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**COMMISSION STAFF WORKING DOCUMENT**

**Evaluation of the Council Decision  
on relations between the European Union, on the one hand, and Greenland and the  
Kingdom of Denmark on the other (Greenland Decision)**

*Accompanying the document*

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND  
THE COUNCIL**

**Midterm Review Report on the External Financing Instruments**

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## Executive Summary

This evaluation assesses the attainment of the objectives of the 2014-2020 Greenland Decision at the mid-point of its implementation. It assesses all measures taken at **instrument level** from January 2014 to June 2017. This evaluation is partly informed by an independent external evaluation and is based on a wide-ranging consultation process, which included a three-month online Open Public Consultation, technical workshops, and interviews with stakeholders across the board.

A limitation of this evaluation is that the indicator data measuring achievement of instrument objectives for 2016 were not available at the time of writing and thus could not be used. Another limitation is that the mid-term Review of the Education Programme will not be available until after this evaluation is concluded and its results can also not feed into this evaluation.

The general objective of the Greenland Decision is to preserve **close and lasting links** among the partners (Greenland, Denmark and the EU). Its two specific objectives are to support Greenland in addressing its major challenges (especially the diversification of its economy) and to contribute to the capacity of its administration to formulate and implement national policies.

Greenland's small population of about 56,000 inhabitants is scattered widely over a vast and remote territory, where Arctic climatic conditions present an enormous challenge in terms of infrastructure, providing for a very particular social and economic situation. Greenland's public sector mainly relies on an annual "block grant" from Denmark, which constitutes over 50 % of the annual national budget. Greenland's overarching goal is to attain economic self-sufficiency that would no longer require it to rely on the Danish block grant.

The Programming Document for the Sustainable Development of Greenland 2014-2020 focuses on a single sector of cooperation in line with Greenland's top priority: education. The reason for singling out education stems from the wide political consensus in Greenland that education is the most relevant growth parameter for any future prosperity and societal development leading towards economic self-sufficiency. The indicative allocation of the 2014-2020 programme is EUR 217.8 million.

The focus on education in the programme has addressed beneficiaries' needs and is fully consistent with EU policy priorities regarding the role of education in development as reflected in the Agenda for Change and Sustainable Development Goals.

The economic objectives of the Greenland Decision are long-term and not immediately visible, but continued progress evidenced by the achievement of the instrument indicators of the Greenland Decision shows promise in the long-term.

In addition, as the framework for relations and dialogue with Greenland, the Greenland Decision remains **relevant**. Informal dialogue on e.g. the **Arctic**, high-level visits and cooperation in several fora have helped create a mutual understanding between the partners – the EU has gained a better understanding of the conditions in the Arctic, enabling it to better formulate relevant actions and policies, while Greenland supports the EU's application for an observer seat in the Arctic Council.

In terms of **EU added value**, the conditions attached to EU Budget Support have strengthened Greenland's Public Financial Management system and the ability of its administration to plan

and implement policies, including in sectors other than education (several ministries have begun to make 10-year plans). This conditionality is the crucial difference compared to the Danish block grant, which does not impose performance indicators.

As Greenland belongs to the group of EU Overseas Countries and Territories (OCTs), the Greenland Decision is fully coherent with the Overseas Association Decision, whose objectives are to enhance the OCTs' competitiveness, strengthen their resilience and reduce their economic vulnerability, *inter alia*. There are limited complementarities with other External Financing Instruments which target poverty reduction, democracy and human rights, and stability and peace, as Greenland lives up to the Human Rights Convention as part of the Kingdom of Denmark (Denmark being the signatory). Greenland's good rule of law is based on Danish standards and the judicial system is the responsibility of Denmark.

The Greenland Decision has effectively contributed to sustainable development in Greenland, although at this stage there are no significant spill-over effects in terms of diversifying the economy. The Greenland Decision's goal to strengthen relations is pursued through the Policy Dialogue on education and informal dialogues on other issues of mutual interest such as the Arctic.

The Greenland Decision (instrument) is **fit for purpose** to deliver on its objectives to preserve **close and lasting links** between Greenland, Denmark and the EU, and in supporting Greenland in addressing its major challenges and contributing to the capacity of its administration to formulate and implement national policies. It has been designed to cover and better deliver on the wider political aims of the partnership linking Greenland, Denmark and the EU. The partnership has continued to deepen throughout the 2014-2017 period, especially considering the enhanced importance of the Arctic – and further initiatives have been taken to continue this work towards 2020.

The conclusions of this evaluation will feed into the reflection on how to improve the implementation of the Greenland Decision for the remaining period until 2020, and on the future of External Financing Instruments in general for the post-2020 period.

## 1. Introduction

This Staff Working Document<sup>1</sup> presents the results of the mid-term evaluation of the Greenland Decision (instrument)<sup>2</sup> at the mid-point of its implementation. It assesses whether the 2014-2020 Greenland Decision is fit for purpose to deliver on its objectives to preserve **close and lasting links** between Greenland, Denmark and the EU, and over the long-term, in supporting Greenland in addressing its major challenges (especially the diversification of its economy) and contributing to the capacity of its administration to formulate and implement national policies. It is partly **informed by an independent evaluation** by external evaluators provided in Annex 7 and the Open Public Consultation provided in Annex 3.

### Purpose of the evaluation

This evaluation is retrospective and responds to Article 7 of the Greenland Decision on the implementation of the Decision that requires a report at the latest by June 2018. Its purpose is to inform future work on the instrument and its actions. This evaluation takes place in 2017 so as to be aligned with and ensure consistency with the mid-term review<sup>3</sup> of the EU's External Financing Instruments<sup>4</sup> under Heading 4 'Global Europe'<sup>5</sup> of the 2014-2020 Multiannual Financial Framework<sup>6</sup>.

### Scope of the evaluation

The evaluation covers the period from 1 January 2014 to 1 June 2017 and **assesses the achievement of the objectives of the Greenland Decision**. The focus of the evaluation is set at **instrument level (Greenland Decision)**. In consequence it focuses, to the extent possible, on the information contained in the Regulation on the implementation of the Greenland Decision (e.g. on its principles, objectives, scope, flexibility and complementarity with other instruments) rather than on the programme level which has been put in place on the basis of the instrument. However, in order to best evaluate the implementation of the instrument, the evaluation also covers some aspects of the programme: the 2014-2020 Programming Document for the Sustainable Development of Greenland<sup>7</sup> (PDSD), which concentrates its

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<sup>1</sup> Also called 'evaluation' throughout the text (to be distinguished from the 'external evaluation report' in Annex 7 to this Staff Working Document).

<sup>2</sup> Decision (EU) No 137/2014 of 15 March 2014 on relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other, OJ L76, p. 1.

<sup>3</sup> As requested in Article 17 of the Common Implementing Regulation (CIR), Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014, OJ L77, p. 95.

<sup>4</sup> The Development Cooperation Instrument, the 11<sup>th</sup> European Development Fund which is outside of the EU budget, the European Neighbourhood Instrument, the European Instrument for Democracy and Human Rights, the Greenland Decision, the Instrument contributing to Stability and Peace, the Instrument for Pre-accession Assistance, the Instrument on Nuclear Safety Cooperation, the Overseas Countries and Territories Decision, the Partnership Instrument and the Common Implementing Regulation. For the purpose of this exercise, the evaluation of the Overseas Countries and Territories Decision is included within the evaluation of the 11<sup>th</sup> European Development Fund.

<sup>5</sup> The Multi-annual Financial Framework is divided into six broad groups of expenditure called "Headings". The external financing instruments make up the majority of Heading 4: Global Europe.

<sup>6</sup> Regulation (EU) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020, OJ L 347 of 20 December 2013: <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32013R1311&from=EN>

<sup>7</sup> [https://ec.europa.eu/europeaid/sites/devco/files/signed\\_programming\\_document\\_for\\_sustainable\\_development\\_of\\_greenland\\_2014-2020\\_colour.pdf](https://ec.europa.eu/europeaid/sites/devco/files/signed_programming_document_for_sustainable_development_of_greenland_2014-2020_colour.pdf)

support on the education sector in Greenland (see section 3 and 4 below), as the programme indicators also measure the achievement of instrument objectives.

This evaluation does not cover the Fisheries Partnership Agreement with Greenland<sup>8</sup>, as it is outside the scope of the Greenland Decision, nor the Overseas Association Decision<sup>9</sup>. As an Overseas Country and Territory (OCT), Greenland is covered by the Overseas Association Decision which will be evaluated as part of the evaluation of the European Development Fund<sup>10</sup> (and thus not covered in this evaluation).

In accordance with the Better Regulation Guidelines<sup>11</sup> and aligning with the Common Implementing Regulation<sup>12</sup> applicable to External Financing Instruments under the EU Budget, the following evaluation criteria are used: relevance, effectiveness, efficiency, coherence, EU added value and leverage.

## 2. Background to the initiative

The External Financing Instruments constitute a major part of the abovementioned Multiannual Financial Framework<sup>13</sup> – Heading 4 Global Europe, which provides the EU with the tools necessary to fulfil its role on the world stage and to ensure that it is able to live up to its ambitions in promoting its interests and universal values such as democracy, human rights, peace, solidarity, stability and poverty reduction, and safeguarding global public goods.

Adopted in early 2014, the External Financing Instruments were designed to facilitate and support policy implementation, with the intention of remaining relevant for the entire duration of the 2014-2020 Multiannual Financial Framework and therefore enabling the EU to implement external action policies as needed.

### Description of the Greenland Decision and its objectives

Greenland is a self-governing territory within the Kingdom of Denmark. Greenland's small population of about 56,000 inhabitants is scattered widely over a vast and remote territory, where Arctic climatic conditions present an enormous challenge in terms of infrastructure – towns are not connected by road but are only accessible by boat or plane – which provides for a very particular social and economic situation in Greenland. The public sector mainly relies on the block grant from Denmark, which constitutes more than 50 % of the annual national budget. Greenland's overarching goal is to attain economic self-sufficiency that would no

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<sup>8</sup> Regulation (EC) No 753/2007 of 28 June 2007 on the conclusion of the Fisheries Partnership Agreement between the European Community, the Government of Denmark and the Home Rule Government of Greenland, OJ L 172, 30.06.2007, p.1

<sup>9</sup> Decision (EU) No 755/2013 of 25 November 2013 on the association of the overseas countries and territories with the European Union, OJ L 344, 19.12.2013, p. 1.

<sup>10</sup> See footnote 4

<sup>11</sup> Communication 'Better regulation for better results - An EU agenda', COM (2015) 215 [http://ec.europa.eu/smart-regulation/better\\_regulation/documents/com\\_2015\\_215\\_en.pdf](http://ec.europa.eu/smart-regulation/better_regulation/documents/com_2015_215_en.pdf), and 'Better Regulation Guidelines' Commission Staff Working Document, SWD (2015) 111 [http://ec.europa.eu/smart-regulation/guidelines/docs/swd\\_br\\_guidelines\\_en.pdf](http://ec.europa.eu/smart-regulation/guidelines/docs/swd_br_guidelines_en.pdf).

<sup>12</sup> Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014, OJ L77, p. 95.

<sup>13</sup> Regulation (EU, EURATOM) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020, OJ L 347, p. 884.

longer require it to rely on the Danish block grant<sup>14</sup> and would thereby enable Greenland to achieve greater autonomy by taking over more areas of responsibility, as laid out in the Self-Government Act<sup>15</sup>. Greenland has e.g. created a commission tasked with drafting a constitution with future independence from Denmark in view<sup>16</sup>.

Greenland joined the European Community (EC) as part of Denmark in 1973. After gaining home rule in 1979 and holding a referendum in 1982, Greenland withdrew from the EC, and the Greenland Treaty<sup>17</sup> came into force in 1985. Being part of an EU Member State, Greenland was thereafter associated to the EC as one of the Overseas Countries and Territories (OCTs)<sup>18</sup>. The relations between the EU and the 25 OCTs linked to an EU Member State are established by the Overseas Association Decision<sup>19</sup>.

Additionally, in 1985 the EU signed a fisheries agreement with Greenland. This ensured continued access of EU Member States to important fisheries resources gained while Greenland was still part of the EC. Following the mid-term review of the Fourth Fisheries Protocol (2002), the European Council concluded it was necessary to **broaden and strengthen EU-Greenland relations**, taking into account the importance of fisheries and Greenland's structural development problems<sup>20</sup>. It decided that a new instrument should mitigate any negative impact of a new, more commercial fisheries agreement on Greenland's ability to address its structural problems, namely the need to **diversify its economy** from the traditional sectors, such as fisheries (89.4 % of total exports in 2015).

This resulted in the 2007 Fisheries Partnership Agreement<sup>21</sup> and the Greenland Decision<sup>22</sup>, which defines the framework for cooperation between the EU, Greenland and Denmark.

The initial Greenland Decision (2007-2013)<sup>23</sup>, which expired on 31 December 2013, was followed by the current 2014-2020 Greenland Decision<sup>24</sup>, which provides for financial cooperation between the EU and Greenland (excluding the fisheries aspect, which is covered

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<sup>14</sup> Find more information on Greenland in Annex 6

<sup>15</sup> Act on Greenland Self-Government:

<http://naalakkersuisut.gl/~media/Nanoq/Files/Attached%20Files/Engelske-tekster/Act%20on%20Greenland.pdf>

<sup>16</sup> Coalition Agreement 2016:

[http://naalakkersuisut.gl/~media/Nanoq/Files/Attached%20Files/Naalakkersuisut/DK/Koalitionsaftaler/Koalitionsaftale\\_S\\_IA\\_PN\\_eng.pdf](http://naalakkersuisut.gl/~media/Nanoq/Files/Attached%20Files/Naalakkersuisut/DK/Koalitionsaftaler/Koalitionsaftale_S_IA_PN_eng.pdf)

<sup>17</sup> Treaty amending, with regard to Greenland, the Treaties establishing the European Communities, OJ L 29, 01.02.1985, p. 1 <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:1985:029:FULL&from=EN>

<sup>18</sup> Find full list of Overseas Countries and Territories in the Treaty on the Functioning of the European Union, OJ C 326, 26.10.2012, p. 47 - Annex II. <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:12012E/TXT&from=EN>

<sup>19</sup> Decision (EU) No 755/2013, OJ L 344, 19.12.2013, p. 1. <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013D0755&from=EN>

<sup>20</sup> Council conclusions of 24 February 2003.

<sup>21</sup> Regulation (EU) No 753/2007, OJ L 172, 30.06.2007, p.1. <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1461587826387&uri=CELEX:32007R0753>

<sup>22</sup> Decision No 526/2006 of 17 July 2006 on relations between the European Community on the one hand and Greenland and the Kingdom of Denmark on the other, OJ L 208, 29.7.2006, p. 28. <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1502356761075&uri=CELEX:32006D0526>

<sup>23</sup> Decision No 526/2006, OJ L 208, 29.7.2006, p. 28

<sup>24</sup> Decision (EU) No 137/2014, OJ L 76, 15.03.2014, p. 1. [http://eur-lex.europa.eu/legal-content/HU/ALL/?uri=uriserv:OJ.L\\_.2014.076.01.0001.01.ENG](http://eur-lex.europa.eu/legal-content/HU/ALL/?uri=uriserv:OJ.L_.2014.076.01.0001.01.ENG)

by the Fisheries Partnership Agreement) and enhanced dialogue in areas of mutual interest. The specific arrangements for Greenland are based on Article 203 of the Treaty on the Functioning of the EU and are laid down in the Overseas Association Decision. The Greenland Decision **complements** the Overseas Association Decision.

### *Objectives of the Greenland Decision*

Echoing the Preamble of the Greenland Treaty<sup>25</sup>, the general objective of the Greenland Decision is to **preserve the close and lasting links** between the partners, while **supporting the sustainable development** of Greenland<sup>26</sup>. The Decision has two specific objectives<sup>27</sup>:

- To support and to cooperate with Greenland in addressing its major challenges, in particular the **sustainable diversification of the economy**.
- To contribute to the **capacity of the administration of Greenland** to formulate and implement national policies, especially in areas of mutual interest identified in the 2014-2020 Programming Document for the Sustainable Development of Greenland (PDSD).

The general principles of the Greenland Decision<sup>28</sup> envisage **a framework for policy dialogue** as a basis for broad cooperation on **issues of common interest** such as energy, climate change and environment, natural resources (including raw materials), maritime transport, research and innovation, and Arctic issues.

The 2014-2020 EU Multiannual Financial Framework<sup>29</sup> allocates EUR 217.8 million to cooperation with Greenland. The area of cooperation chosen by Greenland is the education/training sector, which is established as the single focal sector in the PSDS. The PSDS uses the Budget Support modality, in line with the Greenland Decision<sup>30</sup> and given Greenland's sound macroeconomic policy and Public Financial Management.

The reason for singling out education/training stems from the wide political consensus in Greenland that education is the **most relevant** growth parameter for any future prosperity of the country, diversification of its economy and ultimately economic self-sufficiency. Greenland's education sector faces serious challenges given the country's particular climatic, infrastructural, social and economic circumstances. Greenland's goal is to improve access to education, decrease drop-out rates and increase the overall level of educational attainment. In phase I of its Education Programme (2007-2013) emphasis was put on vocational training. In phase II (2014-2020), covered by the PSDS, it is on pre- and elementary school systems, with continued support for vocational training and post-elementary education.

### **Baseline**

As this is a mid-term evaluation, the baseline has been set at January 2014 when the Greenland Decision was adopted. Therefore the evaluation compares, to the extent possible, the situation on 1 January 2014 with the situation in mid-2017. For evaluation criteria where availability of data is limited, the previous instrument period (2007-2013) has been used to

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<sup>25</sup> Treaty, OJ L 29, 01.02.1985, p. 1

<sup>26</sup> Decision (EU) No 137/2014, OJ L 76, 15.03.2014, Article 1.

<sup>27</sup> Decision (EU) No 137/2014, OJ L 76, 15.03.2014, Article 3.

<sup>28</sup> Decision (EU) No 137/2014, OJ L 76, 15.03.2014, Article 2.

<sup>29</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32013R1311&from=EN>

<sup>30</sup> See recital 15 of Decision (EU) No 137/2014, OJ L 76, 15.03.2014.



detect the longer-term effects of EU support to Greenland (see section 4), considering that the main objectives of the instrument have not been changed compared to the former 2007-2013 Greenland Decision.

To measure the performance of the Greenland Decision in achieving its overall objective and in particular the specific objectives as outlined above, a number of indicators has been developed on the basis of the Decision<sup>31</sup>. These indicators are presented with their baseline in table 4, section 5 – implementation state of play. However, the scope of these indicators is by definition very general (economic and international development) and there is no certainty that their results can be directly attributed to the Greenland Decision.

### 3. Method

This evaluation follows the approach set out in the 2015 Greenland Decision Roadmap<sup>32</sup>. It is partly informed by an independent external evaluation, which is based on a wide-ranging consultation process<sup>33</sup>, including stakeholder sessions and an online Open Public Consultation accessible worldwide<sup>34</sup>.

Balanced attention was given to the different categories of stakeholders. Consultations took place both in the EU and in Greenland, in addition to the online Open Public Consultation. This evaluation relies partly on data collected by independent consultants for the external evaluation but also uses data from other relevant documentation such as Aides-Memoire, Annual Implementation Reports and inputs from the Open Public Consultation.

#### *Limitations – Robustness of process and findings*

One limitation to measuring observable effects at **instrument level** is the short duration of the programme period under review (1 January 2014 - 1 June 2017). The programme includes indicators measuring the objectives of the **instrument** but the data on the achievement of indicators for 2016 were not available at the time of writing because Greenland had not finished calculating all the data for 2016 by 1 June 2017 – and therefore it could not be used in this evaluation. The available data on achievement of the **instrument indicators** has therefore been interpreted with the results of the previous programme (2007-2013) in mind in order to ensure a more solid basis, but as a general rule 2014 is the baseline.

Another limitation is that the mid-term review of the **education programme** (PDS)<sup>35</sup> will not be conducted until after this evaluation has been concluded. Its results therefore cannot feed into this evaluation. Furthermore, it is a limitation that this evaluation only targets the instrument level, as the Greenland Decision provides a framework for relations with Greenland but most actions and their monitoring are undertaken under the PDS rather than at instrument level. This entails a difficult balance of analysing programming achievements related to the instrument objectives without losing sight of the instrument focus.

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<sup>31</sup> Decision (EU) No 137/2014, OJ L 76, 15.03.2014, Article 3

<sup>32</sup> [http://ec.europa.eu/smart-regulation/roadmaps/docs/2017\\_devco\\_005\\_evaluation\\_greenland\\_en.pdf](http://ec.europa.eu/smart-regulation/roadmaps/docs/2017_devco_005_evaluation_greenland_en.pdf)

<sup>33</sup> See details in Annex 3

<sup>34</sup> [https://ec.europa.eu/europeaid/public-consultation-external-financing-instruments-european-union\\_en](https://ec.europa.eu/europeaid/public-consultation-external-financing-instruments-european-union_en).

<sup>35</sup> [https://ec.europa.eu/europeaid/sites/devco/files/signed\\_programming\\_document\\_for\\_sustainable\\_development\\_of\\_greenland\\_2014-2020\\_colour.pdf](https://ec.europa.eu/europeaid/sites/devco/files/signed_programming_document_for_sustainable_development_of_greenland_2014-2020_colour.pdf)

Notwithstanding these limitations, the evaluation is based on the review of best available quantitative and qualitative evidence. It makes use of stakeholders' views, the external evaluation and extensive public consultation. The data used, such as programme documentation, policy papers, studies and evaluations have been robust and valid. The Greenland Statistical Office provided reliable, comprehensive and up-to-date information on all aspects of the Greenlandic society and economy – including the instrument indicators.

### *Review of the external evaluation*

The external evaluation<sup>36</sup> of the Greenland Decision<sup>37</sup> was commissioned to inform this evaluation. Commission services through this Staff Working Document largely support the findings and conclusions of the external evaluation. There is a difference of opinion between the consultants and the Commission services regarding the scope of the formal Policy Dialogue beyond education, which is addressed under section 6.

## 4. Implementation state of play

This section presents the progress made in implementing the Greenland Decision<sup>38</sup> since 2014 and the monitoring systems used to measure progress.

### **The Greenland Decision**

The background and objectives of the Greenland Decision are laid out in section 2 above.

#### *Preserving close and lasting links – Framework for policy dialogue*

One of the general objectives of the Greenland Decision is to preserve **the close and lasting links** between the EU and Greenland, *inter alia* by defining a framework for policy dialogue on issues of **common interest for the partners**. This ambition has further been underlined by the **Joint Declaration**<sup>39</sup> signed in March 2015 by the President of the Commission and the Prime Ministers of both Greenland and Denmark, **reaffirming** the importance of relations established in the Greenland Decision. The ambition to **maintain and strengthen relations and dialogue** has been achieved through several initiatives besides education support.

There is a bi-annual Policy Dialogue with Greenland, which has focused on education up to now. As the support to the education sector is implemented through the Budget Support modality, this formal framework is mandatory due to Budget Support Guidelines (see more under monitoring). There have been attempts to expand this official policy dialogue to include areas of mutual interest **other than education**, most recently during the Policy Dialogue in 2016.<sup>40</sup> But with the parties focusing on discussions in other existing fora, this has not yet been achieved. Meanwhile, even though a structured and formal dialogue is not mandated by

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<sup>36</sup> External Evaluation to be found in Annex 7

<sup>37</sup> Decision (EU) No 137/2014, OJ L 76, p. 1. [http://eur-lex.europa.eu/legal-content/HU/ALL/?uri=uriserv:OJ.L\\_.2014.076.01.0001.01.ENG](http://eur-lex.europa.eu/legal-content/HU/ALL/?uri=uriserv:OJ.L_.2014.076.01.0001.01.ENG)

<sup>38</sup> Decision (EU) No 137/2014, OJ L 76, p. 1.

<sup>39</sup> Joint Declaration by the European Union, on the one hand, and the Government of Greenland and the Government of Denmark, on the other, on the relations between the European Union and Greenland. [https://ec.europa.eu/europeaid/sites/devco/files/signed-joint-declaration-eu-greenland-denmark\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/signed-joint-declaration-eu-greenland-denmark_en.pdf)

<sup>40</sup> Aide Memoire, Policy Dialogue on Education, March 2016.

the Greenland Decision – nor is it in general mandated by other EU external relations instruments, for that matter – dialogue is nonetheless ongoing:

#### High-level visits

There have been a number of high-level visits in the current instrument period, including<sup>41</sup>:

**2015**: Greenland Premier and EU Commission President met to sign the Joint Declaration in Brussels; **2016**: EU Council President visited the Premier in Greenland and; **2017**: EU Commissioner for International Cooperation and Development met the Premier, the Minister for Foreign Affairs and the Minister for Education, Culture, Research and Church in Greenland.

#### OCT Fora

As an OCT, Greenland is a member of the OCT Association (OCTA) and of its Executive Committee. The Overseas Association Decision provides for the following instances of dialogue between the OCTs, the EU Member States to which they are linked and the EU<sup>42</sup>: a yearly high-level **EU-OCT Forum**, a minimum of four **Trilateral Meetings** per year, and **Partnership Working Parties** – working groups of which Greenland co-chairs the one on Environment and Climate Change.

#### Raw materials

Two workshops on raw materials were held in 2012 and 2015 as follow-up on the **Letter of Intent**<sup>43</sup> signed by the EU and Greenland in 2012 and Greenland joining the Kimberley Process in 2014<sup>44</sup> (an initiative to stem the flow of conflict diamonds). Apart from the current discussions with the European Investment Bank for a loan concerning a mining project, this dialogue has not been active recently as the weaker prices of raw materials have reduced the interest of EU private investors.

#### Arctic Policy

Greenland is identified as an important partner in the 2016 EU Arctic Policy<sup>45</sup>. This is further evidenced by Greenland's support of the EU's application for **an observer seat in the Arctic Council**. Greenland has been invited to participate in discussions in various fora, including those otherwise reserved for EU Member States, such as the **Arctic Stakeholder Forum**. This Forum was established following the adoption of the EU Arctic Policy to examine the possibilities for coordinating various channels of EU investment and research funding in the EU Arctic. In the near future, dialogue on the Arctic is expected to intensify.

As evidenced above formal and informal dialogue is ongoing on several levels. Furthermore, during a February 2017 meeting between Denmark, Greenland and the EU, it was agreed that a report commissioned by the Greenlandic Parliament on EU-Greenland relations and how

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<sup>41</sup> See full list of indicative list of visits and dialogue in the External Evaluation – Annex 7, Volume II, Table 1

<sup>42</sup> Decision (EU) No 755/2013, OJ L 344, 19.12.2013, p. 1, Article 14

<sup>43</sup> Letter of Intent on co-operation in the area of mineral resources between the European Union and Greenland

<sup>44</sup> Decision (EU) No. 136/2014 of 20 February 2014 laying down rules and procedures to enable the participation of Greenland in the Kimberley Process certification scheme, OJ L 84, 20.03.2014, p. 99

<sup>45</sup> Joint Communication to the European Parliament and the Council – An integrated European Union policy for the Arctic. [http://www.eeas.europa.eu/archives/docs/arctic\\_region/docs/160427\\_joint-communication-an-integrated-european-union-policy-for-the-arctic\\_en.pdf](http://www.eeas.europa.eu/archives/docs/arctic_region/docs/160427_joint-communication-an-integrated-european-union-policy-for-the-arctic_en.pdf)

these can be further developed within the current **Greenland Decision framework**, should be used to further develop dialogue on policy issues of **mutual interest**<sup>46</sup>.

### *Programming Document for the Sustainable Development of Greenland*

The 2014-2020 Programming Document for the Sustainable Development of Greenland (PDSD)<sup>47</sup> was developed with due attention to the objectives of the instrument (Greenland Decision) (see Section 2 above) and the lessons learnt during the 2007-2013 period. The EU cooperation supports Greenland's **education policy** with an indicative allocation of **EUR 217.8 million**<sup>48</sup>, of which EUR 216 million is provided through Budget Support and EUR 1.8 million covers administrative costs and technical assistance.

In particular, the EU support of the education sector will help Greenland address the needs of its pre- and elementary school systems while continuing to support vocational education and training and the post-elementary school system in general. The aim is to create **smart growth through investments in education and research**, and inclusive growth through provision of qualifying education to **a larger part of the population** in order to secure jobs, reduce poverty and create a sustainable basis for economic growth – which supports the objectives of the Greenland Decision (instrument) regarding support for sustainable development in Greenland.

### *Financial funds and payments*

As the programme receives support through the **EU budget**, bi-annual Commission Decisions and annual Financing Agreements are adopted to implement PSDS actions. The payments are divided into two tranches: an **80 % fixed tranche** and a **20 % variable performance tranche** (dependent on the achievement of specific indicators). The performance tranche attainment was 93 % in 2014 and therefore 93 % of the **variable tranche** was paid that year.

**Table 1: Greenland Decision (GD) payments per 1 June 2017<sup>49</sup>**

MFF - GD EUR	Decided - EUR	Contracted - EUR	Paid - EUR
<b>217,800,000</b>	<b>118,773,837 (55%)</b>	<b>87,143,837 (40%)</b>	<b>78,605,478 (36%)</b>
217,800,000	118,773,837 (55%)	87,143,837 (40%)	78,605,478 (36%)

### *Monitoring*

A bi-annual **Policy Dialogue on education** with Greenland takes place. During the meetings the implementation of the programme is planned via the **Annual Work Plan** and monitored via the **Annual Implementation Report** with the Ministry of Education. The Macro-Economic Developments, the Annual Budget as approved by the Parliament of Greenland and the progress in **Public Financial Management** are monitored with the Ministry of Finance.

In Greenland, the **elementary school system is managed by the municipalities**. This has raised some logistical challenges in data collection concerning elementary school indicators used in measuring the programme's progress. The municipalities have been invited to

<sup>46</sup> This report is due in the autumn of 2017.

<sup>47</sup> [https://ec.europa.eu/europeaid/sites/devco/files/signed\\_programming\\_document\\_for\\_sustainable\\_development\\_of\\_greenland\\_2014-2020\\_colour.pdf](https://ec.europa.eu/europeaid/sites/devco/files/signed_programming_document_for_sustainable_development_of_greenland_2014-2020_colour.pdf)

<sup>48</sup> EUR 175 million during the previous period 2007-2013

<sup>49</sup> Payments per 1 June 2017 drawn from the Common Relex Information System (CRIS).

participate in the policy dialogue with effect from 2017, which has ensured improved cooperation.

The achievement of the objectives of the Greenland Decision (instrument) is measured against four specific indicators taken directly from the Decision<sup>50</sup> as well as against 14 educational statistical indicators of the PDS<sup>51</sup> – which measure the improvement of the education system and number of skilled workers. The indicators are developed together with the Government of Greenland. Thus, the PDS also measures the **achievements of the instrument**.

**Table 2: Instrument level (GD) indicators and achievements 2014 -2015<sup>52</sup>**

Indicator (no) <sup>53</sup>	Baseline 2013	Result 2014	Result 2015
0.1 Percentage of trade balance in GDP **	-16.1 %	-13.7 %	-9.4 %
1.3 Percentage of the fisheries sector in total exports	89.9 %	91.0 %	89.4 %
2.1 Administrative staff completing training	-	1484*	1467
2.2 Long-term residents among civil servants	87.2 %	87.8 %	88.0 %

\* Data lag one year.

\*\* Registration did not take place prior to 2014; the baseline is 2014. Data lag one year.

The Greenland Decision's objective of supporting the diversification of the economy is long-term and it is therefore too early to assess whether this objective has been achieved, especially as the only results available so far are those regarding the achievement of the instrument indicators from 2014 and 2015. Nevertheless it can be concluded that the continued progress in achievement of the instrument indicators might lead to results in the long-term. Fisheries are still the dominant sector, especially due to rising prices and quotas. However, new sectors are developing – e.g. a ruby and sapphire mine opened in May 2017 and the completion rate in education is rising<sup>54</sup> – but these developments are not yet showing wider economic impact.

<sup>50</sup> Decision (EU) No 137/2014, OJ L 76, p. 1, Article 3

<sup>51</sup> See full list of indicators and achievement in Annex 5

<sup>52</sup> Annual Implementation Report 2015.

<http://naalakkersuisut.gl/~media/Nanoq/Files/Attached%20Files/Uddannelse/Engelsk/Annual%20Implementation%20Report%202015%20final.pdf>

<sup>53</sup> Order and indicator number as in the Annual Budget Statement.

<sup>54</sup> See details of indicators and their achievements in Annex 5

## 5. Responses to the evaluation questions

The evaluation questions are presented in detail in Annex 1.

### Relevance

*To what extent do the overall objectives of the Greenland Decision<sup>55</sup> and the PDS<sup>56</sup> correspond to past (2013) and current (2016/7) EU priorities and beneficiary needs?*

The Greenland Decision instrument responds to the general objectives of maintaining **close and lasting links** between the EU and Greenland based on continued interest from both parties. Therefore, as framework for relations and dialogue, the Greenland Decision **remains highly relevant**. Part of the historical rationale for the EU to maintain a close relationship was to preserve fishing rights in Greenlandic waters. This rationale continues – the Fisheries Partnership Agreement with Greenland is one of the most significant in terms of economic value and enables the EU to swap fishing quotas with other partners in the North Atlantic.

The ambition of the Greenland Decision to set up a framework for policy dialogue on issues of common interest other than education corresponds with both EU and Greenlandic priorities<sup>57</sup>. As noted in Section 4, the EU and Greenland agreed in February 2017 to revisit discussions on how to deepen the partnership based on Greenland's forthcoming report on EU-Greenland relations.

The programming of the instrument, including the choice of education as the focal sector for EU support, has addressed the beneficiaries' needs – as evidenced in section 2; Greenland finds that education is the most relevant parameter to ensure growth and a diversified economy. Moreover, it is fully consistent with EU policy priorities as reflected in the Agenda for Change<sup>58</sup>, which identifies education as a key strategy to bring about a more sustainable and inclusive growth, and in Sustainable Development Goal 4<sup>59</sup>, which envisages a world with universal literacy and equitable, universal access to quality education at all levels. It is also fully in line with provisions contained in the Overseas Association Decision<sup>60</sup> and the 2015 Joint Declaration.

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<sup>55</sup> Decision (EU) No 137/2014, OJ L 76, p. 1

<sup>56</sup> [https://ec.europa.eu/europeaid/sites/devco/files/signed\\_programming\\_document\\_for\\_sustainable\\_development\\_of\\_greenland\\_2014-2020\\_colour.pdf](https://ec.europa.eu/europeaid/sites/devco/files/signed_programming_document_for_sustainable_development_of_greenland_2014-2020_colour.pdf)

<sup>57</sup> Greenland Education Programme II, see PDS - [https://ec.europa.eu/europeaid/sites/devco/files/signed\\_programming\\_document\\_for\\_sustainable\\_development\\_of\\_greenland\\_2014-2020\\_colour.pdf](https://ec.europa.eu/europeaid/sites/devco/files/signed_programming_document_for_sustainable_development_of_greenland_2014-2020_colour.pdf)

<sup>58</sup> Communication (2011) Increasing the Impact of EU Development Policy: an Agenda for Change. [https://ec.europa.eu/europeaid/policies/european-development-policy/agenda-change\\_en](https://ec.europa.eu/europeaid/policies/european-development-policy/agenda-change_en)

<sup>59</sup> <https://sustainabledevelopment.un.org/?menu=1300>

<sup>60</sup> Decision (EU) No 755/2013, OJ L 344, 19.12.2013, p. 1, Article 33

## Effectiveness

*To what extent do the Decision and the PDS D deliver results against the instrument (GD) objectives?*<sup>61</sup>

The **Greenland Decision has been effective in achieving its main objectives**<sup>62</sup>: it has contributed to sustainable development in Greenland by improving educational attainment through the PDS D<sup>63</sup>. At this stage there are no significant immediate impacts in terms of diversifying the economy. However, sectors other than fisheries are developing – which supports the Decision's objective of diversifying the economy (see Greenland Decision indicators in section 4).

The PDS D, which focuses on education, reflects **the principles of aid effectiveness** as defined in the Agenda for Change<sup>64</sup> to a high degree. Greenland exercises effective leadership over its education policy and the EU has bought into Greenland's already-existing education strategy (the Greenland Education Programme). Through financial support and **bi-annual policy dialogues**, the EU contributes to strengthening Greenland's capacity to **implement its own policies**. This supports the objectives of the Greenland Decision<sup>65</sup>.

In addition, the EU support is provided as Budget Support, which entails specific conditions for government budget and accounting mechanisms. This has contributed to strengthening Public Financial Management in Greenland through the Public Expenditure and Financial Accountability assessment<sup>66</sup> and continuous monitoring of progress. For example, a new Budget and Accounting Act has been implemented, which will improve financial management and enable greater transparency with regard to budget formulation (improved Public Financial Management is a condition for continued Budget Support and is monitored each year during the Policy Dialogue). In turn, this further enables Greenland to formulate and implement strong national policies.

In terms of the Greenland Decision's objective of preserving close links, the informal dialogue during high-level meetings and visits has assisted in creating a **mutual understanding** between the partners<sup>67</sup> – the EU has gained a better understanding of the conditions in the Arctic, demonstrated by relevant actions and policies such as the 2016 EU Arctic Policy<sup>68</sup>, and Greenland supports the EU's application for an observer seat in the Arctic Council, as underlined by stakeholders in the Open Public Consultation contribution<sup>69</sup>.

The external evaluation concludes that a framework for a structured dialogue on issues of mutual interest other than education should have already been put into place since the

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<sup>61</sup> Greenland Decision objectives listed in section 2

<sup>62</sup> Decision (EU) No 137/2014, OJ L 76, p. 1, Article 2 and 3

<sup>63</sup> See Annex 5 – Full list of programme indicators and achievements 2014-2015

<sup>64</sup> Agenda for Change - [https://ec.europa.eu/europeaid/policies/european-development-policy/agenda-change\\_en](https://ec.europa.eu/europeaid/policies/european-development-policy/agenda-change_en)

<sup>65</sup> Decision (EU) No 137/2014, OJ L 76, p. 1, Article 3.

<sup>66</sup> [https://pefa.org/sites/default/files/assessments/comments/GL-Aug14-PFMPR-Public\\_0.pdf](https://pefa.org/sites/default/files/assessments/comments/GL-Aug14-PFMPR-Public_0.pdf)

<sup>67</sup> Government of Greenland's contribution to the Open Public Consultation, see Annex 3

<sup>68</sup> Joint Communication to the European Parliament and the Council – An integrated European Union policy for the Arctic. [http://www.eeas.europa.eu/archives/docs/arctic\\_region/docs/160427\\_joint-communication-an-integrated-european-union-policy-for-the-arctic\\_en.pdf](http://www.eeas.europa.eu/archives/docs/arctic_region/docs/160427_joint-communication-an-integrated-european-union-policy-for-the-arctic_en.pdf)

<sup>69</sup> See consultation summary in Annex 3

Greenland Decision entered into force<sup>70</sup>. It further concludes that policy dialogue beyond education has been *ad hoc* and without systematic monitoring and follow-up<sup>71</sup>.

Commission services through this Staff Working Document disagree with the above conclusion considering that policy dialogue is not an objective but a tool. **Structured and formal** dialogue is not mandated by the Greenland Decision, nor is it in general mandated by other EU external relations instruments and the EU does not monitor nor have systematic follow-up on policy dialogues with external partners. This is done in dialogues on programming and projects, but not in policy dialogues. It should be noted that, on this specific point, the EU view is shared by Greenland and Denmark as the main stakeholders of the Greenland Decision<sup>72</sup>.

As already mentioned, the absence of formality does not preclude policy dialogue from taking place to the mutual satisfaction of the parties involved, as underlined by Greenland in the consultation<sup>73</sup>.

## Efficiency

*To what extent are the Greenland Decision and its PDSD delivering efficiently, comparing both programming periods (2007-2013 and 2014-2020)?*

Efficiency is ensured by the use of a single sector of concentration and of an appropriate and efficient modality (Budget Support), combined with the implementation of lessons learnt in the previous Greenland Decision and programme (2007-2013) and adjusting reporting requirements in the PDSD to Greenland's particular context. Efficiency in reporting has especially benefited both the EU and Greenland, as the required annual reports and annexes are shorter, the same reports are sent to the EU and the Education Committee in the Greenlandic Parliament, and the Ministry of Finance can translate reports from the Greenland Economic Council and the Economic Political Statement instead of producing separate reports for the EU.

## EU added value

*To what extent does the Greenland programme add value compared to the annual block grant provided from the Government of Denmark to Greenland?*

The EU continues to add value through the Greenland Decision because the conditions attached to EU Budget Support have played a positive role in strengthening Greenland's Public Financial Management system<sup>74</sup> and the ability of the Greenlandic administration to plan and implement policies<sup>75</sup>, including in sectors other than education (several ministries have begun to make 10-year plans) due to the conditions of Budget Support and the continued demand for progress within these conditions. This conditionality of EU support is the main

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<sup>70</sup> See External Evaluation, Annex 7, p. 12

<sup>71</sup> See e.g. External Evaluation – Annex 7, p. 12

<sup>72</sup> See Consultation summary in Annex 3

<sup>73</sup> See Consultation summary in Annex 3

<sup>74</sup> [https://pefa.org/sites/default/files/assessments/comments/GL-Aug14-PFMPR-Public\\_0.pdf](https://pefa.org/sites/default/files/assessments/comments/GL-Aug14-PFMPR-Public_0.pdf)

<sup>75</sup> External Evaluation, Annex 7, p. 20



and crucial difference compared to the Danish block grant<sup>76</sup>, which does not impose any preconditions or performance indicators other than the grant's use in the dedicated sectors, in which the Government of Greenland has autonomy (health, fisheries, education etc.)<sup>77</sup>.

Having a variety of partners is important for Greenland as it gradually works towards economic self-sufficiency. A strong relationship with the EU is thus a priority, as the partnership and cooperation with the EU enables Greenland to increase capacity-building, develop governing and financial systems, strengthen its education system and thereby its workforce, and develop new sectors and policies for its sustainable development<sup>78</sup>.

The association to the EU as an OCT has added further value for Greenland through special benefits for OCTs, such as duty-free and quota-free access to the EU market (including for fish products, which are highly relevant for Greenland), free movement for Greenlanders (as Danish citizens) and access to EU programmes (e.g. Voluntary scheme for Biodiversity and Ecosystem services in Territories of European Overseas – BEST 2.0<sup>79</sup>) and to fora otherwise reserved for EU Member States (e.g. the Arctic Stakeholder Forum<sup>80</sup>).

EU support has shielded the education sector from budget cuts through the programme implementation period, as one of the PDSO indicators<sup>81</sup> requires that 25 % of public spending go to education. EU Budget Support constitutes approximately **10 % of the annual national budget for education** (the national annual expenditure budget in 2015 was EUR 326 million). The Danish block grant represents more than 50 % of the annual national budget across all sectors (total national expenditure budget in 2015 was EUR 1.217 million). This further underlines the need for Greenland to diversify its economy and to work towards increasing economic self-sufficiency. Currently, the economy is mainly based on the Danish block grant, Budget Support from the EU and fisheries.

## Coherence

*To what extent does the Greenland Decision facilitate coherence, consistency, complementarity and synergies, both internally and vis-à-vis other External Financing Instruments and other EU policies?*

The Greenland Decision is a good example of policy coherence with the main related instruments: the Overseas Association Decision and the Fisheries Partnership Agreement. The objectives of the Overseas Association Decision are to enhance the OCTs' competitiveness, strengthen their resilience, reduce their economic and environmental vulnerability, and promote cooperation between them and other partners<sup>82</sup>. The Greenland Decision's objective

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<sup>76</sup> Greenland in Figures 2017, p.7 -

<http://www.stat.gl/publ/en/GF/2017/pdf/Greenland%20in%20Figures%202017.pdf>

<sup>77</sup> See Annex 6 for replantation on the division of responsibilities between Greenland and Denmark

<sup>78</sup> Decision (EU) No 137/2014, OJ L 76, p. 1, Article 3

<sup>79</sup> Voluntary scheme for Biodiversity and Ecosystem services in Territories of European Overseas - aims to support the conservation of biodiversity and sustainable use of ecosystem services including ecosystem-based approaches to climate change adaptation and mitigation in the EU Outermost Regions (ORs) and Overseas Countries and Territories (OCTs). [https://ec.europa.eu/research/fp7/index\\_en.cfm](https://ec.europa.eu/research/fp7/index_en.cfm)

<sup>80</sup> A Forum, where stakeholders and representatives from the European Arctic have met during 2016-2017 to assess whether the EU Programmes in the Arctic fulfil the needs, overlap and have synergies. A report will be submitted by the end of the 2017 with recommendations for improvements.

<sup>81</sup> Full list of programme indicators in Annex 5

<sup>82</sup> Decision (EU) No 755/2013, OJ L 344, 19.12.2013, p. 1, Article 3

to reduce the vulnerability of Greenland's economy by promoting its diversification is coherent with the Overseas Association Decision's focus on reducing the **vulnerability of the economy** of OCTs. The choice of education as the sector of collaboration is further in line with the Overseas Association Decision, as education is one of the areas of cooperation between the EU and OCTs<sup>83</sup>. The Fisheries Partnership Agreement is coherent and compatible with the Greenland Decision, and rooted in the same base – the Greenland Treaty. The current 2016-2020 Fisheries Protocol<sup>84</sup> has for example been aligned to the Greenland Decision and will also expire on 31 December 2020. The sectoral support provided through the Fisheries Protocol<sup>85</sup> also covers the training and upskilling of officials, and there are annual reports on measuring the achievement of indicators and actions planned in the coming year, similar to the ones produced on education. Additionally, conditions such as visibility, transparency, human rights and EU added value also apply.

There is general coordination and information/observation flow between Commission services on the Greenland Decision and the Fisheries Partnership Agreement, e.g. sharing of minutes and participation in meetings – this ensures full overview of the cooperation with Greenland. The European Development Fund<sup>86</sup>, from which other OCTs receive their territorial support, provides a general thematic envelope for all OCTs. The OCTs have agreed that the programme for the period 2014-2020, which is under formulation, will support projects on sustainable use of natural resources. Greenland can access this programme and participates actively in its development *inter alia* through its position as OCT co-chair of the Partnership Working Party on Environment and Climate Change (see section 4).

However, there are limited complementarities and synergies with the other External Financing Instruments. Even though an OCT, Greenland is not viewed as a developing country and lives up to the Human Rights Convention as part of the Kingdom of Denmark (Denmark being the signatory); Greenland's good rule of law is based on Danish standards and the judicial system is the responsibility of Denmark<sup>87</sup>. Therefore, there is limited interface with External Financing Instruments which target poverty reduction, democracy and human rights, and stability and peace.

## Leverage

*To what extent and how have the Greenland Decision and the PDSO leveraged further funds and/or political or policy engagement?*

As an OCT, Greenland can benefit from several horizontal EU programmes via Annex II F of the Overseas Association Decision<sup>88</sup>. Greenland has benefitted from the following 2014-2017 EU programmes: Erasmus+<sup>89</sup>, the Northern Periphery Programme<sup>90</sup>, the Interregional

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<sup>83</sup> Decision (EU) No 755/2013, OJ L 344, 19.12.2013, p. 1, Article 33

<sup>84</sup> Council Decision (EU) No 2103/2015 of 16 November 2015, OJ L305, 21.11.2015 - [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22015A1121\(01\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22015A1121(01)&from=EN)

<sup>85</sup> Decision (EU) No 2103/2015, OJ L305, 21.11.2015, Article 5

<sup>86</sup> [https://ec.europa.eu/europeaid/funding/funding-instruments-programming/funding-instruments/european-development-fund\\_en](https://ec.europa.eu/europeaid/funding/funding-instruments-programming/funding-instruments/european-development-fund_en)

<sup>87</sup> See Annex 6 on the division of responsibilities between Greenland and Denmark

<sup>88</sup> Decision (EU) No 755, OJ L 344, 19.12.2013, p. 1, Article 94

<sup>89</sup> [http://ec.europa.eu/programmes/erasmus-plus/node\\_en](http://ec.europa.eu/programmes/erasmus-plus/node_en)

<sup>90</sup> <http://www.northernperiphery.eu/en/home/>

Northern Periphery and Arctic Programme<sup>91</sup>, the EU Programme on Communicative Barriers (COMBAR)<sup>92</sup>, the Seventh Framework Programme<sup>93</sup> and the Voluntary scheme for Biodiversity and Ecosystem services in Territories of European Overseas (BEST 2.0)<sup>94</sup>.

The possibility for Greenland to access these programmes provides know-how and strengthens capabilities in Greenland – e.g. a BEST 2.0 project for Protecting Biodiversity and Creating Multiple Benefits for Local Communities in Greenland ran from 2013 to 2016 – establishing a national community-based observation system that provides an opportunity for indigenous and local community members' insights and knowledge on the environment to be used in the effective protection and sustainable use of Greenland's rich biodiversity and ecosystem services.

In addition, Greenland has access to the OCT-European Development Fund thematic envelope, which covers all OCTs and which is still under formulation (see Coherence above). Greenland also has access to the OCT funds in the European Investment Bank and has in 2016 initiated a dialogue concerning a loan for a mining project, which further supports the Greenland Decision objective of diversification of the economy.

Policy Dialogue with the EU on education is well-managed and monitored, taking place on a bi-annual basis. Informal dialogue is held in **various fora** on issues of common interest such as the EU-OCT Forum, Partnership Working Parties and high-level visits<sup>95</sup> which have given the parties a better mutual understanding. An increased interest in relations with Greenland, especially concerning Arctic issues, has been reflected in closer cooperation, for example through the Arctic Stakeholder Forum.

In addition, there is bilateral collaboration between institutions in Greenland and in EU Member States. For example, technical colleges collaborate closely with Danish universities and have started discussions with institutions in other Member States, such as the Freiberg University of Mining and Technology in Germany. This has increased know-how and improved capabilities in the Greenlandic institutions. However, institutions in Greenland often refrain from applying for EU projects or funds because they find extensive EU application forms and monitoring and reporting requirements very resource demanding for their small and strained administrations<sup>96</sup>.

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<sup>91</sup> <http://www.interreg-npa.eu/>

<sup>92</sup> COMBAR created tools to overcome barriers, such as geographical remoteness, in vocational education training. A second phase of this Programme is now being funded through the Leonardo da Vinci programme. - [http://eacea.ec.europa.eu/LLP/leonardo/leonardo\\_da\\_vinci\\_en.php](http://eacea.ec.europa.eu/LLP/leonardo/leonardo_da_vinci_en.php)

<sup>93</sup> [https://ec.europa.eu/research/fp7/index\\_en.cfm](https://ec.europa.eu/research/fp7/index_en.cfm)

<sup>94</sup> [https://ec.europa.eu/research/fp7/index\\_en.cfm](https://ec.europa.eu/research/fp7/index_en.cfm)

<sup>95</sup> See full list of meetings and visits in the External Evaluation, Volume II, table 1 Annex 7, p. 76

<sup>96</sup> See consultation replies in Annex 3 and External Evaluation Report, vol II in Annex 7

## 6. Conclusions

The Greenland Decision is a specific, dedicated External Financing Instrument which has to be understood in the context of the close historical, political and economic connections between the EU and Greenland and the evolving interests of the parties – as well as Greenland's status as an OCT. This evaluation confirms the **continued relevance** of the Greenland Decision as the basis for the relations between Greenland, Denmark and the EU and confirms that it provides a **sufficiently wide platform** for pursuing dialogue on emerging global issues of mutual interest.

The main objective of the Greenland Decision has been to contribute to preserving the **close and lasting links** between the parties while supporting sustainable development in Greenland. This has been and is being achieved through the close cooperation on education and Public Financial Management and through political dialogue which has triggered positive dynamics between Greenland and the EU, *inter alia* ensuring that Greenland is receptive to the EU playing a more prominent role in the Arctic.

The choice to focus cooperation on education has been appropriate considering that this sector is seen in Greenland as the most relevant growth parameter for prosperity and societal development and is furthermore an EU priority. Even if the economic impact of this choice is necessarily long-term and thus not immediately visible, **this partnership has been effective in contributing to sustainable development in Greenland** (a Greenland Decision objective) due to the country's strong political drive (coupled with its relatively strong but small administrative system), but also due to the Commission's flexibility in implementing this cooperation by taking into account the particular specificities of Greenland.

The strong partnership and cooperation with the EU has enabled Greenland to increase capacity-building, develop stronger governing and financial systems, strengthen its education system and thereby its workforce, all of which support the achievement of the Greenland Decision's objectives, which are long-term but have still shown progress in the 2014-2017 period. The partnership has continued to deepen throughout this period and further initiatives have been taken to continue this work – e.g. further developing the policy dialogue on areas of mutual interest based on the Government of Greenland report.

The Greenland Decision instrument has been designed in such a way as to cover and better deliver on the wider political aims of this partnership – and as such the Greenland Decision **remains fit for purpose** to continue to deliver on its objectives towards 2020.

The conclusions of this Staff Working Document will feed into the reflection on how to improve the implementation of the Greenland Decision for the remaining period until 2020, and on the future set of External Financing Instruments for the post-2020 period.

## **Annex 1. Evaluation Questions**

In line both with the Better Regulation guidelines on evaluations introduced by the Commission in 2015, and the requirements of the Common Implementation Regulation (CIR), the main assessment criteria are: relevance, EU added value, coherence and complementarity, effectiveness, efficiency, sustainability, leverage and impact of the instrument.

### **Relevance**

- To what extent do the overall objectives of the Greenland Decision and the PDSD correspond to:
  - i. EU priorities and beneficiary needs identified at the time the instrument was adopted (2013)?
  - ii. Current EU priorities and beneficiary needs, given recent evolving challenges and priorities in the international context (2017)?
  - iii. How do the objectives of the Decision and the PDSD correspond to each other?

### **Effectiveness, impact, sustainability**

- To what extent do the Decision and the PDSD deliver results against the instrument's objectives?
- To what extent has the Greenland Decision contributed to the European Union's priorities for smart, sustainable and inclusive growth?
- To what extent are the following in place and functioning
  - i. appropriate monitoring processes and indicators for measurement of the performance of the Decision and PDSD
  - ii. relevant strategic and operational indicators to measure results achieved by the Decision?
- Has the programming process reflected the principles of aid effectiveness (outlined in article 5), including for identification and formulation reflected ownership, partnership, coordination, harmonisation, alignment to national systems, mutual accountability and results orientation?
- Have lessons been applied in programming and implementation?
- Have civil society, local authorities and other stakeholders been sufficiently consulted?
- To what extent is the Greenland Decision flexible enough to respond to changing needs (e.g. changed policy priorities, changed contexts)?

## Efficiency

- To what extent are the Greenland Decision and its PDSD delivering efficiently – comparing both programming periods?<sup>97</sup>
  - i. Cost effectiveness of the action?
  - ii. What is the ratio of administrative cost to overall budget?
  - iii. How efficient is budget execution in terms of time taken from commitments to payments?
  - iv. Have the changes made to PDSD 2014 – 2020 from the previous PDSD 2007 – 2013 brought efficiency gains ?
  - v. Are the implementing rules – and recent changes therein – conducive to the efficient implementation of the action?
  - vi. Are there areas, such as administrative/management procedures, where the implementation of the Greenland Decision can be simplified to eliminate unnecessary burden?
  - vii. Can more flexible or more effective implementation arrangements be envisaged?
  
- To what extent is the Greenland Decision in line with the implementing rules of the CIR ? Specifically in terms of :
  - i. Implementation
    - Subject matter and principles
    - Adoption of action programmes, individual measures and special measures
    - Support measures
  - ii. Provisions on the Financing Methods
    - General financing provisions
    - Taxes duties and charges
    - Specific financing provisions
    - Protection of the financial interests of the Union
  - iii. Rules on nationality and origin for public procurement, grant and other award procedures
  - iv. Climate action and biodiversity expenditure
  - v. Involvement of stakeholders of beneficiary countries
  - vi. Common rules
    - Eligibility under the Greenland Decision

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<sup>97</sup> Evaluations will need to compare, where possible, information from the current 2014-2020 period with the previous 2007-2013 period.

- vii. Monitoring and evaluation of actions
- To what extent are the following in place and functioning:
  - i. appropriate monitoring processes and indicators for measurement of the performance of the Greenland Decision?
  - ii. relevant strategic and operational indicators to measure results achieved by the Greenland Decision?

### **Added value**

The Government of Denmark provides an annual block grant to Greenland;

- To what extent does the Greenland programme add value compared to interventions by the Kingdom of Denmark?

### **Coherence, consistency, complementarity and synergies**

- To what extent does the Greenland Decision facilitate coherence, consistency, complementarity and synergies both internally between its own set of objectives and programmes and vis-à-vis other External Financing Instruments?

### **Leverage**

- To what extent and how have the Greenland Decision and the PDSD leveraged further funds and/or political or policy engagement?
- How could this aspect be enhanced to achieve its policy objectives more effectively and efficiently?
- How can programming and implementation of assistance be enhanced to improve the impact and sustainability of financial assistance?

## Annex 2. Procedural information

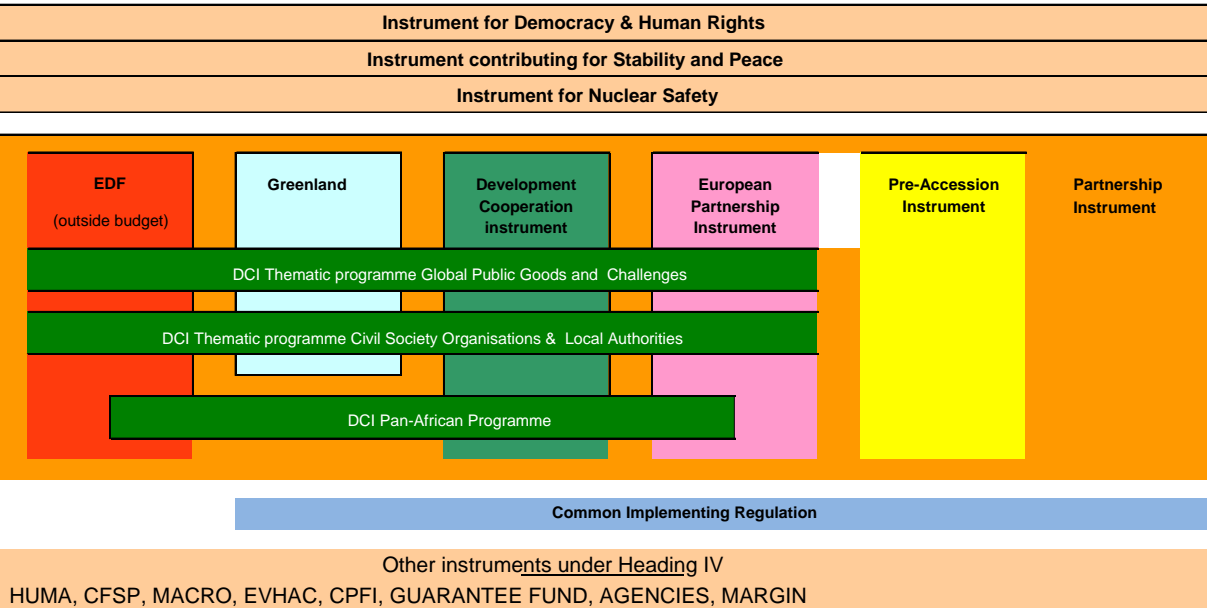
Lead DG: International Cooperation and Development (DEVCO)

DECIDE reference: Greenland – 2017/DEVCO/005

The evaluation of the Greenland Decision is one of a set of ten evaluations covering most External Financing Instruments<sup>98</sup> under Heading 4 of the Multiannual Financial Framework 2014-2020. The Common Implementing Regulation (CIR)<sup>99</sup> (Article 17) calls for a mid-Term Review (MTR) Report of the six External Financing Instruments (DCI, ENI, EIDHR, IcSP, IPA II, PI) and the CIR itself, to be submitted to the European Parliament and the Council by the end of 2017. However, as the INSC instrument and Greenland Decision also require a similar report, and the EDF required a Performance Review it was decided that all the ten instruments will be covered by the MTR Report.

See Figure 1 for a visual representation of the instruments and how they fit together. In view of ensuring consistent EU external policies, all the evaluations have been carried out simultaneously and are interlinked.

Figure 1: Geographic, thematic and horizontal instruments under Heading IV



<sup>98</sup> Development Cooperation Instrument, 11<sup>th</sup> European Development Fund (EDF), European Neighbourhood Instrument, European Instrument for Democracy and Human Rights, Greenland Decision, Instrument contributing to Stability and Peace, Instrument for Pre-Accession, Instrument on Nuclear Safety Cooperation, Overseas Countries and Territories Decision, Partnership Instrument and the Common Implementing Regulation. For the purpose of this exercise, the evaluation of the Overseas Countries and Territories Decision is included within the evaluation of the 11<sup>th</sup> EDF.

<sup>99</sup> Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action, OJ L77, p. 95.



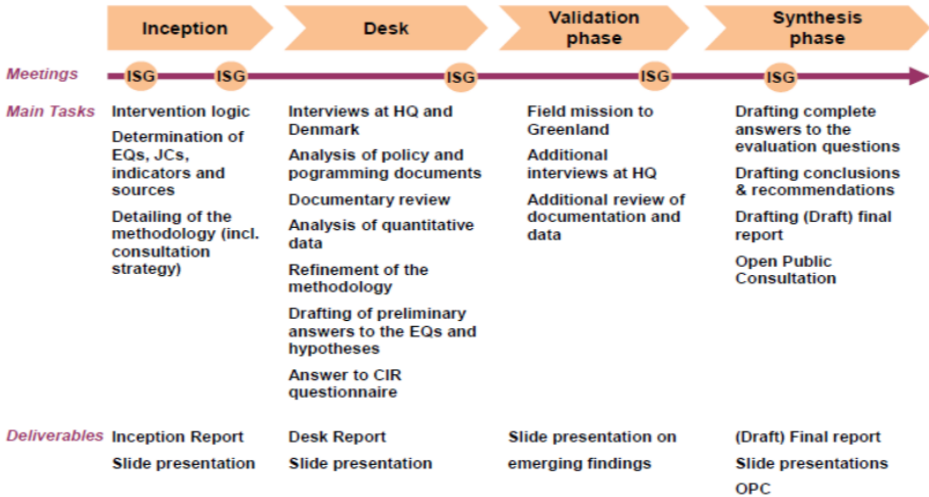
Whilst recognizing that each External Financing Instruments has its own specificities, information pertaining to the collective set of External Financing Instruments is also needed for the MTR Report. To facilitate comparison and overview of the External Financing Instrument evaluations it is therefore important that the set of evaluations are broadly consistent with each other in terms of objectives, key evaluation questions, methods, evaluation process, and deliverables. Co-ordination across the evaluations, led by the Global Inter-Service Group (ISG) and the 'Chapeau'<sup>100</sup> External Financing Instruments contract is built into the evaluation process.

*Organisation and Timing*

The evaluation is partly informed by an external evaluation conducted by independent consultants. The external evaluation started on June 1 2016. The Final report was received on June 26 2017, on schedule. The evaluation process was lead by an ISG specific for the instrument and it was conducted in three phases:

1. **The Desk phase:** including the Inception phase; kick-off meeting and initial consultations with stakeholders, and identifying and gathering information at the indicator level. Review of documentation and consultations through interviews with stakeholders to verify information, obtain leads for data/interviewees and discuss the Intervention Logic (IL) – conducting the first steps of the IL.
2. **The Validation phase:** interviews with ISG members and stakeholders in order to verify and validate information and data. Field mission to Greenland for further validation of data through stakeholder interviews and a workshop. Drafting a separate CIR report.
3. **Synthesis phase:** preparing the draft final evaluation report, together with conclusions and recommendations and the implementation of the Open Public Consultation, whose results feed into the final report.

Figure 2: Evaluation process



<sup>100</sup> The Chapeau contract is a single contract which covers DCI, GD, CIR (drawing from all the separate EFI evaluations) and a Coherence Report and co-ordination across all the EFI evaluations.

## **Process overview and Quality assessment**

The external evaluation of the GD was commissioned to provide the main information for this Staff Working Document. A Greenland Decision Evaluation ISG provided oversight of the external evaluation, comprised DG DEVCO, DG MARE, DG GROW, DG BUDG, DG CLIMA, SG, EEAS, DG Trade, DG TAXUD (11 members). There were 7 ISG meetings over the course of the Greenland Decision external evaluation to cover initial briefing, provide feedback on inception, desk, key messages, draft Final, and Final reports. There were also four meetings (2 in September 2016, 1 in December 2016 and 1 end of March 2017) among all the consultants and all the evaluation managers to promote understanding and exchange on complementarity and synergy between instruments.

The ISG quality assessed the external evaluation as satisfactory at their meeting of 22 May 2017.

In addition, the Greenland Decision ISG met to assess this Staff Working Document and afterwards, it was assessed by the global ISG, with specific focus on coherence between the ten Staff Working Documents. Conclusively, the Staff Working Documents have also been through an Inter-service Consultation in the Commission.

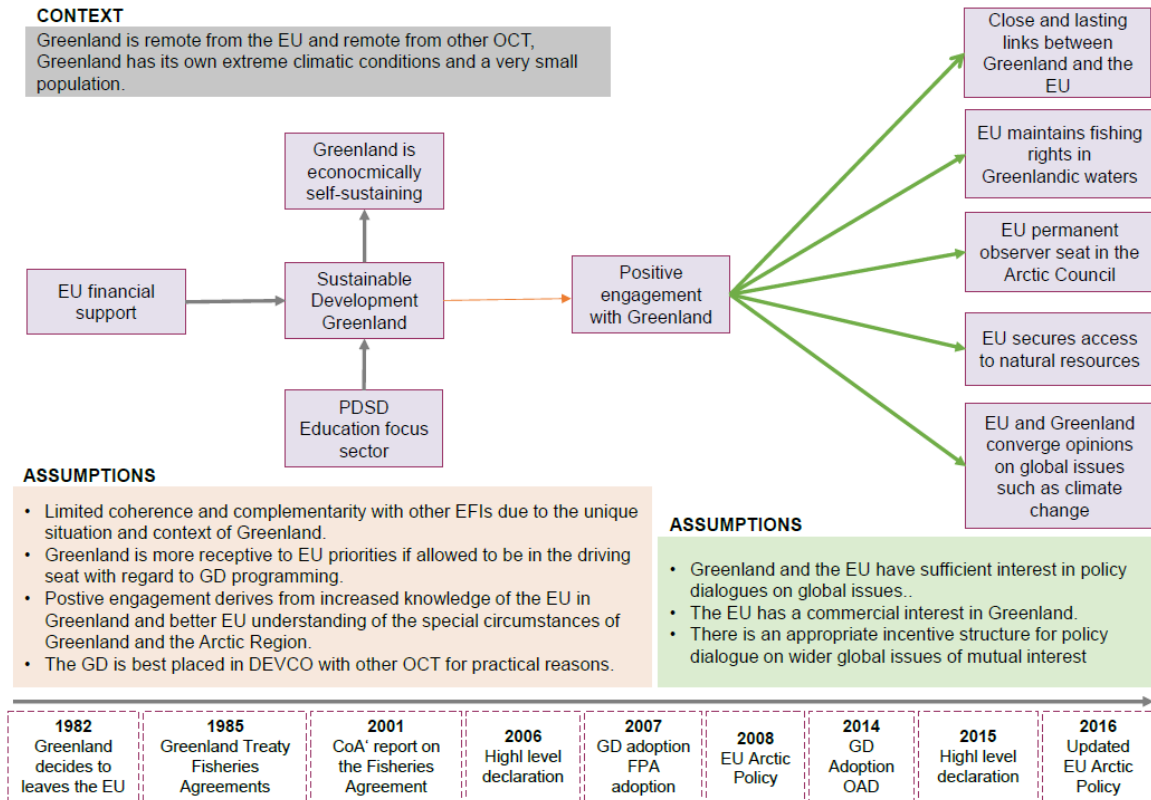
### **Analytical models used**

This evaluation is based on a wide-ranging consultation process. It included a three-month online Open Public Consultation accessible to anybody world-wide; technical workshops for EU Member States, MEPs and OCTs; in addition, the consultants held targeted individual or group interviews with stakeholders, Commission staff, civil society, private sector, Government of Greenland and EU Member States, structured around the evaluation questions. The evaluation is **guided by Evaluation Questions** covering EU evaluation criteria (relevance; effectiveness, impact and sustainability; efficiency; added value; coherence, consistency, complementarity and synergies; and leverage)

The external evaluation used non-experimental methodology. This was based on the reconstructed Intervention Logic for the Greenland Decision, and testing the extent to which in practice this has worked as intended (see figure 1 below).

Baselines used were those of January 2014, when the GD was adopted. Therefore the evaluation compares, to the extent possible, the situation in January 2014 with the current situation in 2017. For some evaluation criteria, where availability of data is limited, the previous instrument period 2007-2013 has been used to detect, when possible, the longer-term effects of EU-support to Greenland.

Figure 1 The Intervention logic at the instrument level



**Limitations, challenges and appreciation of data**

A number of limitations need to be recognised for this evaluation. One is that the MTR of education sector support will not be finalised in time to feed into this evaluation. Another limitation is that the programme period under review is short (1 January 2014 to 1 June 2017). As a general rule, 2014 is taken as the baseline. However, to overcome the challenges posed because of the shortness of the period under evaluation, the results have been interpreted with the figures from the previous programming period of 2007-2013 in mind. This has also enabled the evaluation team to detect, when possible, the longer-term effects of EU support to the education sector in Greenland.

The Greenlandic Statistical Office provides reliable, comprehensive and up-to-date information on all aspects of Greenland’s society, economy and labour market. It also provides reliable statistical data for the programme implementation reports (e.g. Annual Implementation Report). Programme documentation and other information, such as policy papers, studies and evaluations, are also readily available. Information from *ad hoc* and more informal policy dialogue between the EU and Greenland has been more difficult to obtain, and data triangulation is also a challenge in this regard.

### **Annex 3. Synopsis report of the stakeholders' consultation**

The stakeholder consultation for the evaluation of the Greenland Decision began in late 2015 and came to an end in May 2017. The majority of the consultation activities took place during the Open Public Consultation at the beginning of 2017. As highlighted in the evaluation Roadmap<sup>101</sup>, the consultation approach involved collecting input from a wide range of stakeholders on the Greenland Decision at its mid-point.

#### **1. Evaluation Roadmap**

The consultation process began with the publication of the evaluation Roadmap, which was published on the European Commission website November 2015. As per the Better Regulation guidelines<sup>102</sup>, the aim of the Roadmap was to give stakeholders and the general public an early opportunity to provide feedback on the evaluation and its approach. However, no feedback was received.

#### **2. Interviews**

The approach of the external evaluation was to consult as broadly and as deeply as possible. As the stakeholders for the Greenland Decision are relatively few, it was possible for the external consultants to cover a broad scope of key people either face to face or by phone – as well as through a Technical workshop arranged as part of the Open Public Consultation.

All key stakeholder groups were reached. The objectives of the interviews were to (i) address gaps in the documentation reviewed, (ii) better understand realities on the ground, especially during the field visit, and (iii) triangulate findings especially when the evidence collected was based on internal EU documentation and sources.

In addition to a range of interviews with Danish and Greenlandic stakeholders in Denmark and Brussels, the consultants went on a seven-day field mission to Greenland in order to consult relevant ministries and stakeholders, which included a stakeholder workshop. European Commission staff whose work relates to Greenland was further interviewed. See full list below:

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<sup>101</sup> [http://ec.europa.eu/smart-regulation/roadmaps/docs/2017\\_devco\\_005\\_evaluation\\_greenland\\_en.pdf](http://ec.europa.eu/smart-regulation/roadmaps/docs/2017_devco_005_evaluation_greenland_en.pdf)

<sup>102</sup> [http://ec.europa.eu/smart-regulation/guidelines/toc\\_tool\\_en.htm](http://ec.europa.eu/smart-regulation/guidelines/toc_tool_en.htm)

<i>Name</i>	<i>Organisation</i>	<i>Function</i>
Andersen, Kai Holst	Department of Foreign Affairs, Government of Greenland	Deputy Minister
Arleth, Karen Anne	Ministry of Nature, Environment and Energy, Government of Greenland	Head of Section
Armondson, Tina	Ministry of Nature, Environment and Energy, Government of Greenland	Head of Section
Bech, Peter	Ministry of Finance, Government of Greenland	Deputy Minister
Bengtson, Pernille	Department of Foreign Affairs, Government of Greenland	Special Advisor
Nikolaj, Bock	European Environment Agency	Special Advisor on International Affairs
Berhelsen, Jess	National Workers' Union Greenland (SIK)	President
Berthelsen, Hermann	Qeqqata Municipality	Mayor
Bertelsen, Tanne	Permanent Representation of Denmark to the European Union	Embassy Secretary
Brooke, Matthew	DG DEVCO	Head of Sector OCT
Burggaard, Maja	Ministry of Foreign Affairs, Government of Denmark	Senior Advisor, Greenland and the Arctic
Christensen, Hans-Peder	National Workers' Union Greenland (SIK)	Director
Clocchiatti, Alessia	DG MARE	Policy Officer, Unit A1
Costandache, Adrian	DG DEVCO	Evaluation Officer
Dahl, Sigrid	Teachers' Union Greenland (IMAK)	Clerk
Dillon, Bridget	DG DEVCO	Evaluation Manager
Ehlers, Esben	Ministry of Fisheries and Hunting, Government of Greenland	Special Advisor
Frederiksen, Lisbeth	Teachers' Union Greenland (IMAK)	Secretary General
Frederiksen, Rikke	Parliament Greenland	Secretariat Education
Frøsløv, Michael	Ministry of Finance, Government of Greenland	Special Advisor
Garcia Sanchez, Juan Jose	DG TAXUD	Administrator, Unit B4
Gray, Alan	DG MARE	Desk Officer, Unit B3
Jager, Marjeta	DG DEVCO	Deputy Director-General, Coordination Dir C, G, H and Task Force Knowledge, Performance and Results
Hansen, Martin Ellegaard	DG DEVCO	Policy Officer
Hinrichsen, Hans	KTI / Technical College	General Manager
Hjort, Karen	Teachers' Union Greenland (IMAK)	Clerk
Holm, Jørgen	Bureau of Minerals, Government of Greenland	Deputy Minister
Hundahl, Gitte	Ministry of Foreign Affairs, Government of Denmark	Minister Counsellor/Northern Europe

Jensen, Karsten Peter	Ministry of Education, Government of Greenland	Head of Section
Kaergaard, Katrine	DG DEVCO	International Relations Officer
Karlsen, Mimi	Parliament Greenland	Member of Parliament
Kielsen, Ineqi	Parliament Greenland	Member of Parliament
Kleist, Mininnguaq	Greenland's Representation to the European Union	Head
Klausen, KarstenLyberth	Greenland Business Association (GE)	President
Kristensen, Michael	Ministry of Education, Government of Greenland	Deputy Minister
Lennart, Skifte Lida	Greenland's Representation to Denmark	Head of Representation
Løgstrup, Laust	Qeqqata Municipality	Deputy CEO
Magnussen, Lars J.	DG BUDGET	Budget Administrator, Unit A4
Metdepenningen, Catherine	DG DEVCO	Head of Section
Miretti, Ugo	DG GROWTH	Policy Officer
Mortensen, Randi	Ministry of Education, Government of Greenland	Head of Section
Motzfeldt, Vivian	Parliament Greenland	Member of Parliament
Møller, Jørum	KTI / Technical College	Head
Nygaard, Klaus	Greenland Institute of Natural Resources	Head
Olsen, Peter	Parliament Greenland	Member of Parliament
Petersen, Terkel	EEAS	Policy Officer
Samsing, Ole	Ministry of Foreign Affairs, Government of Denmark	Former staff
Schildekamp, Paul	DG DEVCO	Programme Manager

### **3. Open Public Consultation – 7 February to 3 May 2017**

The Open Public Consultation (OPC) on the draft evaluation report took place during 12 weeks and closed on 3 May 2017; the OPC consisted of an online survey open for the entire public on and a technical workshop with Member States, Members of the European Parliament (MEPs) and Overseas Countries and Territories (OCTs) during 27 and 28 March 2017.

The objective of the OPC on the External Financing Instruments<sup>103</sup>, including the Greenland Decision, was two-fold:

- to gather feedback from the broadest possible range of stakeholders, including those in beneficiary countries and in the EU Member States, on the emerging conclusions from the evaluations.
- to gather preliminary ideas on the future External Financing Instruments after the current ones have expired by 31 December 2020.

This annex focuses on the retrospective aspects that were covered under the Open Public Consultation. However, there was also a forward-looking element to the consultation which aimed to gather preliminary ideas on the future External Financing Instruments after the current ones have expired by 31 December 2020.

The Consultation took the shape of (i) an online consultation which included some guiding questions to facilitate providing feedback and (ii) face to face meetings organised with key stakeholders. In that respect, a technical workshop with representatives of Council working groups, together with representatives of the European Parliament and, Overseas Countries and Territories (OCTs) took place during 27 and 28 March 2017.

#### **a. OPC online contributions**

The OPC evaluation for the Greenland Decision was available in English and Greenlandic in order to ensure full access for the Greenlandic public, stakeholders and civil society organisations. The consultation included some guiding questions to fuel the feedback. The guiding questions for the Greenland Decision (also in Greenlandic) were the following:

- How well do you think the Greenland Decision has addressed its objectives? The main assessment criteria for the evaluation are: relevance; effectiveness, impact and sustainability; efficiency; EU added value; coherence, consistency, complementarity and synergies; and leverage. Feel free to comment on the findings, conclusions or recommendations for any/all of the criteria.
- To what extent do the Greenland Decision and the partnership with Greenland contribute to the EU playing a more influential role in the Arctic region?

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<sup>103</sup> Development Cooperation Instrument, 11<sup>th</sup> European Development Fund (EDF), European Neighbourhood Instrument, European Instrument for Democracy and Human Rights, Greenland Decision, Instrument contributing to Stability and Peace, Instrument for Pre-Accession, Instrument on Nuclear Safety Cooperation, Overseas Countries and Territories Decision, Partnership Instrument and the Common Implementing Regulation. For the purpose of this exercise, the evaluation of the Overseas Countries and Territories Decision is included within the evaluation of the 11<sup>th</sup> EDF.

- If you have any other views on the Greenland Decision you would like to share, they are welcome here.

In total, 41 people, Member States, MEPs or organisations provided feedback through the online OPC on [https://ec.europa.eu/europeaid/public-consultation-external-financing-instruments-european-union\\_en](https://ec.europa.eu/europeaid/public-consultation-external-financing-instruments-european-union_en). Most did not know the instrument beforehand and did thereby not have any specific GD feedback but more general feedback on External Financing Instruments. Below you can find a summary of the contributions.

### **b. Summary of OPC contributions**

**Question 1:** *How well do you think the Greenland Decision has addressed its objectives? The main assessment criteria for the evaluation are: relevance; effectiveness, impact and sustainability; efficiency; EU added value; coherence, consistency, complementarity and synergies; and leverage. Feel free to comment on the findings, conclusions or recommendations for any/all of the criteria.*

In total, 6 relevant contributions were received through the web consultation and in writing. In addition, relevant comments were made during the technical workshop sessions.

- Industry, business or workers' organisation from non-EU Member State (website comment): 'Activities could be better'
- Public authority from EU Member State (website comment): 'Looking ahead to the goals set out in the regulations of the Greenland Decision, it appears that all objectives are pursued as intended. We agree with the assessment indicating the need for greater focus on political dialogue and on issues resulting from this, and not only on cooperation in the field of education'<sup>10</sup>.
- Public authority from EU Member State (website comment): This Member State was of the opinion that 'the Greenland Decision (GD) has proved relevant and effective in pursuing and fulfilling the general and specific objectives set out in the Decision as well as reflecting the general principles of the GD concerning facilitation of policy dialogue on global and Arctic issues'. The stakeholder considered that the draft evaluation report 'puts a decisive emphasis on the question of the creation of formal structures for policy dialogue on global issues and thereby drawing several conclusions (conclusions 3, 4, 5 and 6) that are inconsistent and unfounded. Especially conclusion 5 claiming that the very raison d'être of the GD is yet to be proven is problematic as it ignores the actual objectives of the GD and thereby also contradicts conclusions 1 and 2 [...] it is [...] not meaningful, nor in conformity with the stated objectives of the GD, to seek to isolate this main area of cooperation from the overall evaluation of the GD. Furthermore, the draft mid-term evaluation report seems to ignore the extent to which the GD has indeed been conducive to the important policy dialogue that does in fact take place – both within and outside the framework of the programming and implementation set-up (cf. below mentioned examples)'. The same Member State 'is of the opinion that the GD has proved to be a suitable institutional set-up for maintaining and enforcing the strong ties between the EU and Greenland/Denmark since Greenland left the EU in 1985. Preserving the close and lasting links between the partners – the Union on the one hand and Greenland and Denmark on the other – while supporting the sustainable development of Greenland is the general objective of the Council Decision. Since 1985 many changes have occurred. [...]

But common dedication to the sustainable development in Greenland, and the recognition of the geostrategic location of the Arctic also contribute to establishing and maintaining the relation as a genuine partnership'. It then concluded that 'it is both suitable and appropriate to maintain a dedicated external financial instrument for Greenland' in virtue of its special status and geostrategic position compared to other Overseas Countries and Territories (OCTs). The Joint Communication to the European Parliament and the Council on an integrated European Union Policy for the Arctic as well as the EU Global Strategy demonstrates EU's acknowledgement of the importance of a well-functioning and prosperous Arctic and EU's strategic interest in being an actively engaged partner herein. The GD is a showcase for the EU's strong and continuous efforts in this regard. Maintaining and developing the partnership between EU and Greenland/Denmark in the current institutional setup (GD, OCT Association and Fisheries Agreement) will increase in the coming years as the importance of the Arctic region to the EU is not expected to diminish, as illustrated by the recent communication on an integrated policy for the Arctic. The GD thus remains highly relevant.

The programming of the partnership is currently focused on one strategic sector in Greenland – namely strengthening the educational sector. As is also emphasized in the draft evaluation report the education sector is an appropriate choice from a development point of view. [...] Education and training is of vital importance with regards to the objective of sustainable diversification of the Greenlandic economy. Furthermore, the fact that the sector has been chosen by the Greenlandic Government ensures strong support and ownership.'

- Research/academia institution from EU Member State (website comment): 'The Greenland Decision has contributed to sustainable development in Greenland in education and administration. Added value is represented for the EU and Greenland on top of links with Denmark.'
- Public authority from EU Member State (additional written comment): (...) At midterm, we can draw up the following partial results of the Greenland Education Policy: - a real budgetary effort has been made by the Greenland government in the education sector; education represents 25.9% (323 M €) of public expenditure in 2016 against 14% in 2004. Specific objectives include: i) a downward trend in the share of Greenland youth (16-18 years) outside the education system (61% in 2013, 59% in 2015); this number still seems far too high and the target of 40% in 2020 set by the GEP seems difficult to attain; ii) a rate of success in the lycée (51% in 2013, 49% in 2015, 65% in 2020); iii) results at the 7th Grade test that do not progress with significant gaps in Danish and English; iv) a vocational training policy (Phase I) which has not yet led to a diversification of the Greenlandic economy, which is still dependent on exports of seafood (90%). For example, the survey of mining companies by the Fraser Institute in 2016 indicates that only 14 per cent believe that the level of labour force training available in Greenland is conducive to investment. Suggestions for the reorientation of objectives: From a structural point of view, the difficulty of the objectives of the GEP is to try to reconcile quantitative objectives (access to education, reduction in the number of young people outside the school system, etc.) and qualitative Grade test, etc.). Only better teacher training seems likely to meet these objectives.

The Danish Evaluation Institute, EVA, had highlighted, in a report published on 8 April 2016, the Deficiencies in the training proposed by the Ilinnarfissuaq, which trains 85% of the Greenlandic teachers since 1845, as well as deficiencies in its functioning. Teacher



training is considered to be "inefficient and partly responsible for the weakness of the Greenlandic education system". The report stresses in particular that many Ilinniarfissuaq graduates have insufficient academic qualifications to teach in secondary school (notably in English and mathematics) and do not receive appropriate teacher training in the proper direction of a class. Due to the recent publication of this EVA report, no mention is made of this issue in the document submitted to the Member States. The annual work programme 2015 of the Ministry of Education, Culture, Research and Church of Greenland specifies "only half of the teachers' posts in isolated villages are filled (settlements in the original text)". This phenomenon can be explained by the shortage of qualified teachers in Greenland who mostly prefer to practice in the biggest cities of the island (Nuuk, Ilulissat, Tasilaq, Sisimiut, Qaqortoq, etc.). Although incentives are being introduced to encourage the installation and practice of qualified teachers throughout Greenland (a premium of € 80 per month and preferential accommodation rates are granted to teachers working in isolated coastal villages), these seem insufficient to ensure equal access to education. It therefore seems appropriate to suggest that a structural reform of teacher training and a more egalitarian distribution of teachers on the territory should be placed among the priorities of the Greenland Education Program in the years to come.

- Government of Greenland (GoG) (additional written comment): 'If you look at the overall objective of the GD, which is; "The partnership aims to preserve the close and lasting links between the partners, while supporting the sustainable development of Greenland", then the GoG certainly believes that the GD has addressed its objectives by focusing on education. The GoG most emphasise that this is the most important area to focus on in order for Greenland to achieve sustainable development. The objective of the GD is certainly relevant for the EU's agenda and the EU priorities, especially considering the EU's hope to gain more influence in the Arctic region. The good cooperation with Greenland is very beneficial for the EU's understanding of the Arctic region and instrumental in the process to try to gain more influence in the Arctic. In paragraph (9) in Council Decision 2014/137/EU - the GD, the following is stated: "The Union needs to build comprehensive partnerships with new actors on the international scene in order to promote stable and inclusive international order, to pursue common global goals and to defend core Union interests, as well as to increase knowledge of the Union in third countries and OCTs." GoG remark: The GD is working in accordance with these objectives, as political meetings take place several times a year, besides the more formal policy dialogues under the GD. This strengthens mutual understanding. Financial standards influenced by the EU are also through the GD being transmitted over to Greenland, and thus increases stability.'

**Question 2:** *To what extent does the Greenland Decision and the partnership with Greenland contribute to the EU playing a more influential role in the Arctic region?*

In total, 5 relevant contributions were received through the web consultation. In addition, relevant comments were made during the technical workshop by 1 Member State in particular and by the Greenlandic Mission to the EU.

- Public authority from EU Member State (website comment): 'In our opinion, the Greenland Decision affects underlying EU interest in the Arctic region but does not affect

its stronger role and being perceived as a significant player in the region. Greenland enjoys EU aid in terms of education and does not seem to be interested in increasing cooperation in other areas, also in order to prevent the EU influence in the Arctic. It is not until the end of the favourable position from EU point of view.

- Public authority from EU Member State (website comment): ‘Denmark has noted that the draft midterm evaluation report attaches great attention to whether the GD has facilitated “policy dialogue on global issues”. In this regard Denmark would like to point out that consultations and policy dialogue do not constitute the objectives of the GD. Policy dialogue on global issues is a general principle of the partnership. Policy dialogue on global issues should therefore not be evaluated as an objective on equal footing as the general and specific objectives of the GD. Denmark strongly urges a more proper balance to be established in the final mid-term evaluation. Although policy dialogue is not amongst the actual objectives of the GD, Denmark acknowledges that policy dialogue is of great importance to the partnership between EU and Greenland/Denmark. Therefore it is also important to note that policy dialogue does take place – both within and outside the programming and implementation set-up. Section 26 contains examples of the latter. The claimed lack of policy dialogue on global issues is addressed in conclusions 3, 4 and 5 of the draft evaluation report. It is the view of Denmark that this is not accurate and is in any event given an unbalanced weight in the overall report. Contrary to the assertion put forward in the draft evaluation, we would argue that focus on the education sector – chosen by the Government of Greenland in agreement with the Commission – has indeed been conducive to a wider policy dialogue. The acknowledgement and respect of the Commission of Greenland’s own priorities has enabled a Greenlandic perception of the EU as a credible, legitimate partner, also on broader issues beyond the education sector. The GD as such constitutes a framework for dialogue on broader aspects. Denmark strongly disagrees with conclusion no. 5. We believe the assertion of conclusion 5 runs contrary to conclusions 1 and 2. The GD reflects political goals and evolving interests. Interests for fisheries rights. And interests for influence in the increasingly geopolitically and geostrategically important region of the Arctic. The GD is a showcase for the EU’s strong and continuous efforts to be an engaged, committed, legitimate partner in the Arctic. The GD has therefore to a large extent proven its *raison d’être*. If the parties consider that even further dialogue on broader issues is relevant and timely the GD as such constitutes a well suited instrument in this regard. Denmark does not see a need for changing the incentive structures of the instrument. Its current characteristics as a true partnership between the EU on the one hand and Greenland/Denmark on the other contribute to facilitating true reciprocal dialogue on issues of relevance for the parties. Contrary to the assertion put forward in the draft evaluation, we would argue that focus on the education sector – chosen by the Government of Greenland in agreement with the Commission – has been conducive to a wider policy dialogue. The acknowledgement and respect of the Commission of Greenland’s own priorities has enabled a perception of the EU as a credible, legitimate partner, also on broader issues beyond the education sector. This could be assessed to be a contributing factor to Greenland/Denmark’s support for a stronger role for the EU in the Arctic, including through support to EU’s wish of a formal observership to the Arctic Council and support to EU’s engagement in the negotiations towards an agreement to prevent unregulated high seas fisheries in the Central Arctic Ocean.

Recent years' dialogue between the EU and Greenland/Denmark on eg. Arctic issues indicate that the EU is moving towards a greater understanding of the Arctic and Greenlandic reality, including the importance of keeping the inhabitants of the region in focus. Denmark/Greenland has continuously argued to ensure a more diverse perception of the Arctic – away from the one-sided calls for bans on human activities towards a balanced view which takes into account the needs of the Arctic inhabitants for sustainable development with due regard to the environment. The recent Joint Communication on an integrated European Union Policy for the Arctic indicates some movement towards this balanced focus. It may be argued that dialogue between EU actors and Greenland/Denmark has contributed to such possible movement in perception. And that such dialogue has been facilitated by the existence of a partnership between EU and Greenland/Denmark as specified in the GD.

Greenland is with its current institutional setup a part of the EU family. The EU has a strong interest in maintaining close and lasting ties with a stable, prosperous, democratic Greenland both for historic and cultural reasons but also from a geopolitical and geostrategic point of view.'

- Research/academia institution from EU Member State (website comment): 'With this partnership the EU can have an influence in fishing rights in Greenland waters. Greenland has a more important role in the Arctic with this Greenland Decision. With more future collaboration with Greenland it may have importance in regard to climate change.'
- Public authority from EU Member States (additional written comment): The influence of the European Union in the Arctic region could be strengthened at two levels through the decision. On the one hand, by the adhesion of the Greenlandic indigenous population, and on the other hand, to actors outside Greenland, provided that proportionate visibility to financing is ensured. However, the visibility of European funding for education is rather low outside the sectors directly concerned (the Greenlandic and, to a lesser extent, the Danish Government). Bilateral relations are most often seen by the Greenland press and public opinion through the lens of fisheries agreements or legislation on the importation of seal products.
- GoG: 'Up until a few years ago the EU has been criticized by many Arctic countries for lacking the understanding of the circumstances of the Arctic peoples and the need to balance between sustainable development and protection of the environment. Greenland is right in the middle of many of these important Arctic developments. The GoG believes due to the focus on sustainable development in the GD that the EU gets a better understanding of the importance of sustainable development for the peoples of the Arctic. Sustainable development policies founded in Europe are not necessarily applicable to the Arctic region. Smaller populations in the Arctic, economy of scale factors, infrastructural challenges, climatic, geographic, educational and cultural differences, etc., make it necessary to keep up a dialogue, in order to develop a better understanding of living conditions in the Arctic – including for the EU to understand the Arctic better in general. Without a solid and proper understanding of the Arctic and its societies and peoples, the EU will not play a more influential role in the Arctic, because without understanding, the policies will not be qualified. If policies are not adequate and qualified this will continuously be recognized by Arctic actors. The GD is an important backdrop for the many contacts between EU actors and the GoG. The political dialogues on numerous subject areas that follow from these contacts, increase the EU's understanding of the

Arctic, but also increase an important Arctic actor, namely Greenland's understanding of the EU. Along this line the EU has acknowledged that it is the GoG who knows most intimately how to best allocate resources to ensure sustainable development in Greenland. This shows that the EU has acknowledged that there are challenging conditions in Greenland best known by the people situated there, but it is also an important recognition of the competences of the GoG, and indirectly of legitimate democratic governance structures in the Arctic. Good and proper understanding based on knowledge will likely have the effect that the Arctic peoples are more open toward including the EU in the work regarding the future of the Arctic.

**Question 3:** *If you have any other views on the Greenland Decision you would like to share, they are welcome here.*

In total, 5 relevant contributions were received through the web consultation, of which 1 clarification, 2 suggestions and 1 list of detailed comments on the report. All the relevant comments made during the technical workshop have already been captured under Q 1 and 2.

- Public authority from EU Member State (website comment): 'Enhancing the role of the EU in the Arctic is strongly desirable. Since there is a financial instrument that will help to improve the living conditions of some, it is worth being used to expand cooperation and (financial) support at other issues, which will translate into an increase in Greenland, and further strengthening the EU's role on the High North.
- Public authority from EU Member State (website comment): 14 Examples of policy dialogue on broader issues that happen or are going to happen 2015-2017.
- Public authority from non-EU Member State (website comment): 'The procedures for programming and implementing financial assistance to Greenland (in the form of budget support) could usefully be compared with the EDF procedures available to other OCTs in the context of discussions on assistance Financial support for the OCTs.
- Public authority from EU Member State (written comment): The procedures for programming and implementing financial assistance to Greenland (in the form of budget support) could usefully be compared with the EDF procedures available to other OCTs, with a view to considering financial assistance Post 2020.
- One public authority has made detailed comments on specific sections of the report.

#### **4. Face-to-face meetings**

During the Open Public Consultation phase, a series of face-to-face meetings were organised as follows:

- Technical workshop with representatives of the European Parliament (Secretariats of the Committees and assistants to MEPs), and Council working groups;

- Civil society and Local Authorities representatives gathered in the Policy Forum on Development<sup>104</sup>;
- OCTs representatives and representatives of the Member States to which they are linked.

All the above-mentioned meetings provided an opportunity for the external consultants to present their preliminary results and engage in a discussion with some of the key stakeholders as well as creating an opportunity for the stakeholders to give input and ask clarifying questions before submitting their **final feedback**.

The gathering of the Policy Forum for Development<sup>105</sup> with Civil Society Organisations and Local Authorities did not directly result in changes into the external evaluation report as no questions or comments were made on the evaluation of the Greenland Decision.

Eight Member States and three MEPs participated in the targeted session on the evaluation of the Greenland Decision as part of the technical workshop on 28 March 2017 arranged for Member States and MEPs. In the targeted session for the OCTs and the Member States to which they are linked, two Member States and three OCTs participated.

During the **Technical workshop sessions** the discussion was mainly centred on the issues of policy dialogue and ownership and relevance to keep a dedicated instrument. The following points were raised:

- *Importance and relevance of the GD:* The Greenland Decision is considered a valuable instrument to maintain and to reinforce the strong ties between Greenland and the EU. The political aspects of the relationship have very much evolved over the years. The geo-strategic importance of Greenland was emphasised as well as the importance of maintaining a dedicated EFI for Greenland.
- *Ownership of the support:* Education and vocational training is considered of vital importance for sustainable diversification of the economy which is highly supported by the Greenland Government, which is considered as a sign of ownership.
- *Policy dialogue*
  - *Principle vs. objective:* Policy Dialogue is the general principle but not an objective. The emphasis on Policy Dialogue seems to be unfounded. The principles could be relevant, but the balancing of the principles and objectives does not seem adequate looking at the Greenland Decision. Thus, the conclusion on questioning the *raison d'être* of the instrument contradicts the first conclusion where the report states that the GD had a positive impact.

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<sup>104</sup> The Policy Forum on Development brings together Civil Society Organisations and Local Authorities from the European Union and partner countries with European Institutions and bodies to exchange about development cooperation.

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- *Incentive based dialogue:* High level visits from the European Commission side to Greenland have taken place. Many examples of concrete and demand driven dialogues exist. From Greenland colleagues, it is understood that they are open to further dialogue.
- *Framework for policy dialogue:* Resources should be used efficiently, thus building up a heavy machinery to conduct policy dialogue is questioned. Moreover, one participant made the following remarks:
  - a) It was recognised that there had not been structured and results-oriented policy dialogue. However the Greenland Decision should not be blamed for the fact that two parties did not do an effort to have policy dialogue (beyond education). Greenland underlines that it is willing to take up intensified policy dialogue on issues such as raw materials and climate change if the EC should show a renewed and concrete interest.
  - b) There are clear opportunities to have mutually beneficial dialogue with the EU in a number of areas such as: mineral resources, climate change, research and infrastructure. He suggested a Platform for dialogue be created under the GD. This should be a light thing not a heavy machinery and be continued only if we see that constructive ideas and cooperation emerge. He said it is difficult to know right now if such dialogue will lead to concrete results but we can only know if people start talking to each other.
  - c) There is no need to allocate money under other priority areas to enable such dialogue, since this should be about mutual interest. It is a question of political will to start such dialogue. People are already paid by their respective employers. They don't need additional fees to take part in such dialogue.
  - d) Suggested this platform could be managed by other actors (e.g. EEAS) not necessarily DEVCO, but that cooperation with DEVCO on education is very fruitful and Greenland would like to continue with this. Greenland would also like to continue the current cooperation with OCTs as well.
  - e) Suggested that as it is today the dialogue between EU and Greenland in other areas is seen as an appendix to the dialogue on education which does not help to promote dialogue on other themes.
  - f) The partnership with the EU is highly valued as the EU is clearly perceived by Greenland as a neutral partner.

## Annex 4. Acronyms

<b>BEST 2.0</b>	Voluntary scheme for Biodiversity and Ecosystems services in Territories of European Overseas
<b>CIR</b>	Common Implementing Regulation
<b>COMBAR</b>	EU Programme on Communicative Barriers
<b>DCI</b>	Development Cooperation Instrument
<b>DG CLIMA</b>	Directorate-General for Climate Action
<b>DG DEVCO</b>	Directorate-General for International Cooperation and Development
<b>DG GROWTH</b>	Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs
<b>DG MARE</b>	Directorate-General for Maritime Affairs and Fisheries
<b>DG NEAR</b>	Directorate-General for Neighbourhood and Enlargement Negotiations
<b>DG REGIO</b>	Directorate-General for Regional and Urban Policy
<b>DG TAXUD</b>	Directorate-General for Taxation and Customs Union
<b>EEAS</b>	European External Action Service
<b>EIB</b>	European Investment Bank
<b>EU</b>	European Union
<b>EUR</b>	Euro
<b>FPA</b>	Fisheries Partnership Agreement
<b>GDP</b>	Gross Domestic Product
<b>IL</b>	Intervention Logic
<b>ISG</b>	Inter-Service Group
<b>MFF</b>	Multiannual Financial Framework
<b>OCT</b>	Overseas Country and Territory
<b>OCTA</b>	OCT Association
<b>OPC</b>	Open Public Consultation
<b>PDSB</b>	Programming Document for Sustainable Development
<b>PI</b>	Partnership Instrument
<b>SDG</b>	Sustainable Development Goal

## Annex 5. Full list of programme indicators

No.	Indicator	Education area	Baseline 2013	Result 2014	Result 2015
EU1	Share of children in Pre-School	Pre-School	69.1 %	72.3 %	74.8 %
EU2	Share of professionals	Total	69.5 % <sup>3</sup>	69.6 %	68.3 %
		Pre-School	-	56.0 %	51.4 %
		Elementary School	80.3 %	81.0 %	82.3 %
EU3	7th grade test	Elementary School	56.25	56.00	55.75
EU4	Transition rate to education 1 year after completion	Elementary School	35.4 %	38.4 %	41.0 %
EU5	Share of age group outside education system	16-18 years old	61.6 %	63.5 %	59.0 %
EU6	Number of apprenticeships	Vocational education and training	833	807	765
EU7	Attendance	Total	3,856	3,910	3,933
		High School	1,317	1,306	1,327
		Vocational education and training	1,333	1,310	1,243
		Higher education	1,206	1,294	1,363
EU8	Number of completions	Total	968	1,019	1,085
		High School	357	404	378
		Vocational education and training	410	419	452
		Higher education	201	196	255
EU9	Completion rate <sup>4</sup>	Total	47.1 %	49.5 %	49.3 %
		High School	51.8 %	50.2 %	49.5 %
		Vocational education and training	43.8 %	48.0 %	46.8 %
		Higher education	44.9 %	48.4 %	49.9 %
EU10	Transition rate to education 2 years after completion	High School	64.1 %	62.2 %	52.9 %

<sup>3</sup> Total number based on data from 2014 for EU2a Share of professionals in pre-school and data for 2013 for EU2b Share of professionals in elementary school due to an error in EU2a 2013 data.

<sup>4</sup> The completion rate is a probability and will change each year as long as it covers students active in the education system. For earlier cohorts (where enrolled students in that year/cohort have all either dropped out or graduated) the rate is constant.



EU11	Transition rate to education 2 years after drop-out	Total	41.4 %	42.0 %	42.7 %
		High School	53.6 %	52.4 %	47.1 %
		Vocational education and training	30.8 %	28.8 %	31.0 %
		Higher education	49.2 %	56.2 %	57.0 %
EU12	Administrative staff completing training	Total	-	1484***	1467
EU13	Education as a percentage of total expenditure	Total	25.8 %	25.9 %	26.8 %
EU14	Education level; share of 35 year olds with a qualifying education **	Total	50.9 %	54.2 %	54.1 %
EU15	Job insertion**	Total	85.6 %	87.8 %	88.0 %
		Vocational education and training	80.8 %	85.8 %	86.4 %
		Higher education	98.4 %	93.2 %	92.1 %
EU16	Percentage of trade balance in GDP **	Total	-16.1%	-13.7 %	-9.4 %
EU17	Percentage of the fisheries sector in total exports	Total	89.9 %	91.0 %	89.4 %
EU18	Long term residents among civil servants **	Total	87.2 %	87,8 %	88.0 %

\* An error in the reported value for 2013 regarding indicator EU2a: share of professionals in pre-school has been found. For this reason the baseline 2013 cannot be established. Instead baseline value will be 2014.

\*\* Data lag one year

\*\*\* As registration did not take place prior to 2014 the baseline year is 2014.

## Annex 6. Background information on Greenland



### **Greenland at a glance:**

**Population size:** 55,847 (2016) – 88 % is of Inuit origin

**Land area:** 2.166 million km<sup>2</sup> (410,000 km<sup>2</sup> ice-free, 1.756,000 km<sup>2</sup> ice-covered)

**Constitutional status:** parliamentary democracy

**Head of State:** Queen Margrethe II of Denmark

**Premier (Naalakkersuisut Siulittaasuat):** Kim Kielsen (Siumut) (since 2014)

**Government of Greenland:** Naalakkersuisut

**Parliament:** Inatsisartut – 31 members

**GDP, annual % growth:** 4.6 % (2016)

Greenland is a self-governing territory within the Kingdom of Denmark with a population of 55,984 (January 2015), of whom the majority are indigenous peoples (88 % is of Inuit origin) - living in largely Arctic climatic conditions and remote from markets. With some 2.166 million km<sup>2</sup>, Greenland is the world's largest island. It is located between the North Atlantic and Arctic Oceans and most of the island is covered by the world's second largest ice-sheet (after Antarctica). Greenland is very thinly populated with a density rate of 0.14/km<sup>2</sup> ice free area. Greenland does not have any land based infrastructure which allows for commuting between towns and settlements; this is done via boats or aircraft.

The Act of Greenland Self-Government of 2009 determines the constitutional status of Greenland within the Kingdom of Denmark and *inter alia* defines the natural resources of Greenland as being the property of the Greenlandic people. The 2009 Self-Governance Act also recognises the Greenlanders as a separate people with the right to self-determination under international law. Greenland is a parliamentary democracy with Queen Margrethe II of Denmark as its Head of State. She is represented by the High Commissioner, who functions as the link between the Government of Greenland and the Kingdom of Denmark.

The Self-Governance Act changed the constitutional status for Greenland from home-rule to self-government. Greenland has since the Home-rule Act of 1979 taken over more areas of responsibility from Denmark. In areas where the Government has full competence (such as fisheries, hunting, health and raw materials), it is authorised to negotiate and conclude, on behalf of the Kingdom of Denmark, international agreements with states and organisations, to the extent that such agreements exclusively concern Greenland. Denmark is responsible for defence, foreign affairs, internal security, the judicial system and monetary policy.

Greenland's economy is characterised by a very large and predominant public sector. Fisheries and fishing industries dominate exports. The public finances are highly dependent on the block grant allocated by Denmark as well as the association of Greenland with the EU

(collectively the grants account for more than 50 % of the national budget). In 2014, the labour force stood at 26 764, whereas unemployment stood at 10.3%.

The public sector, including publicly owned enterprises and the municipalities, plays the dominant role in Greenland's economy. It represents 44% of employment. Tourism has economic potential but remains rather limited due to a short season and high costs. The fisheries sector is the most important accounting for 88% of Greenland's export volumes, mainly shrimp (65%) and halibut (19%). Fisheries are not only important to Greenlandic society because of its economic weight, but also because, like seal hunting and whaling, it is an activity closely associated to the Inuit way of living.

Greenland disposes of a number of natural resources: zinc, lead, iron ore, coal, gold, platinum, rare earth elements, uranium, molybdenum, hydropower, and possibly oil and gas. The Government of Greenland sees the mineral extraction and hydrocarbon sectors as possible levers for the territory's socio-economic development. Following the Act on Self Rule of 2009 and the subsequent Raw Materials Act of the Government of Greenland of 1 January 2010, the Government of Greenland is fully competent to explore and exploit the natural resources of its underground.

## **Relations with the European Union**

Greenland entered the European Community (EC) as part of Denmark in 1973. After gaining home rule in 1979 and holding a referendum in 1982, Greenland withdrew from the EC and the Greenland Treaty<sup>106</sup> came into force in 1985. Being part of an EU Member State, Greenland was thereafter associated to the EC as one of the Overseas Countries and Territories (OCTs). The relations between the EU and the OCTs are established by the OAD<sup>107</sup>, which also covers 24 other territories linked to an EU Member State.

Simultaneously with the Greenland Treaty, the EU signed a fisheries agreement with Denmark and Greenland. This ensured continued access of EU Member States to important fisheries resources gained while Greenland was still part of the EC. Following the mid-term review of the Fourth Fisheries Protocol (2002), the European Council concluded it was necessary to broaden and strengthen EU-Greenland relations, taking into account the importance of fisheries and Greenland's structural development problems<sup>108</sup>. It decided that a new instrument should mitigate any negative impact of a new fisheries agreement on Greenland's ability to address its structural problems, namely the need to diversify its economy from the traditional sectors, such as fisheries (89.4 % of total exports in 2015).

This resulted in the Fisheries Partnership Agreement (FPA)<sup>109</sup> and the Greenland Decision (GD)<sup>110</sup>, defining the framework for cooperation between the EU, Greenland and Denmark.

The GD 2007-2013 was followed by the current GD 2014-2020<sup>111</sup>, which lays down rules concerning the relations between the partners (excluding the fisheries aspect, which is covered

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<sup>106</sup> OJ L 29, 01.02.1985, p. 1

<sup>107</sup> OJ L 344, 19.12.2013, p. 1

<sup>108</sup> Council conclusions of 24 February 2003.

<sup>109</sup> OJ L 172, 30.06.2007, p.1

<sup>110</sup> OJ L208, p. 28

by the FPA). The GD 2014-2020 aims to preserve the close and lasting links between the partners, while supporting the sustainable development of Greenland and enhanced dialogue in areas of mutual interest. The specific arrangements for Greenland are based on Article 203 of the Treaty on the Functioning of the EU and are also laid down in the OAD. The GD complements the OAD.

**Fisheries partnership agreement (FPA):** Greenland has a large FPA, amounting to over EUR 16 million per year, providing access to mainly prawns and Greenland halibut for EU fleets. The current Protocol 2016-2020 includes almost EUR 3 million per year in support of the local fisheries policy, management, control and biological research.

A **Joint Declaration** was signed by the Prime Ministers of Greenland and Denmark, and the President of the Commission in March 2015. This essentially reconfirms the strong relations, emphasising the need for continued dialogue and cooperation.

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<sup>111</sup> Decision (EU) No. 137/2014, OJ L 76, p.1

## **Annex 7. External evaluators' report, including its annexes.**

The external evaluation can be found here: [https://ec.europa.eu/europeaid/public-consultation-external-financing-instruments-european-union\\_en](https://ec.europa.eu/europeaid/public-consultation-external-financing-instruments-european-union_en)