

ANNEX**MULTIANNUAL INDICATIVE PROGRAMME (MIP) 2021-2027
FOR EU COOPERATION WITH GREENLAND****1) The overall lines of the EU's cooperation with Greenland**

Strategically located between the North Atlantic and Arctic Ocean, Greenland is, as part of the Kingdom of Denmark, an Overseas Territory associated with the EU. It is the world's largest island (20% of the total EU surface). With a population of around 56,000 people, it has globally the lowest population density (one inhabitant per 35 km²). Dramatic exposure to climate change (the ice sheet is melting at the fastest rate of the last 120 centuries) and a lack of economic diversification (strong dependency on fisheries and the public sector), pose both immediate and long-term challenges for Greenland's sustainable development.

EU cooperation with Greenland is framed by Part IV of the Treaty on the Functioning of the European Union (TFEU) and by Council Decision (EU) 2021/1764 of 5 October 2021 on the Association of the Overseas Countries and Territories with the European Union including relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other (Decision on the Overseas Association including Greenland, DOAG)¹. Article 198 TFEU emphasises that the association shall 'promote the economic and social development of the countries and territories and establish close economic relations between them and the Union as a whole'. Part II of Decision (EU) 2021/1764 defines the areas for cooperation for the Overseas Countries and Territories' (OCTs) sustainable development in the framework of the Association. The recently published Joint communication "A stronger EU engagement for a peaceful, sustainable and prosperous Arctic"² calls for a further strengthening and deepening of the partnership between the European Commission and the Government of Greenland, including through cooperation and dialogue in areas of common interest. In parallel, plans to set up a European Commission office in Nuuk are advancing, as mentioned in the new Arctic policy.

Over the past years, the cooperation under the DOAG has been almost exclusively focused on human development through a significant contribution to the education policy implemented by the Government of Greenland. Recently, new ways of cooperation were agreed between the EU and Greenland to support private sector development, Arctic processes according to Greenland's mandate and evidenced based policy formulation on topics to be jointly identified.

Apart from the DOAG, on 8 January 2021, the EU and Greenland concluded negotiations for a new Sustainable Fisheries Partnership Agreement (SFPA) and a new Protocol that will strengthen their cooperation in the fisheries sector for the next four years with the possibility of a two-year extension. This agreement forms an integral part of the EU-Greenland partnership. Also, Greenland benefits from activities funded under several EU programmes to which OCTs are eligible on themes of mutual interest (higher education, research, environment, etc.).

1.1 Basis for programming

The 2009 Act of Greenland Self-Government determines its status as a widely self-governing territory within the Kingdom of Denmark. It defines where Greenland can take over legislative and executive powers, while Denmark remains responsible for defence, foreign affairs and internal security. Key priorities for Greenland are to expand sustainable socio-economic opportunities for its population, to protect the environment and biodiversity, and to foster self-reliance and resilience of Greenland in general.

¹ OJ L 355, 7.10.2021, p. 6

² JOIN (2021)27 final 13.10.21

A number of Greenlandic sector policy documents inform the programming:

(i) **Key policies for education cooperation: the Greenland Education Programme (GEP)** covers the period until 2024. The GEP has been the backbone of the EU-Greenland cooperation since 2007. Currently in phase II, it comprises the Education Strategy 2015 and the annually updated Education Plan II. This policy is complemented by the Greenlandic **employment strategy** which promotes a better match between job skills and evolving labour market demands, which runs from 2021 to 2023 and has strong linkages to education policies. The Ministry of Education, Culture, Sports and Church is currently working on a new strategy for education, which should also serve as the centrepiece of renewed EU-Greenland education cooperation.

(ii) **Key policies for the diversification of the economy:** the **sectoral plan for energy and water supply** of 2017 is a prime enabler for sustainable economic growth. It sets out main lines of action and priorities for the public supply of electricity and water by 2030. This entails a strong push towards expanding renewable energy. **Knowledge and nature policies** are equally fostering sustainable economic diversification and address global challenges. The **research policy statement and action plan** describes targets for research in Greenland to support the sustainable development of the country's resources, and engage in solving challenges in the community. The Greenland Research Council has been set up in 2014 and an International Arctic Hub was initiated in 2020 as a platform for Greenlandic, Danish, and international stakeholders to benefit the Greenlandic society and international Arctic science. The International Arctic Hub creates value through communication, as well as generating increased insight, knowledge and sense of ownership of the research being done at educational institutions to decision makers, businesses, citizens and other stakeholders. Greenland's Biodiversity Strategy 2030, published in 2021, aims to sustainably balance ecological needs and preservation with economic aspirations. It will run until 2030. Besides these strategies, there are important strategies for the **agriculture sector, a waste management plan** and a **strategy for export of ice and water** in place as building blocks for sustainable economic diversification.

(iii) Cross-cuttingly, **public finance management action plans** serve the overall objective of the Government of Greenland to enhance the effective and efficient implementation of public policies in the territory.

1.2 Priority areas of the EU's cooperation with Greenland

The proposed future priority areas are as follows:

- a) **Education:** Since 2007, the EU has been supporting the education sector in Greenland mainly through budget support. The overall objective was to contribute to a higher standard of living through improved education, skills development and knowledge, in view of equipping Greenland with a better qualified and more competitive workforce. A well-educated and skilled labour force helps reduce the economic dependence on few sectors and is a prerequisite for development, inclusive growth in emerging sectors and a sustainable economy at a local level. This *rationale* continues to be pertinent for Greenland's development. Therefore, the Government of Greenland strongly advocated to maintain education as the priority sector of the 2021-2027 cooperation.
- b) **Green growth:** the policy dialogue of the EU with Greenland revealed the need and mutual interest to broaden the cooperation to other priority areas. This will allow to more holistically and strategically engage with the territory and support it in its quest to sustainably diversify the economy against a backdrop of global challenges such as climate change, biodiversity loss and the COVID-19 pandemic. A broadened engagement will complement education partnership of the EU with the territory. An approach towards green growth is also part of the 2021 coalition agreement of the new Government of Greenland³ This agreement is based on principles of solidarity, stability, and growth and expresses, among other things, a desire to increase renewable energy. That is why Greenland is keen to pursue a green growth path and to address

³Coalition agreement (in Danish): <https://naalakkersuisut.gl/da/Naalakkersuisut/Koalitionsaftale>

global challenges. Sustainable energy, as well as environment, climate and research have been identified as promising avenues for the EU to support additional areas of common interest; very much in line with the strategic objectives of Decision (EU) 2021/1764 (DOAG) and Commission priorities in particular the green deal, digitalisation and sustainable growth.

1.3 Justification and context, including linkages with Decision (EU) 2021/1764, EU policies and sustainable Development Goals (SDGs)

Education: As evidenced by an external evaluation in May 2018, the EU support to the Greenlandic education sector has contributed to raising education levels in the territory and to laying the foundations for further improvements. The Government of Greenland's dedication to better education and training for its citizens has been reflected by an increased share in the budget from 14.8% in 2005 to 25% (estimated allocation) in 2020. During the EU's previous budget support programme for education, important progress has been achieved such as an increased rate of pre-school attendance (76% by 2019 compared to 69% in 2013) and an increased rate of transitions back into education or training after drop-out (from 41.5% in 2013 to 45.1% in 2019). While vocational education and training (VET) completion rates have increased from 48.5% in 2014 to 53.0% in 2019 at the same time the high school completion rate has, however, dropped from 56.3% in 2014 to 47.9% in 2019.

Nevertheless, these levels are still low and there is still a long way to go before the educational system is substantially improved. A rigorous implementation of policy goals, building on important achievements also through the ongoing public financial management reform will be key. This includes in particular to further enhance the quality of elementary education⁴ and efficiency of the education system, to further reduce drop-out rates of students and to increase the number of pupils that continue education after elementary school⁵. Hence, a continued EU support to education is widely called for by the Government of Greenland and, indeed, highly relevant and coherent with EU priorities and in particular the priority on human development and the 10% political target for cooperation in education. Education is one of the policy priorities listed in Article 5 of Decision (EU) 2021/1764 (DOAG). SDG 4 plays a central role in Agenda 2030 also as a catalyst for achieving other SDGs.

Green growth: The new joint communication on the Arctic calls for increased cooperation with Greenland specifically and for increased support to sustainable economic growth, connectivity, research, and responsible use of raw materials in the Arctic region,⁶ EU support to green, diversified and sustainable growth of the Greenlandic economy is critically relevant for the development of the territory, mutually beneficial and is also informed by the renewed EU strategic priorities in the Arctic region. Green growth is impacted by a variety of themes such as climate change, biodiversity, and research to name a few strategic ones. Issues such as mineral resources, connectivity and Small and Medium Enterprise (SME) support – if taking into consideration environmental and climate risks – are key for working towards a diversified economy. Two major emerging sectors for collaboration are *(i) promoting sustainable energy and (ii) environment, climate and research*. Sustainable economic diversification is a top priority listed in Article 5 of Decision (EU) 2021/1764 (DOAG). As renewable energy can be produced at a relatively competitive price through hydropower, Greenland is well-suited for further enhancing its transition to renewable energy (representing currently 70% of its public energy supply) and for energy-intensive processes such as the production of clean hydrogen. The Government of Greenland has set out to further increase its hydropower capacity. This creates investment opportunities in line with Greenland's and the EU's priorities, and which can be supported by measures to support the Government's capacity to deliver on its policy commitments, to improve the investment climate and negotiate with new partners as well as promote investments – consistent with green investment taxonomy – through the relevant means and instruments.

Similarly, natural riches are part of Greenland's key assets to diversify its economy. This includes mineral resources such as rare earth elements, which represent an important opportunity to make Greenland's economy less dependent on fisheries. By joining the European Raw Material Alliance (ERMA) in 2021, Greenland committed the sustainable development of these resources and to the protection of nature. ERMA was established in September 2020 as a multi-stakeholder platform contributing to ensure a reliable, secure and sustainable access to raw materials for the EU. The EU stands ready to support an environmentally-friendly development of the raw materials value chains in Greenland, such as through technical assistance to government authorities.

In order to ensure the preservation of biodiversity, dissemination of information and a community-based approach are important catalysts. This effort is in continuation and can build on EU-funded research in collaboration with local communities on the impact of climate change in the Arctic. Interlinking with the first priority area, the green diversification of the economy will pose both a challenge and an opportunity for

⁴ Elementary schooling currently comprises 10 years of schooling (6-16).

⁵ Presently only every second student continues formal education after elementary school.

⁶ JOIN (2021)27 final 13.10.2021

education, as it will create attractive job opportunities requiring students to stay in school/training, and at the same time necessitating the education system to provide the proper skills. The priority area green growth will contribute importantly to Agenda 2030 notably SDG 7 (clean and affordable energy), SDG 8 (decent work and economic growth), 13 (climate action); 14 and 15 (life in water and on land).

Cross cutting themes: Inclusion of actions on digitalisation has great potential for both priority areas, as they can render the education sector more efficient and boosting green growth. Through a rights-based approach, the cooperation programmes will actively contribute to mainstream **gender** and equal opportunities for both sexes in its activities. Particular attention will be given to the needs of **youth**.

1.4 Duration of the MIP and option for synchronisation

This MIP covers the period 2021-2027. In principle no mid-term review is foreseen but an *ad-hoc* mid-term review can be undertaken in case of needs (Article 82 of Decision (EU) 2021/1764, DOAG). During the course of this period, a number of Greenlandic strategies and policies will be subject to review. Greenland’s education policy 2014-2024 is presently under review by the Greenlandic authorities in view of updating it by the end of 2021. The energy strategy of 2017 may be reassessed by the new Government. Hence, the present MIP comes at an opportune moment to further synchronise EU cooperation with Greenlandic policy developments.

2) EU support per priority area

2.1 Priority area 1: Education

Education will remain the centre piece of the EU-Greenland cooperation with the goal to sustainably deepen and broaden progress in terms of education quality, equity and efficiency. Proper coordination amongst all stakeholders involved and strategic depth of subsequent educational initiatives will be crucial to achieve this goal and should be well informed by the Greenlandic ambition of diversifying its economy.

2.1.1 Specific Objectives (SO)

SO1 – Increasing the quality of the Greenlandic education system to foster productive lives, wellbeing and resilience of the society.

SO2 – Reducing the inequality in the Greenlandic education system to boost cohesion of the society.

SO3 – Augmenting the efficiency in the Greenlandic education system.

2.1.2 Expected results (ER) per specific objective

For this MIP, expected results and outputs have been identified under each of the specific objectives identified above. These are tabulated below:

Specific objective	Expected results
SO1 – Increasing the quality of the Greenlandic education system to foster productive lives, wellbeing and resilience of the society.	ER 1 – Improved learning outcomes and skills for pupils and students
SO2 – Reducing the inequality in the Greenlandic education system to boost cohesion of the society.	ER 2 – Increased share of pupils and students complete their education
SO3 – Augmenting the efficiency in the Greenlandic education system.	ER 3 – Reduced number of drop-outs between stages in the education system and enhanced cost-benefit of the education system.

2.1.3 Indicators (including baseline and targets), per expected result

Expected Result	Base Line Indicators	Targets
ER 1 – Improved learning outcomes and skills for pupils and students.	7 th grade test result in Danish, Greenlandic and Math 2020: score of 53	2027: score of 59
ER 2 – Increased share of pupils and students complete their education.	Completion rate in high school (upper secondary) 2019: 47.9% Completion rate in VET 2019: 53%	2027: 60% of students 2027: 65% of students
ER3 – Reduced number of drop-outs between stages in the education system and enhanced cost-benefit of the education system.	Share of 18-year-olds having completed their education or still active in education (including boarding schools) 2019: 37.7%	2027: 40%

2.1.4 Risks in the education priority area

Risks	Risk level (H/M/L)	Mitigating measures
1. Efficient use of budgetary resources allocated to the education sector.	M	Policy dialogue on public financial management reform for a cost- efficient education sector.
2. Sufficient numbers of qualified teachers remain available in the Greenlandic school system.	M	Teachers retiring are replaced by teachers with adequate professional qualifications. Information campaigns and parent engagement.
3. Parents and students not sufficiently aware of the benefits of good formal education.	M	Information campaigns, parents engagement (e.g. through teacher-parents associations), continued research on the benefits of formal education.

2.2 Priority area 2: Green Growth

Both the EU and Greenland have a mutual interest to broaden the engagement beyond the longstanding education and fisheries cooperation and to make the partnership more strategic. Two sectors have been identified under priority area 2 as most strategic and promising for an expanded cooperation. This should be further reinforced by cooperation in priority area 1 to address the educational challenge of scaling up the necessary skill base in Greenland to enable and facilitate the aspirations with regard to green energy, climate action and bio diversity protection and restauration.

2.2.1 Specific Objectives

SO 1 – Increasing the use of sustainable energy for a diversified economy

SO 2 – Supporting Greenland’s biodiversity, climate action and research, and other relevant *Green Growth* issues

2.2.2 Expected results per specific objective

For this MIP, expected results and outputs have been identified under each of the specific objectives identified above. These are tabulated below:

Specific objective	Expected results
SO 1 – Increasing the use of sustainable energy for a diversified economy	ER 1.1 Updated sustainable energy policy and action plan ER 1.2 Reduced man-made greenhouse gases
SO 2 – Supporting Greenland’s biodiversity, climate action and research and other relevant <i>Green Growth</i> issues	ER 2.1 Capacity of research, monitoring and implementation on biodiversity and climate change in Greenland strengthened ER 2.2 Enhanced communication and dissemination on biodiversity and sustainability at community level in Greenland

2.2.3 Indicators (including baseline and targets), per expected result

Expected Result	Base Line Indicators	Targets
ER 1.1 Updated sustainable energy policy and action plan	Status of sustainable energy policy and action plan	New sustainable energy policy and action plan by 2023.
ER 1.2 Reduced man-made greenhouse gases	Percentage of public energy supply through renewable energy	90% of public energy supply through renewable energy by 2027
ER 2.1 – Capacity of research and monitoring on biodiversity and climate change in Greenland strengthened.	Number of scientific dialogues/outreach events/seminars/research missions facilitated or coordinated by the International Arctic Hub (or equivalent coordinating mechanism) 2020: To be established	2027: To be determined
ER 2.2. – Enhanced communication and dissemination on biodiversity and sustainability at community level in Greenland	Number of communication/awareness raising campaigns on biodiversity, sustainability and climate action per year 2021: 2	2027: 3

2.2.4 Risks in the economic diversification and global challenges priority area

Risks	Risk level (H/M/L)	Mitigating measures
1. Strategies of the territory relevant for the priority area are not being adequately implemented.	M	Policy Dialogue Support measures Monitoring
2. To garner sufficient investment for the energy sector in Greenland.	M	Policy Dialogue Mobilise investment instruments EU Hydrogen Strategy Research

3. Biodiversity loss continues	H	Information campaigns Implementation of the UN Convention on Biodiversity Support implementation of regulation and actions aimed at preserving biodiversity
4. Economic diversification results in increased environmental damage.	M	Evaluation of potential projects prior to implementation. No funding of actions with such potential outcomes.

3) Complementarity with EU/Member States' initiatives in the proposed priority area

3.1 Integrated European initiatives

Decision (EU) 2021/1764 (DOAG) foresees that OCTs are eligible for other EU programmes and instruments provided for by the EU's as a support to implement its priority policies. Complementary support could therefore come through demand-driven EU programmes such as ERASMUS+ (to which Greenlandic students have full access) in the field of education, and through LIFE and Horizon Europe in the priority area of environment, biodiversity and green growth, as examples. Coordination with activities that may be funded under those programmes will be important to ensure synergies.

Equally, coordinated approaches with the Member State to which Greenland is linked, the Kingdom of Denmark, will be important and explored during the implementation of this MIP. Enhanced coordination and synergy with activities supported by Denmark will be looked for, with interesting potential in particular in the second priority area proposed above. Also, synergies with for example the INTERREG programmes such as the Northern Periphery and Arctic Programme, in which Greenland participates will be explored during the implementation of this MIP.

3.2 Support measures

Technical assistance (TA) is foreseen through demand-driven facilities to mobilise EU technical expertise. TA could cover eligibility assessments regarding sectoral budget support, assessment of the eligibility criteria for tranche payments, public financial management cooperation, visibility and communication, and supporting the evaluations and audits of the European Union cooperation. Specific initiatives targeting organisations working with youth will be considered. Additionally, based on the ongoing Capacity Facility project and if the results prove to be conclusive and useful, the experience could be replicated under the resources of this MIP. Where appropriate, twinning or Technical Assistance and Information Exchange (TAIEX) measures or any further technical support could be envisaged in fields foreseen in this MIP or of joint interest in the policy dialogue and in the perspective for future cooperation, such as, for example, connectivity or raw material.

Communication and visibility activities carried out under the programme shall be implemented in accordance with the EU communication and visibility requirements in force. This shall include the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

3.3 Support to investments

Greenland will be eligible to InvestEU during 2021-2027. Concrete investment opportunities will need to be explored further with the Government of Greenland, with the support of the Government of Denmark, the European Investment Bank and other European Financial Institutions as well as the private sector. For example, sustainable energy, digitalisation and critical raw materials may, in this perspective, require significant investments.

4) Financial overview

Decision (EU) 2021/1764 (DOAG) foresees a financial envelope for Greenland of EUR 225 million. The proposed distribution of this territorial allocation between the proposed priority areas is as follows:

	M€	%
Education	202.5	90
Green Growth	22.5	10
Total	225	100

Support measures not directly linked to a sector will be financed from the DOAG technical cooperation facility established by Decision (EU) 2021/1764.

Appendix: Intervention framework

Priority area 1: Education			
Specific objective 1: <i>Increasing the quality of the Greenlandic education system to foster productive lives, wellbeing and resilience of the society.</i>			
Expected Results	Indicators	Baseline & targets	Means of verification
ER 1- Improved learning outcomes and skills for pupils and students.	a1) 7 th grade test result in Danish, Greenlandic and Math	2020: score 53 2027: score 59	Annual Implementation Reports of the Government of Greenland
Specific objective 2: <i>Reducing the inequality in the Greenlandic education system to boost cohesion of the society.</i>			
Expected Results	Indicators	Baseline & targets	Means of verification
ER 2 - Increased share of pupils and students complete their education.	b1) Completion rate in high school b2) Completion rate in VET	2019: 47.9% of students 2027: 60% of students 2019: 53% of students 2027: 60% of students	Annual Implementation Reports of the Government of Greenland
Specific objective 3: <i>Augmenting the efficiency in the Greenlandic education system</i>			
Expected Results	Indicators	Baseline & targets	Means of verification
ER 3 – Reduced number of drop-outs between stages in the education system and enhanced cost-benefit of the education system.	c1) Share of 18-year-olds having completed their education or still active in education (including boarding schools)	2019:37.7% of student cohort 2027: 40% of student cohort	Annual Implementation Reports of the Government of Greenland

Priority area 2: Green growth			
Specific objective 1: <i>Increasing the use of sustainable energy for a diversified economy</i>			
Expected Results	Indicators	Baseline & targets	Means of verification
ER 1.1 Updated sustainable energy policy and action plan	a1) Status of sustainable energy policy and action plan	2021: not foreseen 2023:achieved	Government of Greenland, Energy Department
ER 1.2 Reduced greenhouse gas emissions from the energy sector	b1) Percentage of public energy supply through renewable energy	2020: 70%, 2027: 90%	Government of Greenland, Energy Department
Specific objective 2: <i>Supporting Greenland's biodiversity, climate action and research and other Green Growth issues</i>			
Expected Results	Indicators	Baseline & targets	Means of verification
ER 2.1 – Capacity of research and monitoring on biodiversity and climate change in Greenland strengthened.	a1) Number of scientific dialogues/outreach events/seminars/research missions facilitated by the International Arctic Hub (or equivalent coordinating mechanism) per year	2020: baseline to be established 2027: target to be determined	Government of Greenland, Ministry for Education, Culture, Sports and Church
ER 2.2. – Enhanced communication and dissemination on biodiversity and sustainability at community level in Greenland	b1) Number of communication/awareness raising campaigns on biodiversity, sustainability and climate action per year	2020: 2 2027: 3	Government of Greenland, Nature Department