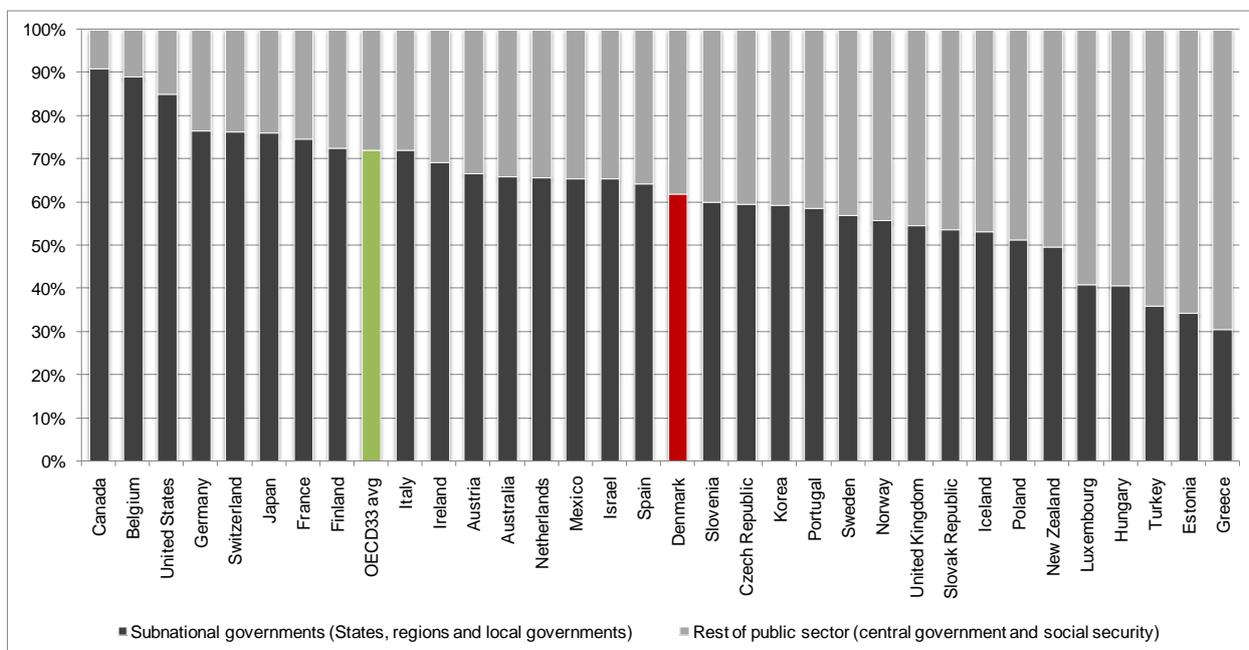


Country Fact Sheet

DENMARK

Sub-national public direct investment in OECD countries, 2012

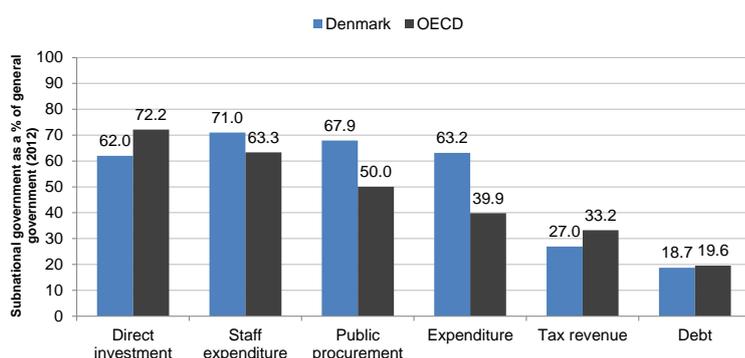
(as a share of public direct investment)



Note: Data for Australia, Mexico, Switzerland, the U.S., Israel, Japan, Korea, & Turkey from 2011; Data for Canada and New Zealand from 2010

Source: OECD National accounts.

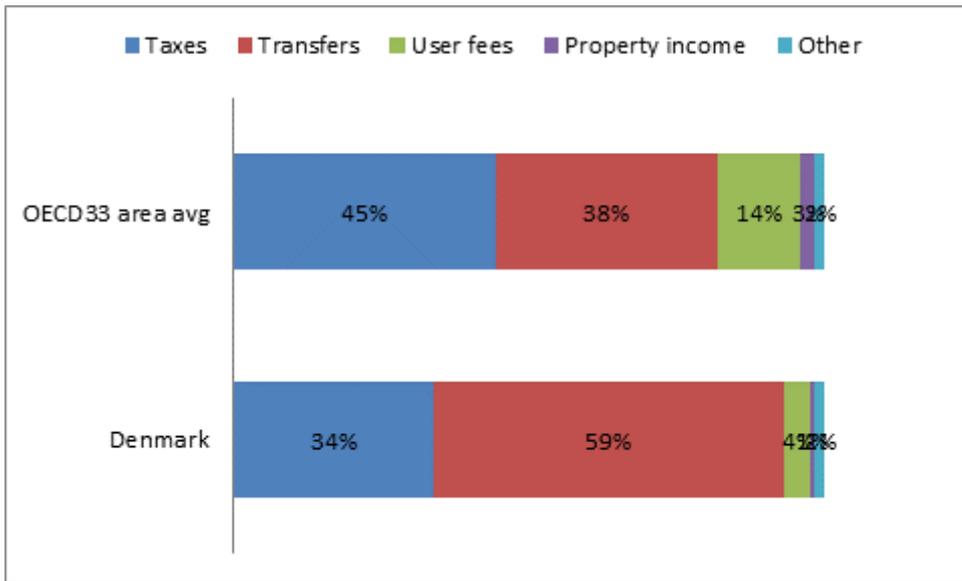
Figure 1. The role of sub-national governments in public finance in Denmark



Source: OECD (2013), [Subnational governments in OECD countries: Key data](#).

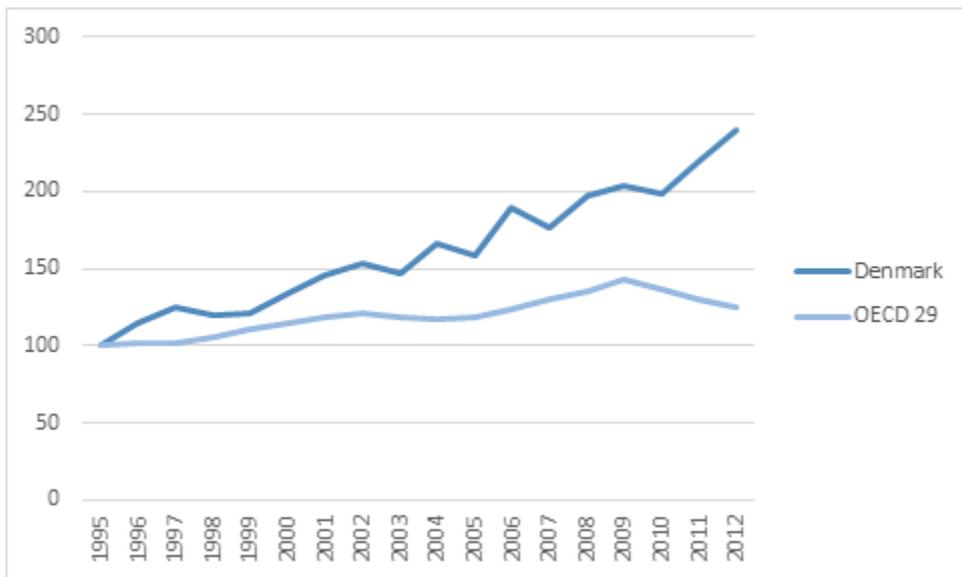
Sub-national investment represents 62% of total public investment in Denmark. Social protection and health are the two largest spending items for SNGs in Denmark: together they represent 78% of sub-national expenditure compared to 30% in the OECD area.

Indicators of sub-national fiscal autonomy in Denmark



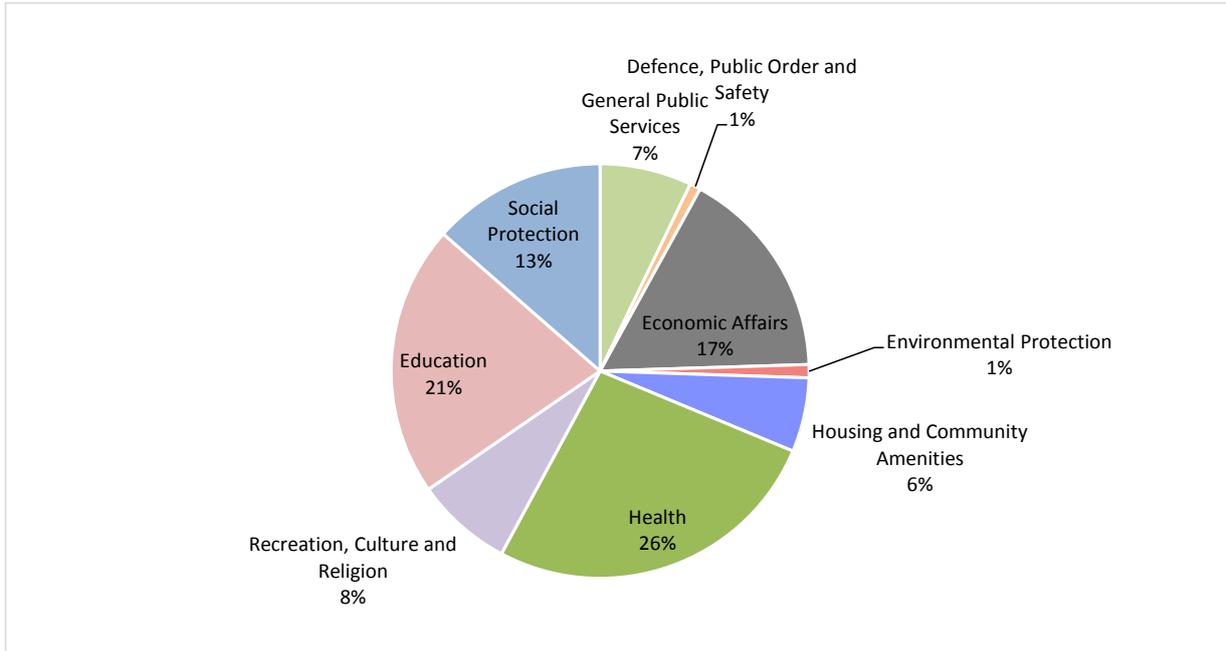
Source: OECD (2013), [Subnational governments in OECD countries: Key data](#).

Trends in sub-national investment in Denmark



Source: OECD National Accounts.

Breakdown of sub-national investment in Denmark



Source: OECD National Accounts.

FACTS AND FIGURES RELATED TO PUBLIC INVESTMENT:	
General government public direct investment (USD billion), 2012	5.8
<ul style="list-style-type: none"> • Percent of GDP • Percent of public expenditure • In USD per capita 	2.5 4.2 1 062
Sub-national government public direct investment (USD billion), 2012	3.6
<ul style="list-style-type: none"> • Percent of GDP • Percent of sub-national public expenditure • Percent of total public direct investment • In USD per capita 	1.5 4.1 62.0 659
INDICATOR SUBNATIONAL FISCAL ATONOMY	
<ul style="list-style-type: none"> • Tax revenues (2012) [Percentage in total sub-national revenues] • User fees (2012) [Percentage in total sub-national revenues] • Property income • Transfers (2012) [Percentage in total sub-national revenues] 	34% 4% 1% 59%
MAIN MECHANISMS FOR COORDINATING PRIOTISATION AND IMPLEMENTATION OF PUBLIC INVESTMENT BETWEEN NATIONAL AND SUB-NATIONAL LEVELS (2012)	
<i>Vertical relations</i>	
<ul style="list-style-type: none"> • Sectoral body in charge of national/sub-national co-ordination • National body in charge of national/sub-national co-ordination; • Forum gathering sub-national governments • Contractual arrangements across levels of government • National sectoral representatives appointed to sub-national levels • Regional Development Agencies 	Yes? Yes No No
<i>Horizontal relations</i>	
<ul style="list-style-type: none"> • Mechanisms or incentives exist to encourage co-operation for public investment (horizontally) across sub-national authorities, 2012 	Yes (specify)
STRENGTHENING CAPACITIES FOR PUBLIC INVESTMENT AT DIFFERENT LEVELS OF GOVERNMENT	
<ul style="list-style-type: none"> • There is recognition of procurement officials as a specific profession, 2010 • Percent of general government procurement occurring at the sub-national level, 2011⁽¹⁾ • PPP unit(s) exist at the national (Nat'l) or sub-national (SN) levels • Use of relative and/or absolute value-for-money (VFM) assessments of PPPs • Intergovernmental co-ordination mechanisms impose obligations in regulatory practice 	Yes 32% National Both Yes

Sources: OECD (2013), [Subnational governments in OECD countries: Key data](#); OECD (2013), [OECD Regions at a Glance 2013](#); OECD (2013), [Government at a Glance 2013](#); OECD (2012), Questionnaire: Multi-Level Governance of Public Investment, unpublished; OECD (2010), [Dedicated Public-Private Partnership Units: A Survey of Institutional and Governance Structures](#); OECD (2009), ["Indicators of Regulatory Management Systems, 2009 Report"](#).

GOOD PRACTICE EXAMPLES IN DENMARK

Principle	Good practice examples from different levels of government
<i>Principle 1.</i>	<i>Invest using an integrated strategy tailored to different places and coordinate across sectors</i>
	<p>Specific place-based approaches: clusters</p> <p>In April 2013, a new cluster strategy was launched to improve framework conditions for innovation and knowledge sharing, with a view to expanding clusters. It includes the establishment of a forum to increase collaboration in cluster development at local, regional and national levels and the strengthening of international activities of clusters (Ministry of Science, Innovation and Higher Education, 2013).</p>
<i>Principle 2.</i>	<i>Co-ordinate among levels of government</i>
<i>Principle 3.</i>	<i>Encourage effectiveness through cross-jurisdictional co-ordination</i>
<i>Principle 4.</i>	<i>Use long-term and comprehensive appraisals for investment selection</i>
<i>Principle 5.</i>	<i>Engage public, private and civil society stakeholders throughout the investment cycle</i>
	<p>Public-private boards involved in public investment</p> <p>In 2007, Denmark sought to promote greater efficiency as well as a more regional approach through municipal reform. Fourteen counties were restructured into five regions, and 271 municipalities reduced to 98. As part of the reform process, each region was required to appoint at least one Regional Growth Forum to guide regional business development strategies and the use of associated regional and EU Structural Funds. By law, the 20-member public-private boards include regional and municipal elected officials, business persons, representatives of the higher education and research community, and trade unions. Members are appointed by the Regional Council upon recommendation by the municipalities and social partners. They meet four to six times a year and are supported by the regional administration.</p> <p><small>Source: OECD (2012), <i>OECD Reviews of Regional Innovation: Central and Southern Denmark 2012</i>, OECD Publishing. http://dx.doi.org/10.1787/9789264178748-en.</small></p>
<i>Principle 6.</i>	<i>Mobilise private actors and innovative financing arrangements to diversify sources of funding and strengthen capacities</i>
<i>Principle 7.</i>	<i>Reinforce the capacity of people and institutions throughout the investment cycle</i>
<i>Principle 8.</i>	<i>Focus on results and promote learning</i>

Principle 9.	<i>Develop a fiscal framework adapted to the objectives pursued</i>
Principle 10.	<i>Require sound and transparent financial management</i>
Principle 11.	<i>Promote transparency and smart use of public procurement at all levels of government</i>
	<p>Simpler public procurement</p> <p>The Council for Public-Private Co-operation was established in April 2013 to support competition for public sector contracts. A working group on public procurement was set up in June 2013 to produce simpler and clearer legislation for public procurement. E-procurement</p>
Principle 12.	<i>Pursue high-quality and coherent regulation across levels of government</i>

Areas of focus of recent/current/planned reforms (national level)

Please mention whether your country has recently conducted or is currently conducting reform(s) in the field of governance of public investment across levels of government (territorial reforms, fiscal reforms, capacity building initiatives, performance monitoring, procurement reforms, reforms linked to PPPs or innovative financing arrangements, etc.). You may provide explanations in the box below (or just briefly mention which of the 12 OECD Principles are currently high on your government agenda).