



**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX**

of the Commission Implementing Decision on the financing of the annual action plan  
in favour of Greenland for 2021

**Action Document for EU-Greenland Education Partnership 2021-2022**

**ANNUAL PLAN**

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plans in the sense of Article 23(2) of NDICI-Global Europe Regulation, which Article 81 DOAG refers to.

# 1. SYNOPSIS

## 1.1. Action Summary Table

<b>1. Title CRIS/OPSYS business reference Basic Act</b>	EU-Greenland Education Partnership 2021-2022 CRIS number: CRIS 43-274 Decision on the Association of Overseas Countries and Territories, including Greenland (DOAG)
<b>2. Team Europe Initiative</b>	No
<b>3. Zone benefiting from the action</b>	Greenland
<b>4. Programming document</b>	Multiannual Indicative Programme (MIP) Greenland
<b>5. Link with relevant MIP objectives/expected results</b>	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.
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area(s), sectors</b>	Education
<b>7. Sustainable Development Goals (SDGs)</b>	Main SDG: 4, Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all Other significant SDGs (up to 9) and where appropriate, targets: SDG 8, Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; SDG 10, Reduce inequality within and among countries
<b>8 a) DAC code(s)</b>	N/A
<b>8 b) Main Delivery Channel @</b>	1200 National Government

<b>9. Targets</b>	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input checked="" type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
<b>10. Markers (from DAC form)</b>	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>11. Internal markers and Tags:</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>
Digitalisation @ Tags: digital connectivity digital governance digital entrepreneurship job creation digital skills/literacy digital services		<input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Connectivity @ Tags: transport people2people energy digital connectivity		<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Migration @		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	(methodology for tagging under development)			
	Reduction of Inequalities (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): 14 05 03 Total estimated cost: EUR 60 000 000 Total amount of EU budget contribution EUR 60 000 000 of which EUR 60 000 000 for budget support.			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing <sup>1</sup>	Direct management through Budget Support: Sustainable Development Goals Contract			

## 1.2. Summary of the Action

A more effective, efficient and more inclusive education system is a prerequisite for the development of a sustainable, robust and diversified economy, given Greenland's small population, enormous geographical expanse and a strong reliance on fishery as the mainstay of the economy. This action will increase the collective welfare by removing present bottlenecks in terms of skills provision that are preventing the development and diversification of the Greenlandic economy, creating a stable fiscal base and attracting new industries. It builds on previous EU-Greenlandic cooperation in this area. As the current education support programme came to an end in early 2021, follow-up through a successor programme will allow consolidation of the achieved reform gains while also broadening to address additional issues (social counselling, coordination with the municipal level, entrepreneurial skills).

Since 2006 and with the constant support of EU budget support, the Government of Greenland (GoG) has worked to modernise and reform its education system through the Greenland Education Programme (GEP). The education sector is a priority for the GoG. The current second phase of the programme is running from 2014 to 2024 to accommodate the GoG's 10-year planning horizon. Key objectives of the GEP II relate to:

- Quality: increased quality of teaching in the primary/lower secondary educational sector and increased provision of qualified staff in day care and primary/lower secondary educational institutions; increased range of educational options;
- Equality: increased percentages of children attending (public) day-care; more inclusive programmes;
- Efficiency: more seamless transition between lower secondary education and upper secondary education and training; reduction in numbers of young people not in education, training or employment (NEETs); reduction in drop-out rates in upper secondary education and training and higher education; increased rates of students/apprentices completing their formal educational trajectory within the stipulated duration.

This action is a new phase of the budget support for education, amounting to EUR 60 million in two fixed tranche and two variable tranche payments over 2 years and contributing to the spending target on human development. In comparison to previous programmes, the share of the variable tranche will increase to 25%.

The Overall Objective (Impact) of this action is to contribute to the sustainable development and diversification of the Greenlandic economy by supporting the educational system.

The Specific Objectives (Outcomes) of this action are in line with the stipulated aims of the Greenlandic Education Plan and with the Specific Objectives of the priority area Education of the MIP for Greenland (pending approval):

1. Increasing the quality of the education system to foster productive lives, wellbeing and resilience of the society as well as entrepreneurial and innovation skills;
2. Reducing inequality, ensuring a more equitable access to the Greenlandic education system holistically improving wellbeing of students to boost cohesion and inclusiveness of the society;

<sup>1</sup> Art. 27 NDICI-Global Europe (Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021), as per Art. 81, Decision on the Overseas Association, including Greenland (Council Decision (EU) 2021/1764 of 5 October 2021)

3. Augmenting efficiency in the Greenlandic education system, improve spending, increase education completion, and improve education sector coordination with municipalities

The action aims at tackling specific bottlenecks that have stalled progress in the past, such as oversight of and coordination with the municipalities to implement reforms and regulations. The action will also make use of new opportunities and provide some innovations, such as better use of IT and e-learning for remote locations, a new focus on guidance and social counselling, new market-oriented and attractive vocational education and training (VET) curricula, and an added aspect of entrepreneurial and innovation skills that ties in well with the second sector of the Greenland MIP, Green Growth.

Lessons learnt from previous programmes include the need for a holistic approach due to the complex nature of Greenland's challenges, the identification of the transition period between lower secondary and upper secondary/vocational education and training as a crucial point requiring improved guidance, and the need for programmes that are more inclusive across several dimensions.

The implementation of this action will be accompanied by complementary measures such as technical assistance, to be financed from the Overseas Countries and Territories (OCT) Technical Cooperation Facility.

## 2. RATIONALE

### 2.1. Context

#### *General context, rationale and outlook*

The strategic role of Greenland is increasing (raw materials, climate change, Arctic matters, security and connectivity), attracting attention of global players (US, China, Russia) and warranting a proactive EU. The recently published Joint communication "A stronger EU engagement for a peaceful, sustainable and prosperous Arctic"<sup>2</sup> 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 years the EU partnership with Greenland has deepened and broadened as evidenced by the high-level discussions in the last political Forum in December 2020, as well as the new agreement on a sustainable fisheries partnership concluded in early 2021<sup>3</sup>. At highest political level both Greenland and the EU agree that continued cooperation is of mutual importance including a strong emphasis on education. Indeed, a more effective, efficient and more inclusive education system is a prerequisite for the development of a sustainable, robust and diversified economy, given Greenland's small population, enormous geographical expanse and a strong reliance on fishery as the mainstay of the economy. Education levels in Greenland remain the lowest in the Nordic countries, and the lack of qualified labour is a crucial barrier to further diversified and sustainable economic development: About half of all 25-64 year olds have no education above the lower-secondary level (compared to about one fourth in other Nordic countries). Difficulties to access education and inclusive education services by learners with disabilities exist especially due to lack of staff. The timely adoption of the proposed intervention will send a strong signal of support to the new GoG.

Since 2007, Greenland has significantly relied on EU budget support for its education sector underpinned by an in-depth policy dialogue with the EU. With the support, Greenland has managed notably to increase the share of children in day-care, to create more diversified educational options (especially for young people with fewer opportunities), develop online provision of education (and educational guidance) to remote settlements, and not least increase recruitment to secondary and higher education and training despite an overall drop in youth population. Despite these advances, significant challenges still remain, notably with regard to drop-out and early leaving of pupils and students. Also, the difficulties of recruiting qualified staff for day care institutions and primary/lower secondary schools (in particular in remote settlements) remain high, despite targeted remedial action over the past years. Moreover, coordination between the central and municipal levels requires further strengthening to deepen the sector reform. Social guidance would holistically enhance wellbeing in the educational system and thus reinforce learning outcomes

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<sup>2</sup> JOIN (2021)27

<sup>3</sup> [EU and Greenland reach agreement on new fisheries partnership \(europa.eu\)](https://europa.eu/eu-press/press-releases/eu-and-greenland-reach-agreement-on-new-fisheries-partnership)

and overall resilience. Entrepreneurial and innovation skills should be fostered throughout the education cycles to support Greenland in reinforcing its socio-economic fabric and capitalising on its developmental potential.

The envisaged action will give a new boost to strengthen current efforts and effectively implement needed education reforms, including promotion of inclusive education of learners with disabilities. As outlined in the GEP II (*Uddannelsesplan II*), the attainment of a higher education level in the Greenland population is key to boosting Greenland's competitiveness, diversify its economy and forming the basis for the sustainable development that will meet the future demographic and structural challenges.

The focus of the action is threefold: (i) better spending for higher impact, (ii) improved services (teacher, IT, accessibility, social guidance, entrepreneurial and innovation skills) and (iii) work at and through local level as a driver for accelerated and sustainable reform:

(i) While important progress has been achieved, the system is still underperforming also considering the funds mobilised per student. Funds that have been invested in education infrastructure have not yet yielded their full potential. Therefore, rigour in reform implementation needs to increase and spending to become more focused. The proposed action will support these efforts.

Moreover, while the percentage of 16-18-year-olds outside education is decreasing (from 60.1% in 2017 to 57.4% in 2018), the number is still far too high and this also has a significant impact on the education budget. This action will tackle the bottleneck of transitioning from elementary school to high school or vocational education and offer perspectives to young people finishing training or education, such as in entrepreneurship.

(ii) Problems in the sector are compounded by a relatively low quality of teaching (especially in primary and lower secondary education) particularly in more remote settlements and as for qualification to teach learners with disabilities. To tackle this issue, the action aims at increasing the number of qualified teachers through a review of teacher education and working conditions, and at supporting the application of distance learning and pedagogical IT, an area with significant potential in Greenland.

(iii) A major innovation of the envisaged action will be an enhanced focus on the local level, as responsibility for providing education lies primarily with the municipalities. The action will seek to improve municipal capacities, standardisation, inspection, oversight and the coordination among municipalities and between the different levels. Moreover this action will support wellbeing in the educational system through enhanced social counselling/guidance and stimulate entrepreneurial skills as an interface to lifelong learning.

## 2.2. Problem Analysis

This action will increase the collective welfare and resilience by removing present bottlenecks in terms of skills provision that are preventing the development and diversification of the Greenlandic economy, creating a stable fiscal base and attracting new industries. It builds on previous EU-Greenlandic cooperation in this area. As the current education support programme came to an end in early 2021, follow-up through a successor programme will allow consolidation of the achieved reform gains while also broadening to address additional issues (social counselling, coordination with the municipal level, entrepreneurial and innovation skills).

Greenland is the world's biggest island but is very sparsely populated with some 56.500 inhabitants distributed on 5 major towns and app. 60 smaller settlements. The economy is based mainly on fishery, which makes it vulnerable to fluctuations in prices in world market prices, whereas other sectors – notably the exploitation of mineral resources as well as arctic tourism – still only contribute a minor part of the GDP. However, the sources of revenue are not sufficient to balance the state budget, and therefore Greenland significantly relies on an annual block grant from Denmark as a major contribution to its economy (see below in section 2.3.3) and on EU support. Denmark also covers the costs of the judiciary system (including policing) as well as a number of other activities (territorial defence, geographical surveying etc.).

In the efforts to develop a more robust, diversified and sustainable economy, the GoG is investing heavily in education and training, as a well-educated workforce is a prerequisite for economic progress. For many years, education and training has accounted for over 25% of the state budget, which is one of the highest levels in the world. However, Greenland's existing workforce is characterised by a low level of education, where a substantial amount – over 60% – of persons in the age bracket 16-74 only possess qualifications from lower secondary education or less. This

situation is the result of endemic challenges in the Greenlandic education system, compounded by, geographical, cultural and social factors (which are in particular challenging for the mental and emotional wellbeing of young students), resulting in high rates of early leaving as well as high percentages of drop-out from upper secondary education and training. Even though many of these manage to pass in their second or third attempt, graduation average age is close to 30, where valuable years have been lost. The educational system is also affected – especially at pre-school and primary/lower secondary level – by a shortage of qualified teachers and other staff.

In 2007, the GoG produced the first GEP, which outlined the challenges to the educational system and set quantitative targets notably for the recruitment of qualified staff (in day-care and primary/lower secondary institutions), percentages of children attending day-care, transition rates to upper secondary education and training, and reduction in drop-out rates. These quantitative targets have been accompanied by qualitative targets, notably for the provision of primary and lower secondary education. The GEP is evaluated annually and backed up by studies on selected issues. The GEP was updated in 2014, and the duration of this the current GEP II has been extended to 2024. It provides a coherent framework for the sustained cooperation between the EU and the GoG. The budget support period (2021-2027) thereby straddles the period covered by the present GEP II. A draft strategy for a new Greenlandic educational policy was elaborated in 2020<sup>4</sup>, recommending – among other things – that the period of compulsory schooling be lengthened to 12 years. However, during subsequent discussions in the parliament, it was decided not to implement this strategy in its entirety, but only to retain selected issues. In the meantime, following a snap election in April 2021, a new government was elected. The new Government of Greenland is currently reviewing the GEP and very keen to continue working with the Commission in the education sector and the Commission voiced strong support during recent exchanges. This renewed EU-Greenlandic education partnership programme (through the present action and successive ones expected over the period up to 2027 in the framework of the MIP) will contribute to achieving this political priority and inject new impetus in the reform efforts.

In addition to contributing to priorities of the Commission and of Greenland, particularly sustainable growth, human development and technology and innovation, this action primarily supports the achievement of SDG 4 ‘Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all’. It also contributes to SDG 5 on gender equality, SDG 8 on decent work and economic growth, and SDG 10 on reduced inequalities inequalities and to the consequent fulfilment of economic and social rights, and gender equality, in line with Denmark’s - and Greenland’s - human rights commitments. Education and training as well as digital accessibility are priority areas of EU-OCT cooperation in the proposed new DOAG 2021-2027.

Moreover, this action contributes to the EU Gender Action Plan III<sup>5</sup> thematic areas “promoting economic and social rights and empowering girls and women” and “addressing the challenges and harnessing the opportunities offered by the green transition and digital transformation” among others.

#### *Key stakeholders*

The responsibility of implementation of the GEP lies with the Ministry of Education, Culture, Sports and Church, in close collaboration with other ministries and stakeholders. The Ministry of Finance is involved in all the stages of the implementation, and close links and mechanisms are in place to ensure coordination with all the implementing government departments. Additionally, the Ministry for Housing, Infrastructure and Gender Equality will be consulted to share their expertise and increase capacity to engage with the education sector to further Gender Equality and Women’s Empowerment.

The Ministry of Education has the overall responsibility for development and inspection of the entire Greenlandic educational sector, but the actual implementation of pre-school as well as primary and lower secondary education lies with the 5 Greenlandic municipalities. The Agency for Education (*Uddannelsesstyrelsen*) is an interface between the Ministry of Education and the municipalities. Since 2018, the municipalities are no longer represented by a coordinating committee, but define policies on an individual basis within the relevant legal framework. VET is carried out in self-owning institutions (*brancheskoler*), which each train for a specific sector of the economy. Vocational schools are headed by boards of governors that also have the responsibility for curriculum development. The majority of members are external, and consist of representatives of the social partners, notably *Grønlands Erhverv*

<sup>4</sup> Naalakkersuisut: Et sammenhængende og fleksibelt uddannelsessystem, 2020

<sup>5</sup> JOIN(2020) 17 final - EU Gender Action Plan III 2021-2025– An Ambitious Agenda For Gender Equality And Women’s Empowerment in EU External Action. [The Gender Action Plan III is supported through Presidency Conclusions by 24 Member States.](#)

(the Greenlandic Confederation of Employers) and *SIK* (Greenland's largest trade union, representing skilled and unskilled workers in industry and public employment). The boards of governors have a joint council that represent them vis-à-vis the government (*Brancheskolernes Fællesråd*). The University of Greenland (*Ilisimatusarfik*) is similarly a self-owning institution under a supreme governing body consisting of internal and external members.

There is no real tradition for national-level students'/pupils' organisations, but all educational institutions are legally required to have students'/pupils' councils that represent their interest vis-à-vis management. Similarly for teacher/parent organisations in primary/lower secondary education, where parents are represented at local level in institutional steering committees (*skolebestyrelser*). Children's rights are safeguarded by two organisations that have been set up and financed by the GoG: *MIO* (the National Advocacy Center working for Children's Rights), and *NAKUUSA*, which is a joint venture with UNICEF Denmark. There are thus no stakeholder platforms from which pupils/students and parents speak with a unified voice; these actors will consequently have to be consulted at institutional level.

Particularly for primary/lower secondary education, which is a specific priority of the GEP II, an important interlocutor is the KIVITSISA-project, which is run by the 5 municipalities and co-funded by 4 large private foundations based in Denmark. The project runs over a period of 5 years from 2018-2023 and aims to develop e-learning and distance learning in Greenlandic schools. In this educational context, also the trade union for primary/lower secondary education in Greenland, *IMAK*, as well as the Department of Learning at the University of Greenland (which carries out teacher training in Greenland) should be mentioned. *Majoriaq centres*, which are municipal guidance and upskilling centres that are in charge of providing remedial education to young people who have left lower secondary school without a qualifying exam for upper secondary levels. The *National Centre for Guidance* consists of the National Guidance Council, which gathers all important stakeholders in the field of guidance and social counselling both inside and outside of the educational system. It also has a role in developing and coordinating guidance provision in Greenland and is in charge of the student counselling service that provides guidance and psychological support to students and apprentices in upper secondary education.

## 2.3. Additional Areas of Assessment

### 2.3.1. Pre-condition on Fundamental Values

Greenland is a country with a special constitutional link to Denmark and has – since the entry into force of the Greenland Treaty on 1 February 1985 – been one of the Overseas Countries and Territories associated with the EU in accordance with Part IV of the Treaty on the Functioning of the European Union. This followed a consultative referendum in Greenland in February 1982 in which 52% of the voters were in favour of altering Greenland's status vis-à-vis the EU. Greenland's internal status in relation to Denmark changed on the 12 June 2009 when the Act on Greenland Self-Government came into force and Greenland is now a self-governing part of the Kingdom of Denmark.

Although the GoG is autonomous in many areas, Denmark maintains responsibility for the justice system, including law enforcement. In addition, the basic human rights that are enshrined in the Constitution of the Kingdom of Denmark apply also to Greenland. Greenland's political system is a democracy with free and open elections.

Overall, it can be concluded that human rights are in Greenland ensured at the same level as in the other parts of the Kingdom of Denmark.

### 2.3.2. Public Policy

#### *Policy Framework*

Since 2006, and with continued EU budget support, the GoG has worked to modernise and reform its education system through the GEP. However, such transformative reform undertaking requires time, resources and perseverance to fully reap the reform gains. Therefore, also a renewed EU-Greenlandic Education Partnership is crucially important. The current second phase of the GEP programme is running from 2014 to 2024 to accommodate the GoG's 10-year planning horizon. The GEP phase 2 comprises the Education Strategy 2015 and the annually updated Education Plan.

The GEP is part of a long-term strategy to contribute to Greenland's development into a more self-sustaining economy with a well-educated and qualified population supporting the overall goal of developing into a more self-sustaining economy. To further his objective, this new action will include action on guidance and social counselling for an environment that is more conducive to learning, improving the coordination and oversight of the municipalities as the institutions implementing education policy, and fostering entrepreneurial and innovation skills.

Key objectives of the GEP II relate to:

- Quality: increased quality of teaching in the primary/lower secondary educational sector and increased provision of qualified staff in day care and primary/lower secondary educational institutions; increased range of educational options;
- Equality: increased percentages of children attending (public) day-care; more inclusive programmes;
- Efficiency: more seamless transition between lower secondary education and upper secondary education and training; reduction in numbers of young NEETs; reduction in drop-out rates in upper secondary education and training and higher education; increased rates of students/apprentices completing their formal educational trajectory within the stipulated duration.

In addition to these overall objectives, also derived objectives of both a quantitative and qualitative nature are formulated, e.g. in relation to guidance provision, IT, student accommodation etc.

In order to measure results and outcomes of the GEP phase 2, a performance assessment framework (PAF) has been developed by the GoG in consultation with the Commission. Annual Work Plans (AWPs) and Annual Implementation Reports (AIRs) are being produced by the GoG for reporting to the Parliament of Greenland (in Greenlandic) and to the EU (translated to English). Both report types are based on the PAF. The reports are published on the website of the Government for access by stakeholders and the general public<sup>6</sup>.

During the COVID-19 pandemic schools in Greenland have been closed for varying periods and the curriculum as well as the PAF of the GEP was interrupted to some degrees.

The AIR 2019 is the latest available report. Currently, the AIR 2020 is to be produced in 2021 documenting the achievements for 2020.

Following the Parliament elections of April 2021, the new Government has for the time being endorsed the GEP as the continued basis for the education strategy. In the perspective, further reform efforts of the Government and a renewed policy are expected.

#### *Policy relevance*

After Greenland became self-governing in June 2009, the importance of the education sector for the Greenlandic society has increased. It is a widely acknowledged political vision that a competent and flexible work force constitutes an essential prerequisite for bringing about sustained economic growth and a balanced development of public finances. The aim of the long-term economic policy of Greenland is to have a self-sustained economy and to phase out the annual block grant from Denmark. As stressed in several reports from the Greenland Economic Council (GEC) this objective will require fiscal discipline, economic restructuring and economic diversification as well as continued real economic growth. There is broad political consensus in Greenland that a continued development of education and training is fundamental to achieving these long-term strategic economic objectives and implied social goals.

In the GEP phase 2 (2014-2024), emphasis is put on pre-school and primary/lower secondary school systems, besides a continuation of the support for vocational education and training and the post-elementary school system in general. The specific objectives are threefold: (a) ensuring a well-functioning pre-school and elementary school system, no matter where the children live; (b) increasing quality of the education system with special emphasis on pre-school and primary/lower secondary schools and an increased share of educated personnel in the system; and (c) increasing efficiency in the education system through reduced drop-out between all stages in the system, increased completion in the post-elementary education system and a decrease in the time spent in the education system before graduation

So far, the programme has notably achieved significant uptake of TVET (Technical and Vocational Education and Training) and a higher rate of re-integration into education after students dropped out as well as a decrease in the percentage of 16-18-year-old outside education (from 61.6% in 2013 to 57.4% in 2018). Achievements of previous operations have proven to be sustainable: the first phase of the GEP had focused on access to education and inclusiveness; pre-school attendance, a key indicator, continues to increase steadily (from 69% in 2013 to 75% in 2020).

With regards to the primary/lower secondary education, challenges remain in terms of the quality of education provision, a state of affairs which was clearly indicated in a national evaluation carried out in 2015. These arise from a lack of capacity to tackle problems affecting children ultimately rooted in social, cultural and geographical factors, but also – as a subsequent evaluation of the teacher training system revealed in 2016 – from a poor quality of teacher training. The

<sup>6</sup> <https://naalakkersuisut.gl/da/Naalakkersuisut/Departementer/IKTIN/Publikationer/Partnerskabsaftalen-med-EU>.



language of instruction is also an issue, with the Government aiming towards a fully bilingual education system (Greenlandic and Danish) without neglecting the learning of Danish – with the implications this has in terms of adequate training for teachers. Lack of proficiency in Danish might affect the possibilities for the children to further their education later on, as teaching at post lower secondary level overwhelmingly is in Danish. Linguistic issues thus constitute a contributing factor to the high percentage of early leaving and drop-out. There is an awareness of the need to maximise the benefits of the school system beyond the mere classroom activity. The previous Government has been scaling up its efforts in terms of introducing counsellors and courses for parents, so that they may be able to better provide for their children's basic needs and thus better prepare them to go to school and get the full benefit of the offered teaching. Further, in November 2019 the previous Government - in collaboration with the municipalities - developed a detailed strategy and action plan with identified focus areas aimed at improving inter-sectoral coordination and overall planning of the professional staff at the day care institutions.

The GEP phase 2 takes these challenges into account. Parental responsibility courses are a part of the holistic early effort planned. Furthering the development of pre-school capacity and screenings in pre-school will seek to address this challenge in the medium term. Following the external evaluations of primary/lower secondary education provision and the teacher training programme in 2015 and 2016 respectively, the Government (and the municipalities, which are responsible for primary and lower secondary education provision) continue to focus on improving the system, notably (but not exclusively) through improving teacher training and introducing online educational resources. In addition the present action will work on bottlenecks such as the implementation and coordination of education policy with municipalities, an overhaul of guidance and counselling of students, as well as fostering entrepreneurial and innovation skills to build a modern and skilled workforce. Indeed, instilling a stronger entrepreneurial and innovation spirit through the formation and education system would benefit the Greenlandic long term goal of economic diversification.

#### *Policy credibility*

The education sector is a priority for the GoG. Over the period 2005 to 2019 the education budget rose from 14.8% to 25.1% of total Government expenditure, whilst from 2015 to 2019 the total education budget (Government and municipalities) remained at that level with the overall Government budget slowly increasing from EUR 326.7 million to EUR 346.4 million. The EU budget support is therefore coupled with a stable domestic funding to address several priority objectives within the education sector. The allocation of around EUR 30 million yearly represents about 9% of the total education budget. Around 94 % of the education budget is allocated to running costs while the remaining 6% is allocated to investment initiatives.

Progress in the policy implementation can in particular be reported regarding the construction of infrastructure (such as educational buildings and dormitories), staffing, monitoring and developmental projects. Despite the apparent generous national budget in terms of percentage earmarked for education, the amounts are still relatively modest in absolute terms, given that many expenses (e.g. the development of specific educational material) are largely unaffected by the size of the sector (number of students, schools), and that the small, dispersed population prevents the exploitation of economies of scale. The budget support of the EU therefore makes a palpable difference; a fact which is recognised by the GoG in the GEP II.

Since the start of the GEP, school attendance has increased by 33.6% (from 2,700 in 2005 to 3,608 in 2019) on average over all levels of upper secondary education and training. This resulted in an increase in the number of completions of 78.0% (from 581 in 2005 to 1,034 in 2019)<sup>7</sup>. However, the drop-out rates have not decreased since the start of the GEP. In 2013 the completion rate of the youth education programmes was 51.8% whereas for 2018 the completions remained nearly at the same level of 50.7% indicating significant challenges in achieving progress for this key indicator in GEP performance. However, the GoG has set the target to 60.0% for 2020 indicating that the GoG expects significant progress in the completion rate indicator<sup>8</sup>.

#### *Statistical and monitoring system*

The Government has established a permanent internal, technical and financial monitoring and evaluation (M&E) capacity for the elaboration of regular (annual) progress reports related to the implementation of the GEP. Concretely,

<sup>7</sup> Source: Annual Implementation Report 2019. Greenland Education Programme II. The Ministry of Education, Culture, and Church, The GoG, December 2020.

<sup>8</sup> Source: Annual Implementation Report 2019. Greenland Education Programme II. The Ministry of Education, Culture, and Church, The GoG, December 2020. GoG, December 2020)

a monitoring and evaluation system is established and AWP and AIRs of the GEP are produced and presented to the Parliament of Greenland (in Greenlandic) and to the EU (in English).

Additional data sources on the performance of the GEP are “Statistics Greenland”, and budgetary documents such as the Fiscal Act.

Further details on the M&E set-up related to the GEP are provided in section 5.1 Monitoring and Reporting below.

*Conclusion:* On the basis of this assessment, the policy is considered sufficiently relevant and credible for budget support programme objectives. Therefore, the policy can be supported by the Commission with the proposed action.

### 2.3.3. Macroeconomic Policy

#### *Key macroeconomic indicators*

The economy of Greenland is marked by a large public sector, employing around 40% of the work force. Also, public consumption is comparatively high constituting around 43 % of GDP compared to private consumption (36 % of GDP). While fiscally stable and showing considerable growth and low unemployment in recent years, Greenland’s economy suffers from an over-reliance on the public sector and fisheries, a considerable lack of skilled workforce and exposure to climate change.

Of the total population of 56,541 (April 2021), the potential labour force was estimated at 27,141 people (2019). 12 per cent of total population (7,012 people) live in remote settlements. After the 1960s, the population has grown sharply in the cities, partly due to a general population growth, and partly due to migration from settlements to urban centers. This trend has not changed for the last 50 years. Approximately 60 pct. of Greenland's population live in the five largest cities Nuuk (18,800), Sisimiut (5,582), Ilulissat (4,670), Aasiaat (3,069) and Qaqortoq (3,050).

According to the recent annual report<sup>9</sup> from the GEC<sup>10</sup> Greenland has come through 2020 comparatively better than many other economies. Whereas the EU countries on average experienced economic contractions of 6-7% in 2020 Greenland has experienced modest economic growth of an expected 0.7%.

In reaction to the global COVID-19 pandemic, the Government has largely succeeded in prevention of the spread of infection in the country. A vaccine program has been implemented by the GoG and roll-out was started in January 2021, with vaccines supplied by Denmark. The program is progressing relatively well with a generally high population willingness to become vaccinated. However, since start of July 2021 a series of virus outbreaks with the co-called Delta variant have been observed in some towns of Greenland.

The modest economic growth in 2020 has happened despite the downturn in the tourism industry and travel restrictions. The number of foreign visitors has fallen sharply. Although tourism has been identified by the GoG as a potential growth sector a modest 3% of the Greenland employed workforce are working with tourism or in affiliated sectors (hotels and restaurants, air transport etc.).

With the observed economic growth in 2020, the labour market in Greenland has, nevertheless, come significantly better through the COVID crisis compared to the Nordic countries where employment has fallen between 0.7-1.5% in 2020. In contrast, the labour market in Greenland is characterised by widespread shortages of qualified labour and the need to recruit foreign labour.

The number of registered jobseekers has decreased significantly for a number of years. In March 2021, a total of 1,950 jobseekers approached the municipality (166 fewer people compared to March 2020) and GEC projects a modest unemployment rate of 4.5%. That is the lowest level of unemployment measured in Greenland in recent years, and points to both cyclical and structural challenges in the labour market.

A structural problem directly related to education is the large differences in the population's connection to the labour market, which are inextricably linked to education and vocational skills. Unemployment among people without education after primary school was 8.4 per cent in 2019 against 2.5 per cent for persons with vocational education and

<sup>9</sup> “The Greenland Economy: The Covid-19 Pandemic, the Business Cycle and Structural Adjustments”. The Greenland Economic Council, Nuuk, Spring 2021.

<sup>10</sup> In connection with the introduction of Self-Governance in 1999, the GEC replaced the Advisory Committee on the Economic Development of Greenland both in function and purpose, i.e. GEC is an independent advisory council with a chairmanship consisting of 6 persons appointed by the GoG. The main purpose of the GEC is to analyse developments in the Greenlandic economy as well as to make policy recommendations to the Government with the overall perspective to increase the long-term sustainability of the Greenlandic economy.

0.4 per cent for people with a higher education. The objectives of the GEP to raise the education seeking behaviour for the young population groups finalising primary school and efforts to reduce dependency of imported high skilled labour therefore holds high relevance.

The economic growth in 2020 has mainly been driven by to two factors: 1) High activity in the construction sector and 2) high private consumption. The construction sector constitutes one of the main growth drivers of the Greenland economy during upturns and accordingly activity in this sector is a significant indicator for the business cycle in Greenland. Measured by number of jobs and production value, the construction sector is 3-4 times larger than the tourism industry with hotels and restaurants. Private consumption also increased in 2020. Revenue in the largest retail chains was 5.3 per cent higher at the end of 2020 compared to 2019. The increased consumption is partly related to a higher employment level with a generally higher income-related demand.

In addition to these two main economic growth drivers, however with a lesser strength, fisheries also contributed to economic growth with a small increase in the volume of fish and shellfish catches.

From 2009-2018 inflation has been fluctuating around and annual average of 1.9 per cent. The total consumer price index for 1 January 2021 rose by a modest 0.3 per cent compared to the same date last year.

According to the GEC economic prospects for 2021 will be affected by the speed at which travel restrictions, vaccine roll-out etc. are being settled in Greenland as well as the outside world. The GoG financed construction activities are projected to remain at very high levels in 2021 with the activities associated with the airport constructions expected to pick up further in 2021. Also the outlook for offshore fishing is favourable in terms of catch volumes and possibly also developments in fish prices. With the expansion of infrastructure in the coming years, access to foreign labour for sustaining economic growth will be necessary to reduce the risk of overheating in the construction sector.

In summary, the GEC based economic outlook for 2020 and 2021 forecasts economic growth rates of respectively 0.7 and 2.0 per cent. The labour market will continue to be characterized by high employment and a shortage of skilled labour.

**Table on trends in key Greenland national accounts indicators, including GDP. Annual (real) growth rates (in per cent). 2015-2021**

	Share of GDP in 2018	2015	2016	2017	2018	2019	2020 Forecast	2021
Household consumption expenditure	35.9	0.2	1.5	0.9	0.4	1.9	1.3	1.2
Government consumption expenditure	43.4	-0.6	1.8	1.7	2.7	4.3	0.4	0.7
Gross investments (fixed capital formation)	21.7	10.2	10.9	-4.1	-3.0	46.6	0.9	5.2
Export of goods and services	44.5	-9.9	15.2	-3.8	8.4	-5.3	-5.0	1.3
Final demand	145.5	-0.6	5.9	-1.4	2.8	8.3	-0.5	1.9
Import of goods and services	45.5	1.7	11.0	-3.5	5.0	18.9	-2.5	2.0
<b>Gross domestic product</b>	<b>100.0</b>	<b>-2.5</b>	<b>4.7</b>	<b>0.1</b>	<b>1.8</b>	<b>1.7</b>	<b>0.7</b>	<b>2.0</b>

Source: Greenland Economic Council, Annual Report, Spring 2021.

#### *Assessment of macroeconomic policies*

The long-term political goal of the GoG is to establish a more independent economy based on own resources and with a greater integration into the global economy. This will require continued efforts to diversify the economy and adequate education opportunities are needed as long term vector of change. A gradual reduction of the Danish Block as percentage GDP has been identified as one of the GoG policy indicators on self-reliance and towards the achievement of a sustainable economy and has resulted in a reduction from 30% in 2003 to 20% in 2018<sup>11</sup>. However, some areas in Greenland are still financed by the Danish State (such as the police force and military defence) and the value of these services amounts to approximate DKK 1.2 billion. About 58% of the GoG budget revenue or 4.3 billion DKK (EUR 576.4 million) stems from external financial sources. The block grants from the Danish state constitutes by far the largest

<sup>11</sup> Political Economic Report, 2020. The Ministry of Finance, Government of Greenland.

share of total external support (90%), whereas EU budget support related to the Partnership Agreement amounts to EUR 32.8 million (6% of total external budget support). “Other agreed transfer arrangements” which includes transfers from the Danish state and EU fishery agreement and licenses amounts to a total of app. EUR 22.1 million (4%) out of which EU fishery agreement and licenses constitute about EUR 16 million annually.

Sources of external budget support to GoG Budget: 2020	DKK (in 1000)	EUR (in 1000)	Share of total external support (in %)
Block grant from the Danish State	3,911,300	521,507	90%
EU Partnership Program	245,688	32,758	6%
Other agreed abroad transfers*	166,012	22,135	4%
<b>Total external budget transfers</b>	<b>4,323,000</b>	<b>576,400</b>	<b>100%</b>

Source: GoG Budget (Treasury) Accounts, Fiscal year 2020. \*Includes e.g. revenue from surplus of the Central Bank of Denmark (shared with Denmark and the Faroe Islands) and EC fishery agreement and licenses.

The development in raw material prices has generally been positive through the COVID-19 pandemic. The pandemic has illustrated the world's deep dependence on technology in the form of computers, cameras, cables and IT in general. There is a marked increasing demand for the metals and minerals in Greenland. The newly elected Government is expected to formulate a revision to the law on mineral exploration and exploitation, cf. the Coalition Agreement<sup>12</sup>. In June 24, 2021 the new government decided to suspend the current oil strategy and stop future exploration for and exploitation of oil in Greenland because of the global climate crisis as well as risks to fishing and the environment.

#### *Domestic revenue mobilisation*

The Treasury is affected by the COVID-19 crisis, in particular from unforeseen and extra-ordinary provisions for health care expenses, aid packages and emergency flights. After a number of years with GoG Fiscal Acts (the GoG budget) in surplus, there has been a marked shift to a significant deficit in 2020. The general uncertainty about the economic effects of the COVID-19 pandemic has also created considerable uncertainty about the robustness for the balance of the treasury, in particularly for the liquidity reserve enabling GoG to execute its recurrent expenses. However, the burden on Treasury is less severe in 2021 than previously estimated.

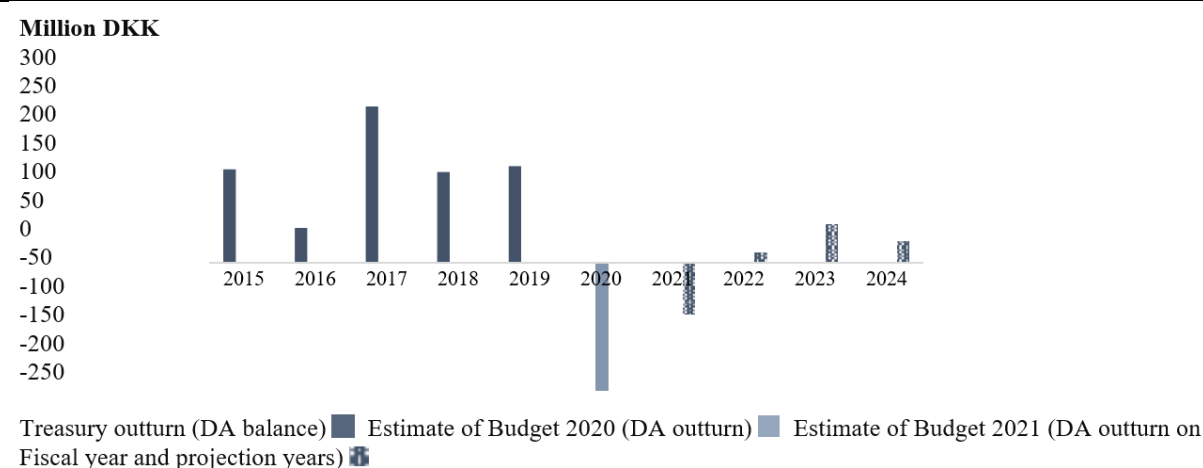
The budget proposal 2021 forecasted initially a deficit on the partial budget (DA<sup>13</sup>) balance at a level of around DKK 450 million (EUR 60 million) for the fiscal year 2020. The GoG 2021 budget also establish a retirement package with newly introduced options for early retirement for worn-out workers. The adopted Fiscal Act 2021 projects a deficit of approx. DKK 75 million (EUR 10 million) for 2021. In accordance with its recent report (Spring 2021) the GEC provides a preliminary estimate on the GoG budget deficit 2020 at DKK 189 million (EUR 25.2 million), i.e. a budget deficit 40 per cent less than previously expected by the GoG. Although the crisis has implied a significant increase in current operational expenses to a level of DKK 375 million (EUR 50 million), the previous expected decrease in tax revenue has not materialised.

In combination with certain construction activities having deliberately been postponed by the GoG to ensure an adequate liquidity reserve buffer to cope with the financial implications of the COVID-19 crisis, the improved forecast of the revenue collection has therefore, to some extent, levelled out the effect from the unexpected expenses on the budget balance, thereby resulting in a smaller than expected 2020 budget deficit. The municipalities' finances are only limited affected by the crisis, according to the GEC.

#### **The partial budget (DA) balance of the GoG 2015-2024**

<sup>12</sup> “Solidarity, Stability, Growth”. The Coalition agreement between the two government partners, party *Inuit Ataqatigiit* and party *Naleraq*. Nuuk, 16th April 2021.

<sup>13</sup> *The partial budget balance* (DA – “Drift- og Anlægs budgettet”) includes capital and recurrent expenditures plus revenues, but excludes lending. The DA is key fiscal target indicator for the GoG in budget planning.



The GEC, however, recommends the GOG in future should not deviate from the Budget Act requirement in order to continue the balanced budget policy before the COVID-19 pandemic. Since the COVID-19 pandemic has caused a marked change in public finances there is no room to relax fiscal discipline. The GoG needs to establish an overall economic plan for coping with the dual fiscal challenges of the COVID-19 pandemic and the future implications associated with an aging population.

### *Sustainability issues*

Except for the block grant from the Danish state, the Greenland economy relies dominantly on exploiting the fishing resource from which fish exports constitutes more than 90% of the total export value. Recently, various policy efforts have been taken to increase the diversification of the economy for making it more resilient to external shocks and internal challenges, including the fiscal implications of an ageing population. Exploration activities for oil, gas and minerals as well as development of the tourism industry have been the key priority areas for all recent governments for increasing structural diversification of the Greenland economy.

However, the sustainability of the fishery sector itself is undergoing developments with implications for this sector as a key economic driver. Commercial fishing in Greenland is divided into two distinct categories, the sea going offshore fishing with large modern vessels and the smaller coastal fishery with smaller boats. The offshore fishery for shrimp and halibut is Marine Stewardship Council certified to ensure that catches can be kept at a sustainable level. The coastal fisheries are not sustainable, neither from a biological nor an economic point of view. At the same time, the number of licenses in the coastal fishery for halibut is very high in relation to the catch potentials, which puts pressure on the coastal fishermen's economy.

With the new government decision to stop all future oil exploration and exploitation activities in Greenland as well as the government's opposition to permit potentially hazardous exploitation of rare earth minerals all points to a substantial revision of the previous government strategies in the area of natural resource exploitation.

Accordingly, the need for an overall renewed strategy for a structural diversification the Greenland economy is imminent and which implies an important role for the education sector to underpin the diversification for future sustainable development and economic growth. In many years there has been wide political consensus on supporting a conducive environment for investors in oil and gas exploration which also had implication for the education sector, as for example the establishment of the *Greenland School of Minerals & Petroleum* in Sisimiut in 2008, including introduction of VET curricula specifically targeting offshore activities in 2011. The revised policy by the current government might therefore also imply a revision of the supply of some of these oil and gas sector related VET educations.

The GEC, in particular, is advocating for the government to focus on the mining industry. According to a recent report from the GEC mining activities are crucial for creating the basis for a broader business base and thus a process towards a more self-sustaining economy. Further, the GEC stresses, that in order to realise any strategy in the area of mining, it is crucial to have clear political signals and stability in the framework conditions over time, including resource interest taxes and taxation. In order to be able to attract companies and investors and thereby realise the strength of the mining sector the GEC points to the importance of Greenland as a "greenfield" area to have clear and unambiguous signals, and an efficient and transparent administration.

### *Gender equality*

In 2019, women had an average gross income of DKK 225,000 (EUR 30,000), while men had DKK 287,000 (EUR 38,270) making men's average income level 22% higher than what is the case for women. However, while men are overrepresented in the typical economic active age groups, women are overrepresented in the elderly age groups. This demographic characteristic may partly explain the difference in income. In Greenland - as common elsewhere - income level are related to education level as well as related to years spent on the labour market. Average gross income for people with higher education is approx. DKK 300,000 - 600,000 (EUR 40,000 – 80,000) whereas people with only primary school education have an income level between DKK 150,000 – 250,000 (EUR 20,000 – 33,330)<sup>14</sup>, the particular average wage levels though depending on point of time in working life.

### *Disability*

Greenland is legally bound by the Danish ratification of the Convention on the Rights of Persons with Disabilities (CRPD) and as such need to consider the educational and training and vocational needs of children and youth with disabilities and also adult learners with respect to vocational training.

The report to the CRPD highlighted that generally, the education offered to persons with disabilities depends on the resources in the local community. The offers available may differ between major towns and the villages. Due to the special nature of Greenland and the challenge of accessibility for persons with disabilities, the municipalities are encouraged to allocated funds for personal assistance, transport and other services to support with education, however the implementation is challenging due to lack of staff.<sup>15</sup> The State report to the committee highlighted there are special classes established for children who have special needs and require special education and major towns offer the possibility of creating classes where pupils with the same needs are taught together. An example was given of the city of Nuuk which has a special day school aimed at children and young people diagnosed with Attention Deficit Hyperactivity Disorder (ADHD) and Deficits in attention, motor control and perceptual abilities (DAMP). A report from the Danish Institute for Human Rights found that challenges existed for education for children and youth with disabilities due to lack of coordination between education and social services and also because many persons with disabilities are not bilingual, communicating primarily in Greenlandic.<sup>16</sup>

### *Climate change*

The impact of climate change is both of local and global challenge of the first order. With the world's second-largest ice cap, Greenland plays a crucial role in relation to global warming. The melting of the ice cap, which has already thinned visibly around its southern and eastern margins, would entail a significant rise in sea level worldwide. Moreover, the freshwater from the ice cap may also affect the thermohaline circulation in the oceans and by doing so cause further disruptive effects for the climate, ecosystems and marine life.

Climate change is expected to directly affect the fisheries and hunting sectors in Greenland, where traditional ways of fishing and hunting are already challenged due to the increasingly unpredictable weather patterns and the loss of sea ice cover. Ambitious adaptation and resilience strategies are therefore needed to help Greenland to respond to the serious challenges they face because of climate change. In 2011 the Government launched an initiative aimed at mainstreaming climate adaptation efforts in the management and development of various sectors. As an initial step, a series of sector based assessments are produced in order to facilitate an overview of regional and local climate effects on the specific sectors. Further, the newly established Commission on Sustainable Fishery is expected to play a key role according to a maintaining a sustainable fishery and stock preservation under the foreseen changing climatic conditions.

An active climate policy is pursued by the Government. Around 70% of the publicly produced electricity comes from renewable energy sources (mainly hydroelectric power) and the Government allocates funding to explore possible new sites for hydroelectric plants. The largest source of CO<sub>2</sub>-emissions in the energy sector is heating, and investigations are conducted on how to advance geothermal heating projects. Further resources are allocated to research and development of renewable energy resources and energy efficiency. This also requires technical expertise and skills training in order to supply the sector with a domestically based workforce. The Government is, for instance, developing climate action relevant study programmes within natural sciences in the GEP. The Greenlandic climate policy measures have resulted in a reduction of CO<sub>2</sub> emissions in 2016 by 16% when compared to 1990.

An ambitious Arctic policy is an important element for effective climate action. Greenland is part of the United Nations Framework Convention on Climate Change (UNFCCC) as part of the delegation of the Kingdom of Denmark. However,

<sup>14</sup> Statistics Greenland 2021, Greenland in Numbers, 2021.

<sup>15</sup> See CRPD/C/DNK/1, para 439, pg. 59

<sup>16</sup> Danish Institute for Human Rights (2014), Selected List of Issues on the UN Convention on the Rights of Persons with Disabilities pg .16

Greenland has not signed the Paris Agreement. The reason for not signing is that related commitments on CO<sub>2</sub> emissions would prevent Greenland from exploitation of natural resources, first and foremost oil and natural gas, which would otherwise form a basis for a self-sustaining economy and provide a basis for increased independency from Denmark on the longer term. With the recent GoG decision to stop all oil and gas exploration in future this decision might have implication for the Greenland position vis-à-vis the Paris Agreement.

#### *Social inequality*

Statistics Greenland regularly publishes statistics on income and income distribution, including three indicators each describing one area of income distribution: Gini coefficient, relative poverty and income quintile share ratio S80/20. All three indicators are calculated according to international standards therefore ensuring a high degree of comparability with other countries.

Income inequality - as measured by the Gini-coefficient<sup>17</sup> on disposable income (2019) - is greater in Greenland (0.34) than the average for all Nordic countries, including Denmark (0.29) and the EU countries (0.31)<sup>18</sup>. After a declining trend in income inequality from 2005 -2009 measured by all three indicators, the trend in the following years has shown an increasing tendency except for the latest available year of calculation (2019) showing a slight decline<sup>19</sup>. Child poverty in Greenland remains relatively high and the Committee on the Rights of the Child (2021) reported that certain towns in Greenland suffered from significant food shortages, particularly impacting children from low-income families<sup>20</sup>.

#### *Future fiscal sustainability challenges*

Even though the GoG has pursued a balanced fiscal policy in recent years up to the COVID-19 crisis, the Greenland's economy will face an important future challenge due to demographic changes from a combination of increase in the share of the older population (65+ years) relative to groups at working age (20-64 years) and shrinking income sources in the coming 25 year period<sup>21</sup>. It is estimated that a permanent improvement to the tune of EUR 135 million over the next 15 to 20 years is needed to insure a sustainable economy<sup>22</sup>. Reforms of the welfare state to close the gap between expenditures and income are therefore essential as public income is currently already around 60% of GDP. In order to meet these challenges, the previous Governments has adopted the Sustainability and Growth Plan (2016) setting out four main reform areas (including education) including benchmarks and key performance indicators<sup>23</sup>.

In conclusion, the authorities are pursuing a stability-oriented macroeconomic policy and the eligibility criterion is met.

### 2.3.4. Public Financial Management

The last Public Expenditure and Financial Accountability (PEFA) assessment completed in 2014 confirmed that the Greenland Public Finance Management system is well-designed and functioning to good quality standards. A new PEFA assessment is being carried out in 2021 with EU support. The 2014 PEFA report provided a positive assessment in all areas. However, it also identified some systemic weaknesses, which are being addressed in the former and updated version of the PFM Action Plan. The PFM Action Plan initially focused on 2015 - 2016 and was later updated annually up to 2021.

The yearly progress reports demonstrate that the GoG continues to make progress in strengthening its PFM system and procedures. The last PFM progress reports (developed with EU assistance) reveals that in 2019 79% of the targets were fully or partially met. This is comparable with the level in 2017 (78%), and well above the 2018 level (53%). However, some challenges remain, mainly related to procurement activities. Major recent achievements include a new Enterprise Resource Planning system which was implemented, migration to a new accounting system (PRIMSE) and the adoption of a new 'Law for Procurement of Goods and Services' (both in 2020).

<sup>17</sup> A Gini coefficient with the value 0 represents a perfectly equal distribution, while the value 100 represents a perfectly unequal distribution.

<sup>18</sup> Statistics Greenland 2021, Greenland in Numbers, 2021.

<sup>19</sup> Statistics Greenland, Income Statistics. 26<sup>th</sup> October 2020.

<sup>20</sup> Human Rights Council Working Group on the Universal Periodic Review Thirty-eighth session 3–14 May 2021.

<sup>21</sup> Source: Report Greenland Economic Council 2017

<sup>22</sup> Source: Report Greenland Economic Council 2017

<sup>23</sup> Cf. Political Economic Reports of 2019 and 2020.

The recently adopted 2021 PFM Action Plan is also credible as it is well-designed and provides a structured approach to monitor reform progress over time. The PFM Action plan has political buy-in as well as administrative support.

Greenland's revenue-to-GDP ratio was 32.4% in 2018, which was an increase compared to 2017 when the ratio was 28.5%. Tax collection has remained stable since 2018 (Revenues from indirect taxes and duties remained stable at DDK 1,2M since 2018 to 2020). The increase is due to a major increase in revenues, especially 1) a significant one-off income following the cessation of a pension insurance scheme, and 2) higher duties collected from fishing products. An important part of the government revenue comes from taxation – the relative shares of taxes and duties collected in 2019 were 51% and 49%. Greenland's tax administration has registered some improvements over the last years. The Tax Agency published in 2018 a Customs Strategy (Inussuk) for 2018-2023 for reform. The GoG and the municipalities have been migrating to PRISME. The migration is still on-going in one municipality. There has been a recent increase in Tax arrears and the tax agency believes that municipal taxes are increasing as a result of the migration. Better data flow and simplification may have meant that municipalities are better able to track and exchange on their on-going arrears items.

Greenland has entered into full double taxation (avoidance) agreements with four countries (Denmark, Norway, Faroe Islands and Iceland) and partial agreements with two countries (Canada and the United States). Furthermore, there are Tax Information Exchange Agreements with currently 47 countries/jurisdictions. Some of these have not entered into force, mainly due to a lack of coordination between the cooperative jurisdictions to provide a notification of entry into force. Greenland joined the Global Forum on Transparency and Exchange of Information for Tax Purposes in 2017 and the Organisation for Economic Co-operation and Development (OECD) Base Erosion and Profit Shifting Inclusive Framework in December 2018. It has during 2018-2019 exchanged data based on the Common Reporting Standard with more than 50 jurisdictions.

In conclusion, the public finance management reform strategy is sufficiently relevant and credible, including on domestic revenue mobilisation, and the eligibility criterion is met.

### 2.3.5. Transparency and Oversight of the Budget

The annual Finance Law process starts with the preparation of the political-economic report, which describes the economic situation and priorities in the upcoming Finance Bill. The report is written at the beginning of the year and is discussed at the Parliament/Inatsisartut's spring session. During the spring, the Ministry of Finance will prepare a so-called basic budget which is based on the previous Finance Act, adjusted with projections related to tax revenues, pension costs and price and salary regulation. The Basic Budget is the basis for negotiations, which usually take place from March to June. Once GoG/Naalakkersuisut has approved the final Finance Bill, it is presented to the public in mid-August, when it is also submitted to Parliament.

Government must present to Parliament the annual accounts and the audit report at the latest at its Autumn Session, which in practical terms means by early September of the following year. However, both documents are generally submitted to Parliament during the Spring Session where they undergo a first reading and are then referred to the Audit Committee.

It is concluded that the 'entry point' is met as Naalakkersuisut's the Finance Act proposal for 2021 and 2022 have been published in August 2020 and 2021 respectively, with the 2021 Finance Act passed and published on 15 December 2020. There are no international transparency assessments available for Greenland, hence a short overview of the key budgetary documents is detailed below.

In conclusion, the relevant budget documentation has been published and the eligibility criterion is met.

Budgetary Document (latest)	Produced	Published	Timeliness	Comprehensiveness & Quality
Executive Budget proposal (2022)	Yes	Yes	<b>MET</b> The draft Finance Act 2022 was presented to the public at a press conference in August 2021 and at the same time submitted to Parliament. It was also made available on the Finance Department's website .	<b>MET</b> The draft Finance Act includes four parts: 1) Aggregate level sub-divided based on appropriation types for 10 years (past five years, present year, budget year, and three year medium-term) as well as 2 annexes with detailed information; 2) Ordinary comments. 3) Tables with actual expenditure and budget data for a 10-year period staffing numbers per



				entity, and data on investment projects. 4) Detailed data for each ministry/entity for the previous current fiscal year and the medium-term forecast (three years).
Enacted Budget (2021)	Yes	Yes	<b>MET</b> The 2021 Finance Act was passed and published on 15 December 2020 <sup>24</sup>	<b>MET</b> The enacted budget for 2021 includes information similar to that of the budget proposal (see above), except for # 2 Ordinary comments
In-year report (2020/2021)	Yes	Yes	<b>MET</b> Quarterly consolidated budget monitoring reports prepared by the Economy and Personnel Agency for 2020 (April and September) and 1 for 2021. All are publicly available on the Naalakkersuisut website ( <a href="https://naalakkersuisut.gl/da/Naalakkersuisut/Departement/Finans/Budgetopfoelgning">https://naalakkersuisut.gl/da/Naalakkersuisut/Departement/Finans/Budgetopfoelgning</a> )	<b>MET</b> The in-year budget reports compare the full budget (with the year-to-date spending in addition to a forecast up to year-end. The quarterly consolidated budget monitoring reports show for each appropriation type the year-to date spending compared to the approved budget together with an estimate of the full year spending.
Mid-year report (2020)	Yes	Yes	<b>MET</b> The report on revenues and expenditures covering January-June 2020 was submitted by the Economy and Personnel Agency to Inatsisartut in August 2020 and was published on Naalakkersuisut's website ( <a href="http://naalakkersuisut.gl/da/Naalakkersuisut/Departement/Finans/Budgetopfoelgning">http://naalakkersuisut.gl/da/Naalakkersuisut/Departement/Finans/Budgetopfoelgning</a> ).	<b>PARTIALLY MET</b> See 'in-year report' above. The budget monitoring reports do not include a review of economic assumptions upon which the annual budget is based.
Year-end report	Yes	Yes	<b>MET</b> The consolidated annual accounts are generally available in May or June of year N+1. The 2019 annual accounts were finalised in April and submitted to Inatsisartut in May 2020.	<b>MET</b> The consolidated annual accounts include an explanatory summary as well as the financial results for the fiscal year including a comparison with the previous two years. The annexes include reconciliation between the approved budget (including supplementary budget) authorised by Inatsisartut and actual revenues and expenditures
Audit report	Yes	Yes	<b>MET</b> The annual external audit report is generally available in May of year N+1, i.e. about four months after the end of the fiscal year. The audit report for the 2019 annual accounts was finalised by the external auditor on the and sent to Inatsisartut's Audit Committee in May 2020.	<b>MET</b> The annual financial statements of the Treasury ( <i>Landskassen</i> ) must be audited, which implies that it covers all activities undertaken by the Executive. The external auditor must undertake the audit in accordance with good auditing practices.

In conclusion, the relevant budget documentation has been published and the eligibility criterion is met.

<sup>24</sup> <https://naalakkersuisut.gl/da/Naalakkersuisut/Nyheder/2019/11/181119-Aftale-om-finanslov2020>.

### 3. DESCRIPTION OF THE ACTION

#### 3.1. Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to contribute to the sustainable development and diversification of the Greenlandic economy by supporting the educational system.

The Specific Objectives (Outcomes) of this action are – in line with the stipulated aims of the Greenlandic Education Plan – to

1. Increasing the quality of the education system to foster productive lives, wellbeing and resilience of the society as well as entrepreneurial and innovation skills;
2. Reducing inequality, ensuring a more equitable access to the Greenlandic education system holistically improving wellbeing of students to boost cohesion and inclusiveness of the society;
3. Augmenting efficiency in the Greenlandic education system, improve spending, increase education completion, and improve education sector coordination with municipalities.

The Induced Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

*Contributing to Outcome 1 (or Specific Objective 1):*

- 1.1 Improved quality and accessibility of primary/lower secondary schools;
- 1.2 Improved teaching and learning in pre-school and primary/lower secondary education;
- 1.3 Increased opportunities and inspiration to hone entrepreneurial and innovation skills.

*Contributing to Outcome 2 (or Specific Objective 2)*

- 2.1 Increased provision and use of quality and accessible distance learning and e-learning including support for children with disabilities;
- 2.2 Increased effectiveness of guidance provision and social counselling for students' wellbeing;
- 2.3 Increased attendance to pre-school institutions.

*Contributing to Outcome 3 (or Specific Objective 3):*

- 3.1 Increased completion rates in upper secondary education and training notably within the stipulated duration;
- 3.2 Increased rate of learners progressing from lower secondary to upper secondary education and training within one year of graduation;
- 3.3 Better coordination and oversight of municipalities in implementing education policy.

The Direct Outputs are:

1. Increased fiscal space and predictability of funds to support policy reforms;
2. Improved strategic policy dialogue and coordination;
3. Improved policy performance assessment and monitoring.

#### 3.2. Indicative Activities

*Activities related to Output 1.1:*

- Develop and implement incentive structures to attract and retain qualified staff to remote settlements.

*Activities related to Output 1.2:*

- Developing and strengthening provision of online support to teaching activities.

*Activities related to Output 1.3:*

- Designing and implementing training and campaigns on innovation and entrepreneurial skills. Training of teachers and multipliers.

*Activities related to Output 2.1:*

- Conduct different sectoral studies and ensure dissemination and follow-up;
- Evaluation of existing IT-strategy for primary/lower secondary education;
- Development of a national-level action plan for accessible online e-learning and distance-learning, with special focus on equal access for girls and boys in a gender- and age-appropriate way to skills, technology and internet, including for those living in vulnerable situations such as children with disabilities and children living in poverty.

*Activities related to Output 2.2:*

- Ensure the organisation of regular well-being awareness campaigns vis-à-vis parents;

- Increased coordination and efficiency of outreach guidance and social counselling for students;
  - Drafting Executive Order on guidance provisions, outlining actors, tasks, responsibilities and methodologies.
- Activities related to Output 3.1:*
- Boosting current provisions of educational programmes with an inclusion dimension (gender, disability and cultural diversity);
  - Developing new, more inclusive programmes including apprenticeships.
- Activities related to Output 3.2:*
- Increased provision of retention guidance in educational institutions.
- Activities related to output 3.3:*
- Strengthen strategic planning on management and learning at municipal and central level, including develop disaggregated data collection and other support for more inclusive and human rights based planning.

### 3.3. Mainstreaming

#### *Gender Equality*

The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) represents the principal framework for progress of the Greenlandic legislation on gender equality, including women's rights and opportunities in society. The Government of Greenland considers that the Greenlandic legislation (and Danish legislation) honours the principle of gender equality and that Greenlandic legislation essentially corresponds with the Convention. Still, in connection to revisions of legislation, the implementation of the Convention in Greenland is continuously evaluated. Available data show that the education system in Greenland provides equal chances to female and male students, with female students having higher completion rates than male students: 54% in upper secondary education, 52% in vocational education and training and 56% in higher education (2018). Only 53% of women aged 16-18 are outside of education, as opposed to 65% for men (2020).

### 3.4. Risks and Lessons Learnt

Category	Risks	Likelihood (high, medium, low)	Impact (high, medium, low)	Mitigating measures
2. Planning, processes and systems	Lack of coordination and knowledge-sharing between the GoG and the municipalities (and between the municipalities themselves) results in inequalities in primary/lower secondary education across the country	<b>M</b>	<b>H</b>	The joint coordinating committee of the municipalities, KANUKOKA, was dissolved in 2018. However, since then municipalities have demonstrated that they can work together on educational issues, notably in the KIVITSISA-project, which promotes e-learning and distance learning in all Greenlandic primary/lower secondary schools. The new Agency of Education, set up under the aegis of the GoG in 2015, is mandated to develop and coordinate the provision of primary/lower secondary education in Greenland. Since 2017, the bi-annual policy dialogue meetings between Commission and Greenland were widened and now also include representatives of municipalities. Policy dialogue, including on non-discrimination and equality, will be supported by information from increased collection of disaggregated data (sex, age, area rural/remote, and disability).
2. Planning, processes and systems	The new Government that came into power in April 2021 significantly changes educational policies	<b>L</b>	<b>M</b>	Greenland's politicians and citizens alike share a common belief in the Greenland Education Programme as the general answer and solution to the country's most urgent goal of becoming a

				<p>self-sustaining country through continuous and sustainable economic development.</p> <p>After Greenland became self-governing in June 2009, the relative importance of the education sector for the Greenlandic society has increased. The sector is widely acknowledged politically as one of the key strategic sectors – besides tourism and oil and mineral exploitation – that will ensure sustained economic growth and a balanced development of public finances.</p> <p>Elections in 2013, 2014 and 2018 have not changed priorities in the Greenland Education Programme.</p>
3. People and the organisation	The entry of more donors in the Greenlandic educational system results in a decrease in efficiency	L	L	<p>The EU is no longer the only donor. Several big private foundations have financed a large project (KIVITSISA, see above) in the Greenlandic educational sector, and lately, the US Government has announced that it will provide a grant to Greenland which also covers education (no details known). The GEP can be used as a basis for coordinating the activities and preventing overlap.</p>

### Lessons Learnt:

The Greenlandic Education Plan II was passed by the Naalakkersuisut (Parliament) in 2015 and runs for 10 years until 2024. Even though the visions and targets remain the same, it is nevertheless necessary to undertake incremental changes in these from year to year in order to reflect developments in the real world. 2020 has been extraordinary in this respect due to the pandemic and the challenges this has posed to educational activities as well as in society as a whole, but as of 2021, the situation is again approaching the status quo of the time prior to the outbreak of COVID-19. The following lists some of the main lessons learned during the period that the Education Plan II became functional and until the present.

1. **No real change is possible without having all the key stakeholders on board.** This is especially true for pre-school and primary/lower secondary education, where the GoG holds the overall responsibility for development, inspection and support, but where it is the municipalities that are in charge of implementation. This has become more of a challenge as of 2018, when the municipalities dissolved their coordinating committee (known as KAIUKOKA) and decided to relate to the GoG individually rather than in concertation. Consensus on relevant matters is now sought on a case-by-case basis, but fortunately the area of education is, as a rule, not controversial, and municipalities are able to take concerted action. This has been demonstrated in the large KIVITSISA-project, where all of the 5 municipalities jointly set up a project to promote distance- and e-learning in order to raise the quality of learning in Greenlandic primary and lower secondary schools and compensate for a chronic lack of qualified teachers, especially in smaller settlements. The project has a budget of app. EUR 27 million where the municipalities finance EUR 20 million out of their own budgets. The key role played by the municipalities is reflected in the fact that they, since 2017, have been invited to take part in the bi-annual policy dialogue meeting between the Commission and the GoG.
2. **Many of the challenges of the Greenlandic educational system are of a very complex nature, and need to be tackled using a holistic approach,** rather than trying to address them one at a time and exclusively within the confines of the system. Issues like the vast geographical expanse, the limited infrastructure, the small, dispersed population, problems related to social issues and health, economy, as well as linguistic challenges all combine in relation to problems of e.g. drop-out and early leaving. Solving these requires a concerted strategy that takes all these factors into account and involves all the relevant actors and stakeholders. Therefore, the Education Plan II also addresses issues like housing of students/learners, foreign language proficiency, guidance, internationalisation etc.
3. **Transition periods can be particularly problematic, especially from lower secondary education to upper secondary education and training.** Over 60% of the Greenlandic population in the age bracket from 16-74 never progressed beyond lower secondary school, and at the time of writing only 1 out of 7 pupils from lower secondary education progress to upper secondary education and training immediately after having completed

their leaving exam. Guidance is a key factor here, and in particular the role of the municipal guidance and upskilling centres – Majoriaq – is pivotal, as these follow pupils immediately after they have left school and also, through outreach guidance, try to rope in those that do not progress after leaving lower secondary school. Transition guidance is also a key area in the lower secondary schools themselves, and the efforts of these two actors need to be coordinated, so that no one is allowed to slip under the radar and left to their own devices. A new Executive Order on guidance services is currently under elaboration to ensure that services appear to users as efficient and coordinated.

4. **The chronic shortage of qualified teachers requires innovative thinking.** At present, there are more than 250 positions as teachers in primary/lower secondary education that cannot be filled by qualified staff – especially for remote settlements, where only little more than 50% of those engaged in teaching actually possess a qualification according to international standards. This has consequences for the quality of education offered. One way of addressing this is to develop on-line e-learning and distance learning as integral features of the system. In 2018, the Agency of Education jointly with the Agency of Digitalisation elaborated a digitalisation strategy for primary/lower secondary education, but an update is required, especially as fast and reliable internet connections now cover over 90% of the inhabited areas of Greenland. At the same time, the GoG continues its efforts to increase the supply of teachers and qualified staff available in both pre-school and primary/lower secondary education.
5. **More inclusive educational programmes are required in order to ensure higher figures of enrolment in education and training.** Many Greenlandic learners are – in particular due to social and psychological problems – not robust enough or otherwise challenged to follow mainstream education and training programmes. For this target group of young people with fewer opportunities, it is necessary to create new opportunities within the educational system that allow them to progress. In upper secondary general education, two initiatives have been launched in recent years to enable this target group to engage. The GUX-S and the GUX-P are versions of upper secondary general education (GUX) that have been adapted to specific target groups with special needs, whereas eGUX makes it possible to complete the curriculum entirely through distance learning, enabling the participation of persons from remote locations who for a variety of reasons (e.g. family obligations) are not mobile. In the area of vocational education and training, various initiatives have been set up at local/municipal level that allow young people to get an introduction to a number of trades and acquire basic skills in this respect, that will enable them either to enter the labour market as semi-skilled workers or motivate them to engage in formal VET. An example is the TNI-Flex programme in the field of trade, commerce and administration, which was introduced in 2015. According to the GoG, further initiatives of this nature will be rolled out in more locations in the coming years, even though the exact nature of these is still being discussed. The Danish production schools (providing individualised, non-formal vocational training) have been mentioned as a solution.

These lessons have been incorporated in the last update of the Education Plan II, and where appropriate policy responses and relevant indicators have been developed in order to monitor developments.

### 3.5. The Intervention Logic

The underlying intervention logic for this action is predicated on the aim of the long-term economic policy the GoG. This presupposes fiscal sustainability, diversification of the economy and sustained real economic growth. There is broad political consensus that education and training is fundamental in achieving these long term sustainable economic developmental goals.

In the GEP phase 2 (2014-2024) emphasis is put on the pre-school and primary/lower secondary school system besides a continuation of the support for vocational education and training and the post-elementary school system in general. The specific objectives consist in reducing inequality in education by ensuring a well-functioning pre-school and primary/lower secondary school system, no matter where the children live, increasing the quality and the efficiency of the education system, thus ensuring better service delivery.

A major problem in both pre-school and primary/lower secondary schools and in fostering entrepreneurial and innovation skills is the lack of qualified teachers, in particular in smaller, geographically remote settlements, when only little over 50% of the teaching staff actually have a qualification according to international standards. The provision of special incentives for these positions may induce more teachers to apply, but in the broader picture recruitment of new teachers is limited by the actual output of teachers from the Greenlandic teacher training programme at the University of Greenland. This is further exacerbated by the fact that many Greenlandic teachers are due for retirement in the coming years. This calls for innovative solutions, in particular the development of e-learning and distance-learning technology and pedagogy, where targeted and concerted interventions, based on a detailed action plan, can improve the quality of the teaching efforts. These efforts will have to be executed in close cooperation with the 5 Greenlandic municipalities, since the implementation of pre-school and primary/lower secondary education is a municipal responsibility. Also, the trade union for teachers, IMAK, is an important interlocutor here.

Further challenges consist in the need for enhancing the inclusiveness of the Greenlandic educational system by designing programmes and curricula that accommodate the needs of vulnerable and fragile learners in order to attract and retain these in learning pathways leading to formal qualifications of relevance to the labour market. Also, the efforts to reduce drop-out, early leaving and education trajectories exceeding the stipulated lengths of the programme must be sustained and the measures targeting holistic wellbeing reinforced. Here, an increase in the efficiency of the guidance and counselling system, notably by ensuring the coordination of the efforts of actors in the field, covering all aspects of the guidance spectrum (including, transition, retention and outreach guidance) can be expected to have an impact.

Moreover, opportunities need to expand to hone entrepreneurial and innovation skills throughout the education cycle to better equip the new generation to sustainably diversify the economic structure of Greenland.

If these challenges are met, the availability of a well-trained and flexible workforce is increased, thus placing the GoG in a better position to exploit the economic potential of the country and to achieve its long-term goal of achieving a more diversified and sustainable economy.

### 3.6. Logical Framework Matrix

The indicators used in the Logical Framework Matrix refer to the budget support intervention logic. They help monitoring the implementation of the programme in view of its objectives and later evaluate its contribution to a country policy's achievements. The indicative list of indicators below should not be understood as the list of indicators informing the disbursement of variable tranches and spelled out in the relevant part of the financing agreement signed with the partner country, although some indicators may be used for both purposes (marked in bold). Indicators used in the MIP are marked with an asterisk.

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data
Impact	To contribute to the sustainable development and diversification of the Greenlandic economy.	<b>1. Development in levels of the population (16-74 years) with qualifications above lower secondary education as the highest educational achievement</b>	<b>1. (2020) 40%</b>	<b>1. (2022) 42%</b>	1.Statistics Greenland
Outcome 1	Increased quality of the education system to foster productive lives, wellbeing and resilience of the Greenlandic society including through fostering entrepreneurial and innovation skills;	1.1. Percentage of qualified teachers and pre-school staff with diplomas according to international standards. (disaggregated by gender) 1.2. Percentage of pupil population in lower secondary education passing the leaving examination. (disaggregated by gender) .	1.1 (2019) 84% (primary and lower secondary) and 48% (pre-school) 1.2 (2021) Current figures not available	1.1 (2022) 86% and 53% 1.2 (2022) Reliable statistics available	1.1 Ministry of Education 1.2 Ministry of Education
Outcome 2	Reduced inequality through more equitable access to the Greenlandic education system and through holistically improved wellbeing of students to boost cohesion of the society	<b>2.1. Percentage of children in pre-school institutions (disaggregated by gender)</b> <b>2.2. Percentage of correct answers in Greenlandic, Danish and maths of pupils in grade 7*</b>	<b>2.1 (2019) 76%</b> <b>2.2 (2020) 53% (national level)</b>	<b>2.1 (2022) 79%</b> <b>2.2 (2022) 54% (national level)</b>	2.1 Statistics Greenland 2.2. Statistics Greenland
Outcome 3	<b>Augmented efficiency in the Greenlandic education system through improved spending, increased and quicker education completion rates, and better education sector coordination with municipalities</b>	3.1 Overall completion rates for learners in upper secondary education and training (disaggregated by gender) 3.2 Completion rate in upper secondary (disaggregated by gender)* 3.3 Completion rate in VET (disaggregated by gender)* 3.4 Percentage of learners in upper secondary education and training completing their qualification within the stipulated duration (disaggregated by gender). 3.5 Indicative allocation for education of the overall budget	3.1 (2020) 52% 3.2 (2019) 47.9% 3.3 (2019) 53% 3.4 (2020) 45% 3.5 (2020) 25%	3.1 (2022) 53% 3.2 (2022) 50% 3.3 (2022) 55% 3.4 (2022) 55% 3.5 (2022) 25%	3 Statistics Greenland
Output 1 related to Outcome 1	1.1 Higher percentage of children attending pre-school institutions in settlements	1.1.1 Percentage of children attending pre-school institutions in towns and settlements respectively.	1.1.1 (2019) 80% (towns) and 49% (settlements)	1.1.1 (2022) 85% and 52%	1.1.1 Ministry of Education



<b>Output 2 related to Outcome 1</b>	1.2 More qualified staff in pre-school institutions and primary/lower secondary schools in settlements	1.2.1 Percentages of staff with qualifications according to international standards in towns and settlements respectively.	1.2.1 (2019) 84% (towns) and 48% (settlements)	1.2.1 (2022) 90% and 55%	1.2.1 Ministry of Education
<b>Output 3 related to Outcome 1</b>	<b>1.3 Increased application and mainstreaming of e-learning and distance learning</b>	1.3.1 Evaluation of 2018 strategy for IT in primary and lower secondary education <b>1.3.2 The development of a detailed action plan for e-learning and distance learning in Greenlandic schools, based on evaluation findings.</b>	1.3.1 (2020) N/A <b>1.3.2 (2022)</b>	1.3.1 (2022) Evaluation completed and disseminated <b>1.3.2 (2022) Action plan completed and disseminated</b>	1.3.1 Dedicated evaluative study <b>1.3.2 Ministry of Education</b>
<b>Output 4 related to Outcome 1</b>	<b>1.4 Increased opportunities and inspiration to hone entrepreneurial and innovation skills.</b>	<b>1.4.1 Establishing a roadmap for more innovative and entrepreneurial skills in the curriculum</b>	<b>1.4.1 (2020) N/A</b>	<b>1.4.1 (2022) Draft version developed</b>	<b>1.4.1 Ministry of Education</b>
<b>Outcome 5 related to Outcome 1</b>	1.5 Improved education on sexual health and sexual violence	1.5.1 Percentage of young people receiving comprehensive education on sexual health and sexual violence (disaggregated by gender and locality)	1.5.1 (2020) Not available	1.5.1 (2022): Reliable statistics available	1.5.1 Ministry of Education
<b>Output 1 related to Outcome 2</b>	2.1 Improved quality of pre-school provision	2.1.1 Information on pre-school institutions with elaborated pedagogical strategies	2.1.1. (2020) N/A	2.1.1. (2022) Survey completed and baseline established	2.1.1 Ministry of Education
<b>Output 2 related to Outcome 2</b>	2.2 Improved quality of primary/lower secondary schools	As in 2.1-2.4 under Outcome 2 above, and 2.2.1 Intake of students/apprentices in upper secondary education and training	2.2.1 (2020) 1313	2.2.1 (2022) 1500	2.2.1 Statistics Greenland
<b>Output 3 related to Outcome 2</b>	<b>2.3 Improved guidance and social counselling provision</b>	<b>2.3.1 Elaboration of an Executive Order to increase coordination and effectiveness of guidance efforts.</b>	<b>2.3.1 (2021) N/A</b>	<b>2.3.1 (2022) Executive Order published</b>	2.3.1 The National Guidance Council
<b>Output 1 related to Outcome 3</b>	<b>3.1 Reduced numbers of drop-out in upper secondary education and training</b>	<b>3.1.1 Percentage completion rates in upper secondary education and training.</b>	<b>3.1.1 (2020) 55.1% in upper secondary general education, 54.1% in IVET</b>	<b>3.1.1. (2022) 58% and 57% respectively</b>	3.1.1 Ministry of Education

<b>Output 2 related to Outcome 3</b>	3.2 Increased completion rate in Higher Education	3.2.1 Percentage of learners completing tertiary education up to two years beyond stipulated duration	3.2.1 (2020) Short-cycle: 55% Bachelor: 29% Professional bachelor: 55% Master: 53%	3.2.1 (2022) Short-cycle: 57% Bachelor: 32% Professional bachelor: 60% Master: 55%	3.2.1 Statistics Greenland
<b>Output 3 related to Outcome 3</b>	3.3. Less time spent in transition between education levels	3.3.1 Average age of completion in upper secondary education and training (disaggregated by gender) 3.3.2. Numbers of apprenticeships available	3.3.1 (2019) Upper secondary general education ( <i>gymnasiet</i> ): 23.2 years. VET: 30 years 3.3.2 (2019) 773	3.3.1 (2022) Upper secondary general education: 22.5 years. VET: 28 years 3.3.2 (2022) 800	3.3.1 Ministry of Education 3.3.2 Statistics Greenland
<b>Output 4 related to Outcome 3</b>	3.4 Increased transition rates and participation in education	3.4.1 Share of 18-year-olds having completed their education or still active in education (including boarding schools)* 3.4.2. Percentage of young people in the age bracket 16-18 years old not in education or training (disaggregated by gender)	3.4.1 (2020) 37.7% 3.4.2 (2020) 59%	3.4.1 (2022) 39% 3.4.2 (2022) 55%	3.4.1 Ministry of Education 3.4.2 Ministry of Education
<b>Output 5 related to Outcome 3</b>	3.5 Developing more market oriented VET-formats	3.5.1 Number of new short-cycle VET programmes in sectors that are conducive to the diversification of the Greenlandic economy.	3.5.1 (2020) N/A	3.5.1 (2022) 2 new curricula developed	3.5.1 Ministry of Education
<b>Output 6 related to Outcome 3</b>	3.6 Improved coordination with and oversight of municipalities in implementing education policy	3.6.1 Status of the formal forum on educational issues between relevant municipal authorities operational ensuring consensus on developments (in line with present arrangements in the KIVITSISA-project)	3.6.1 (2021) Project-based structure	3.6.1 (2022) Permanent structure in place	3.6.1 Ministry of Education

## 4. IMPLEMENTATION ARRANGEMENTS

### 4.1. Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the GoG.

### 4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 36 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

### 4.3. Implementation of the Budget Support Component

#### 4.3.1. Rationale for the Amounts Allocated to Budget Support

##### *Role of the budget support*

The amount allocated for the budget support component is EUR 60 million.

Since 2007, the EU has been supporting the education sector in Greenland, with an allocation of EUR 217.8 million for 2014-2020 and around EUR 194 million for the period 2007-2013 mainly through budget support<sup>25</sup>. No other Official Development Aid donors have supported the education sector, but large private foundations, mostly based in Denmark, have supported projects in the Greenlandic educational sectors over the years with significant amounts; notably the Velux Foundation, the A.P. Møller Foundation, the Hempel Foundation and the Oak Foundation.

Overall, the EU budget support to the education sector of Greenland constitute about 3.3% of the total GoG budget revenue (2020). The combined impact of the external budget transfers, including the significant block grant from the Danish state as well as the EU fishery licenses, constitutes a stabilising factor for the open economy of Greenland making the social and societal impact of any type of economic shock less severe. An important overall significance of budget support, in addition to the policy dialogue, is therefore to ensure a stable and continued financing environment as basis for a steady development of the education strategy.

Another important virtue of the EU budget support relates to the fact that Greenland possesses all characteristics of a small territory. Greenland is not only characterised by the modest size of their population, but has also the lowest population<sup>26</sup> density in the world, implying long and costly transport distances, and a strongly specialised production structure. These economies are typically disadvantaged by diseconomies of small scale in their public service production, which tends in the direction of a larger public sector and larger unit cost in e.g. provision of public education. The diseconomies of scale therefore make provision of education comparatively more costly than in other territories. Accordingly, the so-called economic clusters linked to towns and suburban areas and close linkages (by land or sea) between towns are not an option in Greenland. As such, the difficulty of benefiting from economies of scale is a fundamental term of trade in Greenland. The budget support has provided financial assistance to the development of the Greenland education sector by compensating for the inherent disadvantages linked to small state characteristics and diseconomies of scale by providing a financial basis for the GoG to focus more on quality aspects of education than would otherwise be the case without the provided budget support.

Finally, another aim of the budget support is to strengthen ties and enhance cooperation between the EU and Greenland. A general goal is to increase sustainability by diversifying Greenland's economy with an explicit political ambition to ensure policy dialogue on global issues of common interest. Education is by all actors and stakeholders

<sup>25</sup> Action Document, 2018.

<sup>26</sup> [Countries By Density 2021 \(worldpopulationreview.com\)](https://worldpopulationreview.com/countries-by-density/)

across the political spectrum considered as the primary enabler of better welfare and more prosperity by boosting competitiveness and diversifying the economy. Education and training has therefore been the pivot of EU-Greenland cooperation in the past, and will remain so also in the next period.

The main tools for implementing the budget support package are policy dialogue, financial transfer, performance assessment, consultancy and expertise provision and capacity development.

#### *Policy dialogue*

The GoG and the Commission has regularly since 2006 engaged in policy dialogue via two annual meetings, normally in February/March and another in August. The Government of Denmark is invited to attend these meetings. During the dialogue meetings recent developments in specific cooperation areas are presented by the GoG, including the Education Sector Policy and its implementation, as well updates on the Greenland's macro-economic situation and reform of the public finance management system. A common understanding, recorded in an Aide Memoire, is reached through these dialogue meetings on the Government reform priorities, progress achieved as well as actions required for meeting the conditions for the disbursement of EU budget support. Since 2017, the municipalities have been invited to take part in the bi-annual policy dialogue meeting between the Commission and the GoG which is indicative of the key role played by the municipalities.

#### *Support measures*

Technical assistance is foreseen to support the GoG in implementing the Greenland Education Programme and to pursue the goals of the budget support programme, for example for a renewed IT strategy, the counselling programme, strengthening municipality coordination and oversight, and reforming the VET curriculum. Those measures can be financed through the OCT Technical Cooperation Facilities.

#### *Performance assessment*

The Ministry of Education, Culture, Sport and Church is responsible for the day to day implementation of the EU assistance and the budget support provided is part of the ministry's operational budget under the GoG financial Act ("*Finansloven*" – the Government budget). The Ministry also conducts the reporting to the Commission as well as undertaking monitoring and evaluation and reporting to the Greenland Parliament (Inatsisartut).

The Government has established a permanent internal, technical and financial M&E capacity for the elaboration of regular (annual) progress reports related to the implementation of the GEP. Concretely, a monitoring and evaluation system is established and AWP's and AIRs of the GEP are produced and presented to the Parliament of Greenland (in Greenlandic) and to the EU (in English).

Additional data sources on the performance of the Greenland Education Programme are "Statistics Greenland", and budgetary documents such as the Fiscal Act.

Further details on the M&E set-up related to the GEP are provided in section 5.1 Monitoring and Reporting below.

#### *Government of Greenland's priority on education*

Considerable resources are spent on education in Greenland. Over the period 2005 to 2019 the budget share of education and training rose from 14.8% to 25.1% of total Government expenditure indicating the Government's commitment to the sector since 2004.

The total public budget for the education sector in 2019 (the latest pre-COVID pandemic fiscal year – FA 2019) was EUR 346.4 million accounting for slightly more than one-fourth of the total budget of the public sector (EUR 1,380 million)<sup>27</sup>.

In an international context the Government's contribution to education (education as share of public expenditures) is high compared with the average of the EU (27) countries (approximately 10%) and even the Nordic countries, e.g. Iceland (14%), Denmark (13%), and Sweden (12%)<sup>28</sup>. However, caution should be taken in making direct comparisons with a scarcely-populated island such as Greenland. Small-populated island economies are typically disadvantaged by diseconomies of small scale in their public service provision, which tends in the direction of comparatively bigger unit cost per service output. Greenland is the least dense populated country in the world, this characteristic is exacerbated by its vast land mass and the scattered settlement pattern with very limited infrastructure,

<sup>27</sup> Annual Work Plan, AWP 2019, Ministry of Education, Culture and Church, 2019.

<sup>28</sup> The impact of COVID-19 on education - Insights from Education at a Glance 2020, OECD 2020.

where no roads are connecting large distances between towns and outlying settlements. Some of the most remote human settlements globally are found in Greenland. To the limitations set by the sparse logistical infrastructure should be added climatic challenges related to the supply of staples and other goods as well as person transport, where in many cases costly airborne travelling is possible at certain times of the year.

The distribution of expenses for education is shared between the municipalities and the Government budgets. In 2019 the total expenditures for education in municipalities is approx. EUR 177.3 million (equal to 51.2% of total public education expenditures) and approx. EUR 169.1 million of the Government's expenses (equal to 48.8% of total public education expenditures)<sup>29</sup>.

Even though schools in Greenland are publicly financed and managed, private schools exist with one school currently operating in the capital of Nuuk. As a new financing modality in a Greenland education context, public-private partnership is introduced as a financing instrument for the construction and operation of a new public school/day care centre in the capital of Nuuk. When opening, the school will accommodate 1,200 pupils, whereas the after-school centre will have room for 400 children and the integrated day care centre will have room for approximately 130 children. The construction of the school started in the spring of 2020 and it is expected that the day care institutions will be taken into use in the spring of 2022, whereas the school itself will start by the school year of 2023.

According to the GEC the education profile and patterns educational choices of the Greenland population have changed only marginally during the past decade<sup>30</sup>. A model-based projection of educational choices depicts various scenarios for the projection period 2015-2040. The GEC analysis concludes that if the currently observed rate of progress will not change it will take a long time to catch up with the comparative education gap to other western countries. Accordingly, the GEC concludes that the outcome of such heavy investment in education is unsatisfactory when only half of 25-34 year-olds only possess qualifications from primary and lower secondary school as their highest level of education in 2018, a figure that has remained nearly unchanged since 2002, when national statistics on education began to be compiled. According to the GEC, more funds for education will not solve the problem by itself - getting more out of the resources currently applied to the education sector is more effective<sup>31</sup>. This will be an important element for the policy dialogue of the present action.

*Commitment of the Government of Greenland to improve its tax policy and tax administration in mobilising revenue*  
Compared to many other countries, the Greenlandic tax system is relatively simple as income from work and capital gains is treated similarly. It is based on proportional taxation, and there are a limited number of fees and duties. While the system is based on the same basic principles as the Danish tax system, it is less complex, as the income basis in Greenland is different. Moreover, there is a declared intention of keeping the system simple. Taxation of individuals as well as companies is based on objective assessments, and exemptions from taxable income are clearly stated in the Income Tax Law (Article 34)<sup>32</sup>.

Even though the 2008 PEFA assessment report concluded that Greenland meets the criteria to be eligible for budget support, three key weaknesses were identified, among them two related to effectiveness of the Government's tax administration: 1) Tax audits (PI-14, PEFA dimension iii); 2) Tax collection and arrears (PI-15, PEFA dimension i). The 2008 status of these three areas comprised the baseline and the framework against which reform developments were monitored annually during 2009-2013. The PEFA assessment 2014, reported satisfactory progress in improving the GoG's PFM system and procedures, taking into account progress achieved against annual targets as well as positive direction of change. Early 2018 the GoG proposed an updated PFM Action Plan 2018-2020 as some key weaknesses, including those on the tax area, were deemed to be solved, cf. section 2.3.4 on Public Finance Management above for further details on the Government's PFM reform. A new PEFA assessment is on-going and will be the basis for the future policy dialogue around PFM.

In future, due to the longer term challenges related to demography based un-sustainability of public finances, the GEC has in several reports stressed that political priority must be given to review and reform the welfare and tax system in order to avoid increasing structural public deficits. In line with the previous Inuit Ataqatigiit lead Government (2 June 2009 – 5 April 2013) the newly elected IA party lead coalition Government (April 2021) is expected to follow these recommendations on longer-term fiscal sustainability that eventually coincides with the

<sup>29</sup> AWP, 2019, Annex 1: Education medium term expenditure framework 2018–2022.

<sup>30</sup> Greenland Economic Council (GEC), "Projection of the Education Level", Technical Note to the GEC's Annual Report 2016.

<sup>31</sup> Greenland Economic Council, *Greenland's Economy*, section 3.1 *Education and the National Economy* Nuuk, August 2017.

<sup>32</sup> PEFA-based Assessment of Greenland, ECORY, 2014.

overall policy objective of achieving full economic self-reliance, cf. also above section 2.3.3. Macroeconomic Policy for further details.

#### *Added value and contribution of budget support*

As formulated in the Sustainability and Growth Plan, education constitutes a central parameter in achieving the long-term goals of the GoG: Greenland's economy should gradually become more sustainable to achieve the aim of becoming independent of the block grant from Denmark. Education therefore constitutes a key vector in this. Higher education levels will improve the skills match with the labour market, enabling more Greenlanders to take positions in sectors of the economy with higher economic growth potential demanding advanced professional skills thereby reducing dependency of imported high skilled labour and building local expertise capacity. Further, by providing the population with the necessary means to take up positions as skilled labour, the society will achieve a higher degree of self-reliance with lesser dependency of public welfare support thereby easing the expected future pressure on public finances from demographic change as projected by the GEC.

Further to support of the education sector, and as outlined in detail in section 2.3.4 on PFM above, the budget support has helped improving the national PFM system, including establishment of new central procurement function in the GoG administration with the purpose to increase value for money, achieve savings and make advantage of central bulk procurement arrangements in the GoG central procurement. The tax area constitutes another area where notable progress have been achieved in accordance with the PFM reform, cf. detailed description above.

#### *Accomplishment and absorption capacity of past disbursements*

The variable tranche indicator target for *Expenditure on Education as % of total Public Expenditure* (EU13) on 25% has been fully achieved during the period 2014-2019 (with 2019 as latest available monitoring year<sup>33</sup>) indicating a stable and robust financial absorption capacity in the Greenland education sector, for planned total GoG allocations as well as for the EU budget support. The GEP II included planned initiatives from the Education Plan II amounting to EUR 22 million in 2019.

However, even though the target on 25% has been met, recent annual observations of marginal declines in the results of this indicator has been recorded in year 2017 (25.3%) and 2018 (25.02%) where results observed have been below the baseline year 2013 (25.8%). The total public allocation for the education sector was EUR 351.5 million in 2018, and budget public expenditures for education for 2019 was EUR 346.4 million (25.1%)<sup>34</sup>.

According to the External Review of the Performance Indicators (2018)<sup>35</sup> general progress has been noted in the last 10 years in the general education level in Greenland, with a 6% increase in the number of 16+ years old that have completed an education. Furthermore, overall attendance increased in further education (upper secondary education and training, higher education) with on average 43%, which also resulted in a higher number of completions (i.e. higher volume). However, the review noted that the EU financial support from 2014-2017 provided for the implementation of the GEP II is considered moderately successful, in particular when observing the progress achieved in advancing the PAF indicators, which is slightly less than expected in some key education areas.

In summary, since 2007, Greenland has significantly relied on EU budget support for its education sector and has shown a continued record of stable absorption capacity of EU funds underpinned by in-depth policy dialogue. Building on previous solid achievements, the envisaged action will give a new boost to effectively implement continued education reforms, significant work remains to be done in Greenland at sector level, specifically in terms of governance, coordination, and sector planning on order to accomplish the overarching aim that at least 70% of all Greenlanders should possess qualifications above lower secondary level.

### 4.3.2. Criteria for Disbursement of Budget Support

#### *a) Conditions*

The general conditions for disbursement of all tranches are as follows:

<sup>33</sup> Annual Implementation Report 2019.

<sup>34</sup> The Annual Work Plan 2020 will be evaluated in the Annual Implementation Report 2020, which is delayed due to disruptions by the COVID-19 crisis, is planned submitted in the second half of 2021.

<sup>35</sup> External Review of the Performance Indicators used under the EU Support to the Education Sector in Greenland 2014-2020, Final Review Report, July 2018

- Satisfactory progress in the implementation of the GEP (or its successor policy) and continued credibility and relevance thereof;
- Maintenance of a credible and relevant stability-oriented macro-economic policy or progress made towards restoring key balances;
- Satisfactory progress in the implementation of reforms to improve the public finance management, including domestic revenue mobilisation, and continued relevance and credibility of the reform programme;
- Satisfactory progress with regard to the public availability of timely, comprehensive and sound budgetary information.

As the current education support programme came to an end in early 2021, follow-up through a successor programme will allow to continue further development and consolidate achieved reform gains.

#### *b) The performance indicators*

The performance indicators for disbursement to be used for variable tranches may indicatively focus on the policy priorities. The variable tranches are based on the set of indicators agreed upon by the GoG and the European Commission for the monitoring of the GEP during the period 2021 - 2027. These indicators are a mix of input, output, outcome and impact indicators; they will be detailed in the Financing Agreement and its technical and administrative provisions are indicatively detailed in the appendix for budget support of the action document.

#### *c) Modifications*

The chosen performance indicators and targets to be used for the disbursement of variable tranches will apply for the duration of the action. However, in duly justified cases, the partner country and the Commission may agree on changes to indicators or on upward/downward revisions of targets. Such changes shall be authorised in writing ex-ante, at the latest at the beginning of the period under review applicable to the indicators and targets.

In exceptional and/or duly justified cases, for instance where unexpected events, external shocks or changing circumstances have made the indicator or the target irrelevant and could not be anticipated, a variable tranche indicator may be waived. In these cases, the related amount could either be reallocated to the other indicators of the variable tranche the same year or be transferred to the next variable tranche the following year (in accordance with the original weighting of the indicators). It could also be decided to re-assess an indicator the following year against the original target, if there was a positive trend and the authorities did not reach the target because of factors beyond their control. The use of this provision shall be requested by the GoG and approved in writing by the Commission.

#### *d) Fundamental values*

In case of a significant deterioration of fundamental values, budget support disbursements may be suspended, reduced or cancelled, in accordance with the relevant provisions of the financing agreement.

### 4.3.3. Budget Support Details

Budget support is provided as direct untargeted budget support to the national treasury. The crediting of the euro transfers disbursed into Danish kroner will be undertaken at the appropriate exchange rates in line with the relevant provisions of the financing agreement.

Budget support will be provided through a mix of variable and fixed tranches. While in the period 20014-2020, the variable tranche represented 20% of the allocated amounts, this programme foresees an increase to 25% in line with Commission policy.

## 4.4. Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>36</sup>.

<sup>36</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu). Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

In case that the preconditions for the foreseen implementation modality (budget support) are no longer met (fundamental values, public finance management, sectoral policies), the implementation modality will be changed to grants in direct management and technical assistance.

#### 4.5. Scope of geographical eligibility for procurement and grants

N.A.

#### 4.6. Indicative Budget

<b>Indicative Budget components<sup>37</sup></b>	<b>EU contribution (amount in EUR)</b>
<b>Budget support</b> - cf. section 4.3	60 000 000
<b>Totals</b>	60 000 000

#### 4.7. Organisational Set-up and Responsibilities

##### *Implementation modality*

The foreseen implementation modality is budget support. Joined up approaches will be explored with Denmark (the only EU Member State present which is also an important education partner for Greenland, e.g. as a destination for higher education studies).

##### *Organisational set-up and responsibilities*

The Ministry of Education, Culture, Sport and the Church is responsible for the day to day implementation of this EU assistance programme. The budget support provided is part of the ministry's operational budget under the GoG financial Act ("*Finansloven*" – the Government budget). The Ministry also conducts the regular reporting to the Commission, cf. sections 5.1 Monitoring and Reporting for further details on the GoG monitoring, evaluation and reporting organisational set-up.

Gender equality, human rights and human rights based approach expertise will be ensured during the implementation of the intervention as possible. They will also be integrated in relevant technical assistance and capacity building activities and documents (i.e. ToRs etc) as minimum requirements of expertise.

##### *Policy dialogue arrangements*

Since 2006 the GoG and the Commission have been regularly engaged in policy dialogue via bi-annual meetings. During these dialogue meetings recent developments in specific cooperation areas are presented by the GoG as well as bi-lateral discussions are facilitated based on the Government updates on performance of the GEP, the Greenland's macro-economic situation and reform of the public finance management system. An Aide Memoire is reached through these dialogue meetings on the Government reform priorities and progress achieved as well as actions required for meeting the conditions for the disbursement of EU budget support. Since 2017, the municipalities have been invited to take part in the bi-annual policy dialogue meeting between the Commission and the GoG which is indicative of the key role played by the municipalities. Also the Government of Denmark is invited to attend these meetings. The policy dialogue arrangements are embedded in the domestic setup and process, avoiding ad hoc structures and rather strengthening existing ones. By including the Municipalities in the policy dialogue, inclusive processes and increased internal coordination are being enhanced.

For further details on the Policy dialogue framework, see sections 3.4 *Risks and Lessons Learnt* and 4.3.1. *Rationale for the Amounts Allocated to Budget Support* above.

<sup>37</sup> N.B: The final text on audit/verification depends on the outcome of ongoing discussions on pooling of funding in (one or a limited number of) Decision(s) and the subsequent financial management, i.e. for the conclusion of audit contracts and payments.



As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

## 5. PERFORMANCE MEASUREMENT

### 5.1 Monitoring and Reporting

The statistical and monitoring systems as well as the quality of official data in the policy field covered have been assessed. This assessment has fed into the design of the action as follows:

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Monitoring and evaluation will be based on indicators that are disaggregated by sex, age, disability when applicable and will assess impact and results on gender equality and rights of groups living in vulnerable situations. Human rights and gender equality competence is ensured in the monitoring and evaluation teams.

#### *Roles and responsibilities for data collection, analysis and monitoring:*

The Ministry of Education, Culture, Sport and the Church is responsible for the day to day implementation of this European Union assistance programme. The budget support provided is part of the ministry's operational budget under the GoG financial Act ("*Finansloven*" – the Government budget). The Ministry also conducts the regular reporting to the Commission.

The main data source of the performance data for the GEP is Statistics Greenland, and the Fiscal Act. The education statistics are provided by Statistics Greenland no later than by May each year, in accordance with the contract between Ministry of Education, Culture and the Church and Statistics Greenland. The remaining education data is provided by the Ministry and its subordinate institutions as well as consultants working on fixed contracts for update reporting. The action will support development and collection of disaggregated data.

As the Fiscal Act is adopted before the start of the fiscal year, these figures are also available from Q1. Accounts from the previous fiscal year are expected released at the beginning of March. In order to measure results and outcomes of the GEP phase 2, a PAF has been developed by the GoG in consultation with the Commission. A complete overview of the data sources, definitions, and counting dates is contained in the PAF.

The technical and financial monitoring of the implementation of the GEP is a continuous process and part of the GoG's responsibilities. For this purpose, the Government has established a permanent internal, technical and financial M&E system including elaboration of regular (annual) progress reports. Concretely, AWP's and AIRs are being produced by the GoG for reporting and assessment on progress of the GEP to the Parliament of Greenland (in Greenlandic) and to the EU (in English).

The GoG has produced an AWP 2020 (December 2020) with planned activities and identified targets for the performance indicators. The AWP 2020 also contain the Education Medium Term Expenditure Framework 2019–2022.

A pending AIR 2020, to be produced in 2021 will be documenting the achievements under the GEP for 2020.

The AWP's and the AIRs can be accessed by the public from the official Government website.

## 5.2. Evaluation

Having regard to the nature of the action, a final evaluation could be carried out for this action or its components via independent consultants through a joint mission contracted by the Commission.

The Commission shall inform the GoG at least 60 days in advance of the dates foreseen for the evaluation missions. The GoG shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the GoG and other key stakeholders. The GoG and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the GoG, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the programme.

## 5.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

# 6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

## APPENDIX REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: 'a given contract can only contribute to one primary intervention and not more than one'. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a 'support entities'. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention is defined in the related Action Document and it is revisable; it can be a(n) (group of) action(s) or a (group of) contract(s).

Tick in the left side column one of the three possible options for the level of definition of the Primary Intervention(s) identified in this action.

In the case of 'Group of actions' level, add references to the present action and other action concerning the same Primary Intervention.

In the case of 'Contract level', add the reference to the corresponding budgetary items in point 4.6, Indicative Budget.

<b>Option 1: Action level</b>		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action
<b>Option 2: Group of actions level</b>		
<input type="checkbox"/>	Group of actions	
<b>Option 3: Contract level</b>		
<input type="checkbox"/>	Single Contract 1	
<input type="checkbox"/>	Single Contract 2	
<input type="checkbox"/>	Single Contract 3	
	(...)	
<input type="checkbox"/>	Group of contracts 1	