above DKK 100 thousand	2	1	1	2	3	2	1	1	1	1	15	25
	50%	5%	20%	6%	38%	17%	6%	8%	5%	33%	11%	13%

Appendix 2: Reporting on the framework agreement 2022

Performance targets

ACTIVITY: CULTURAL PROJECTS	OPERATIONAL TARGET/KEY FIGURE	2020	2021	2022 Target	2022 Performance	2023 Target	2024 Target
DCI develops new online formats providing new ways of international cultural exchange.	Minimum share of DCI activities that include digital formats in cultural exchange. Number of online formats that each branch develops annually.	-	38%	15%	17%	15%	15%
Partners' quality assessment of DCI activities is increased.	Annual evaluation of completed activities.		1	1	3.5 on average per branch (21 formats, 6 branches)	1	1
	Ongoing evaluation of projects in terms of partners' (i.e., artists, cultural performers, and participating organisations) perception of quality in DCI activities.		Completed	Completed	Evaluations completed for 2022	Completed	Completed
	Average score on all evaluations.	>4	>6.2	>5	Average score 6	>5	>5
ACTIVITY: COMMUNICATION AND VISIBILITY	OPERATIONAL TARGET/KEY FIGURE	2020	2021	2022 Target	2022 Performance	2023 Target	2024 Target
The quality of DCI's visibility to stakeholders and the general public is strengthened.	Number of mentions in media is maintained. Key figure: Share of media publicity in which DCI's activities, mission, and unique expert role are the focal point of the publicity.	40%	45%	65%	= 300 mentions 65%	70%	75%
Increase the visibility of DCI's work on the social-changing potential of art and cultural projects.	ToC method is learned, translated, implemented, and shared in DCI activities. Experience is communicated to other similar cultural institutions.	-	Introduced	To be translated and learned	The ToC method has been used in projects if required by the donor. In December 2022, we invested in Podio for the purpose of outcome harvesting, which has been implemented in 2023. To begin with only the large programmes. Outcome harvesting is an internationally recognised monitoring and evaluation method focusing on the actual changes	Mastered and applied	Shared
ACTIVITY: A BALANCED ECONOMY	OPERATIONAL TARGET/KEY FIGURE	2020	2021	2022 Target	2022 Performance	2023 Target	2024 Target
The total budget of DCI will balance over the next three years.		DKK -0.7m	DKK 1.7m	DKK 0.7m	The budget balance was positive for 2022 compared to the estimated balance. Loss for the year was DKK 0.1m. Consequently, equity only changed by DKK -0.1m.	DKK 0m	DKK 0m
DCI increases the share of large cultural projects through long-term strategic partnerships.		30/150 (11%)	20/132 (15%)	35/150	21/125 (21%) DCI achieved this target in 2022, as 21% of the projects was above DKK 100 thousand. An increase compared to 2021 and 2020.	35/150	35/150

Appendix 3: Financial statements of the DCI special activities pool for 2022, see section 21(11)(23)(38) of the National Budget

By the end of 2022, the Danish Cultural Institute (“DCI”) allocated and spent DKK 800,000 from its special activities pool. The allocation equals the amount granted in the National Budget for 2021, following the guidelines by the Danish Agency for Culture and Palaces (“DACP”). Pool funds have been distributed according to DCI’s “Guidelines for the special activities pool”, emphasising the five principles of ICP: quality, local interest, long-term perspective, cooperation among players, and communication.

The user survey of the collaborations in which DCI has participated with Danish artists and cultural players shows, among other things, that DCI’s projects generally meet the targets of long-term perspective and cooperation among the players. At the same time, the survey shows a generally high score when evaluating the collaboration with DCI, as specified in Appendix 2.

The four most significant allocations granted by the special activities pool are evaluated below. Afterwards, an overview is provided of all pool funds granted in 2022.

Project evaluations

The People’s Meeting 2022, Denmark (Grant DKK 61,034)

The purpose of participating at the People’s Meeting 2022 was to make DCI’s activities and goals more visible and to pass on more varied knowledge about what is at risk in the Eastern Neighbourhood countries through events, talks, and network meetings. Furthermore, as a partner of the International Scene, DCI aimed to help strengthen the focus of the People’s Meeting on international issues in general and international cultural conditions in particular.

DCI (including the Ukrainian-Danish Youth House and the New Democracy Fund) was represented at 17 events, of which six were DCI’s own talk/events. At DCI’s own events, we got to speak to several of our most important stakeholders, such as the Minister for Foreign Affairs, the Minister for Development Cooperation and Global Climate Policy, the Ukrainian Ambassador, and relevant people from the cultural and civil society sectors. In addition, one of our events was covered by TV2. Another one was showcased on People’s Meeting platforms. In general, all our events were well-attended.

In addition, a group of young Ukrainians and two human rights activists from Belarus and Ukraine attended the People’s Meeting through the Youth House and the New Democracy Fund. The international guests and the People’s Meeting participants took an interest in meeting one another to get a more varied picture of the situation in the Eastern Neighbourhood region. Especially the young Ukrainians offered a unique insight into understanding the complex situation they are facing as a generation that, in many ways, will shape the future of Ukraine – an insight that helped open people’s eyes, ears, and minds. It was a great pleasure for us to be the “platform” that made this meeting possible and that we could show our international guests what the People’s Meeting is all about – a unique democratic setup many people outside the Nordic countries do not know about.

Appendix 3: Financial statements of the DCI special activities pool for 2022, see section 21(11)(23)(38) of the National Budget

We needed to have our "own" stage throughout the People's Meeting; a permanent place from which we could network and speak with a stronger and more powerful voice. In addition, we collaborated fruitfully with the other partners backstage, who helped ensure the visibility and qualification of the contents of debates and presentations on stage.

Relevant partnerships are vital to succeed at the People's Meeting. Competition is high, so it is crucial to team up with good partners who can help raise the contents of debates and presentations on stage and ensure visibility.

PoN Mobile Game Step 3, Brazil (Grant DKK 60,000)

The project aimed to involve and connect Brazilian teenagers across social boundaries in the concern for climate and sustainability, and to connect Brazilian and European young people, by developing, promoting, and activating the PoN mobile game and distributing its pedagogical tool to at least 500 schools. Target group: Brazilian teenagers aged 12 to 15, mainly in Sao Paulo, Rio de Janeiro, and Brasilia, but also nationally.

We succeeded in creating and launching an attractive game with an age-wider appeal than anticipated and an accompanying pedagogical tool received with great enthusiasm by the Brazilian educational sector in both municipalities and federal states (see www.jogoPON.com.br). English and Spanish versions are on the way. The game won the Games for Change Latin America Award in the Impact category in November 2022. The municipal education secretariat in our partner city, Santos, intends to include PoN in its primary and lower secondary school curriculum in 2023. A similar agreement is in the pipeline with the education secretariat in the federal district. Winning the award and achieving clear indications of implementation in formal pedagogical contexts is better than expected.

The PoN initiative has great potential, which can be achieved over time with targeted efforts and the necessary human resources. In 2023, work is being done on distributing games and pedagogical toolkits to as many education secretariats, school boards, and teachers as possible and facilitating the use of the material through presentations for decision-makers in the educational sector and workshops for teachers. In addition, we strive to extend the initiative to neighbourhood countries in the region and to search for financial support for the further development of the game through sponsorships. Finally, a new upgraded project format is being developed in collaboration with the EU delegation, from whom we also apply for funding.

Commons & Communities, Türkiye (Grant DKK 59,745)

DCI Türkiye has made an online platform based on the physical "Commons & Communities" exhibition. The digital version of "Commons & Communities" was created with the support of the Danish Arts Foundation in 2019. The platform has been running since 2022. The website contains different cases from Türkiye, China, Denmark, Brazil, Ukraine, and the Baltic States.

Appendix 3: Financial statements of the DCI special activities pool for 2022, see section 21(11)(23)(38) of the National Budget

The website is visually attractive and clearly reflects the physical exhibition “Commons & Communities”, as it prepares the ground for discussion and reflection on how we best use our common resources; thus, future generations can benefit from them. In addition, the website encompasses many new, exciting, and relevant projects, tools, and strategies developed by artists, architects, anthropologists, theorists, sociologists, and urban planners.

The website has many positive qualities besides being visually attractive. Its contents are presented in a manageable and simple way. Moreover, the website continuously seeks to increase the interactive dimension to become an exchange platform for universities and other local operators.

DCI Türkiye held a symposium in collaboration with the Turkish design studio In-Between, the architecture faculty of the Bilgi University, and the SALT Galata Museum in Istanbul as part of the project “Commons & Communities”. DCI Türkiye had invited the following architects: Thomas Käszner, Karen Kjærsgaard, and Erik Juul from Denmark, and Victor Andrade, originally from Brazil, architect and associate professor in green mobility at the Technical University of Denmark. The latter was contacted with the help of DCI Brazil.

The architects attended the seminar “Commonities = Commons + Communities Lab” at SALT Galata from 5 October to 6 October, at which Danish architecture and its solutions interacted with the projects and ideas of local architects. The event aroused great interest; 180 participants attended, and 50 were on the waiting list. In addition to the seminar, visiting an exhibition with the models and presentations of local design offices was possible. This exhibition was open to the public from 5 October to 6 November 2022. The exhibition was a huge success; there were many visitors and much attention from various news media.

The project was a huge success, bridging the gap between the digital and analogue worlds. The project’s criteria for success were to build a sense of community developing from the exchange of Danish architects’ knowledge in the field with that of Turkish architects and design students. The project also supports future cooperation opportunities between Türkiye and Denmark regarding their shared common values. Furthermore, DCI Türkiye has learned that it is necessary to focus on the benefits of diversity to discuss subjects such as water, food, and people if you want to build a community with architects from different countries.

Brothers & Sisters, the Baltic States (Grant DKK 44,416)

“Brothers & Sisters” was an exhibition created by the Danish photographer and visual artist Martin Thaulow. The exhibition aimed at creating a platform for positive discussion of the Russian invasion and the Ukrainian influx of refugees in Baltic public places.

Appendix 3: Financial statements of the DCI special activities pool for 2022, see section 21(11)(23)(38) of the National Budget

The exhibition consisted of portraits and photojournalistic images, and it helped bring the Ukrainian refugees closer – to humanise them and document their journey. The exhibition opened on 8 September at the square between the Riga Congress Hall and the Russian Embassy. The square is often used for pro-Ukrainian events and, therefore, was perfect for the official opening.

Martins Stakis, the Riga mayor, Edgars Rinkevics, the Latvian Minister for Foreign Affairs, attended the opening with Oleksandr Mishchenko, the Ukrainian Ambassador in Latvia, and not least Jeppe Kofoed, the Danish Minister for Foreign Affairs. They all held inauguration speeches. Then spoke Simon Holmberg from DCI, Martin Thaulow, the photographer behind the exhibition, and the Ukrainian refugee Iryna, who was portrayed in the exhibition.

The photographs were printed on two-metre-high aluminium plates attached to large metal triangles lent by the local authorities in Riga. The exhibition in front of the congress hall showed 20 portraits and two explanatory signs. In addition, the photographs included QR codes linking to a website on which all the stories behind the portraits can still be read in Latvian and English: <https://www.refugee.today/brothers-and-sisters>.

About 50 people, locals and people from various embassies and ministries, attended the event. The photographs have also been displayed in smaller formats at three other venues in Riga, the creative school Rīgas Skolēnu Pils, Viskāju Free Riga, and the Janiz Lipke Memorial Museum. At the latter of these venues, DCI had organised a talk with Martin Thaulow on 5 October, at which he told about his portraits. In addition, the photographs were publicly available at the other three venues and displayed on cardboard and asphalt printing. In general, the photographs have attracted huge interest from locals and passers-by, which was precisely the intention of exhibiting in a public space.

Since September 2022, 2,500 people have visited the exhibition website.

The project has been covered by local, Danish, and international media, such as Deutsche Welle, InforMi-grants, and TV2 Bornholm.

Appendix 3: Financial statements of the DCI special activities pool for 2022, see section 21(11)(23)(38) of the National Budget

Pool funds granted in 2022	Amount (DKK)
People's Meeting 2022	61,034
Cultural Meeting Mors 2022	40,999
Denmark, total	102,033
Angels in Kaunas ECOC 2022	1,591
Quantum Aesthetics	10,000
EUNIC GREEN DEAL AND ARCHITECTURE	2,521
Carsten Dahl Trio tour in Latvia	6,914
Traces in Time	10,000
IDFF Artdocfest/Riga	11,163
Brothers & Sisters	44,416
Hess-Winter-Huntley jazz trio in Riga	9,336
Between the Lines - Chapter 4	18,900
Sabatants Traditional Dance Festival Estonia 2022	4,854
Nordic Days in Kaunas	6,535
Åstrand/Salo Duo on Estonian tour	38,789
Release Peace	2,745
Northern Lights Film Festival 2022	35,254
New Innovation & Creativity in time of crisis	4,650
Danish Film Days	16,301
Lotte Anker at the Skaņu mežs Festival	2,250
Riga IFF 2022	2,122
The Baltic States, total	228,341
Prigov. Space. 2021	-6,831
Russia, total	-6,831
Hertz	21,583
Peace Posters	24,266
Brahe and China	5,056
Cirkeline - A musical adventure	10,000
Positive Energy	3,114
Quantum Aesthetics	9,493
From Cosmos to Open Science	29,101
Children's Amazing Tales	3,004
Luminous Festival on Mental Health	3,223
The Hand-Brain Connection	18,506
Brain, Art and Science	16,177
China, total	143,523
Cineklap 2019	30,141
Constructive Journalism Fellowship BM 2022	20,381
PoN Mobile Game Step 3	60,000
Ponte Nordica 2022	5,000
PoN Space Santos	21,914
Brazil, total	137,436
Commons & Communities Türkiye	59,745
Empire Project Merve Tuna Exhibition	19,314
ATTAHYGGE.com and ATTA Festival 2022	35,160
Totem Digital Concert Music from Miklagård	11,831
Sound of Europe Music Festival EUNIC	31,448
I SEE YOU	25,000
Cosmic Fear at New Text Festival GALATAPERFORM	13,000
Türkiye, total	195,498
Total	800,000