



**COUNCIL OF  
THE EUROPEAN UNION**

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**NOTE**

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Subject: Proposals for external financing instruments under Heading 4 of the Multiannual Financial Framework 2014-2020  
– Partial General Approach  
= Draft Council Decision on relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other

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Delegations will find at annex the text of the above-mentioned partial general approach which was adopted by the Council (Foreign Affairs) on 25 June 2012.

**DRAFT**  
**COUNCIL DECISION**

**on relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty for the Functioning of the European Union, and in particular Article 203 thereof,

Having regard to the proposal from the European Commission,

Having regard to the opinion of the European Parliament<sup>1</sup>

After transmission of the draft legislative act to the national Parliaments,

Acting in accordance with a special legislative procedure,

Whereas:

- (1) The Treaty amending, with regard to Greenland, the Treaties establishing the European Communities<sup>2</sup> (The Greenland Treaty), which entered into force on 1 February 1985, provides that the Treaty for the Functioning of the European Union shall no longer apply to Greenland, but that Greenland, being a part of a Member State shall be associated to the European Union as one of the overseas countries and territories (OCTs).

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<sup>1</sup> OJ C , , p.

<sup>2</sup> OJ L 29, 1.2.1985, p. 1. (2) OJ L 314, 30.11.2001, p. 1.

- (2) In its preamble, the Greenland Treaty states that arrangements should be introduced which permit close and lasting links between the Union and Greenland to be maintained and mutual interests, notably the development needs of Greenland, to be taken into account and that the arrangements applicable to OCTs set out in Part Four of the Treaty on the Functioning of the European Union provide an appropriate framework for these relations.
- (3) In accordance with Article 198 of the Treaty on the Functioning of the European Union, the purpose of association is to promote the economic and social development of the OCTs and to establish close economic relations between them and the European Union as a whole. Pursuant to Article 204 of the Treaty on the Functioning of the European Union, the provisions of Articles 198 to 203 apply to Greenland, subject to the specific provisions set out in the Protocol on special arrangements for Greenland annexed to the Treaty on the Functioning of the European Union (Protocol No 34).
- (4) The provisions for the application of the principles set out in Articles 198 to 202 of the Treaty on the Functioning of the European Union are set out in Council Decision 2001/822/EC of 27 November 2001<sup>3</sup>, amended by Decision 2007/249/EC, on the association of the overseas countries and territories with the European Community (Overseas Association Decision), which continues to apply to Greenland under the conditions laid down in that Decision.

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<sup>3</sup> The Decision currently in force is Decision 2001/822/EC of the Council of 27 November 2001 on the association of the overseas countries and territories with the European Community, OJ L 314, 30.11.2001, p. 1. Decision as amended by Decision 2007/249/EC (OJ L 109, 26.4.2007, p. 33).

- (5) The Council of the European Union, recognising the geostrategic importance of Greenland to the European Union, in its conclusions of 24 February 2003 on the Mid-term Review of the Fourth Fisheries protocol between the European Community, the Government of Denmark and the Home Rule Government of Greenland<sup>4</sup>, and recognising the spirit of cooperation resulting from the Union's decision to grant the status of overseas territory to Greenland agreed that there was a need to broaden and strengthen future relations between the European Union and Greenland taking into account the importance of fisheries and the need for structural and sectoral orientated reforms in Greenland. The Council further expressed its commitment to base the future relationship of the European Union with Greenland after 2006 on a comprehensive partnership for sustainable development which would include a specific fisheries agreement, negotiated according to the general rules and principles for such agreements.
- (6) The Agreement on fisheries between the European Economic Community, on the one hand, and the Government of Denmark and the local Government of Greenland, on the other concluded by Council Decision 2006/1006/EC<sup>5</sup>, recalls the spirit of cooperation resulting from the Community's decision to grant the status of overseas territory to Greenland.
- (7) The 2006 Joint Declaration between the European Union, the Government of Greenland and the Government of Denmark, recalls the close historical, political, economic and cultural connections between the European Union and Greenland and emphasises the need to strengthen further their partnership and cooperation.
- (8) The EU needs to build comprehensive partnerships with new actors on the international scene, in order to promote a stable and inclusive international order, the pursuit of common global public goods, and the defence of core EU interests as well as increased knowledge of the EU in these countries.

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<sup>4</sup> The Act of Greenland Self-government entered into force on 21 June 2009 and replaced the Greenland Home Rule Act which had entered into force in 1979.

<sup>5</sup> OJ L 411, 30.12.2006, p. 27.

- (9) An EU-Greenland partnership should allow for the continuation of strong relations between the partners and respond to the global challenges, allowing for the development of a proactive agenda and the pursuit of mutual interests. The partnership should also link to the objectives of the EU2020 strategy, thus adding consistency with the EU2020 strategy and the promotion of internal policies and objectives defined in Communications, such as the Communication on Raw Materials, and should facilitate cooperation in the context of the European Union's Arctic policy.
- (10) Union assistance should focus where it has more impact, having regard to its capacity to act on a global scale and respond to global challenges such as poverty eradication, sustainable and inclusive development or worldwide promotion of democracy, good governance, human rights and rule law, its long-term and predictable engagement in development assistance and its role in coordinating with its Member States.
- (11) The EU-Greenland partnership should provide for a framework permitting regular discussions on matters of interest for the Union or Greenland, such as global issues, where an exchange of views, and a possible convergence of ideas and opinions, could be beneficial for both parties. The increasing impact of climate change on human activity and the environment, maritime transport, natural resources, including raw materials, as well as research and innovation, calls for dialogue and enhanced cooperation.
- (12) The financial support from the Union, allocated through the new partnership, should bring a European perspective to the development of Greenland and will contribute to the strengthening of close and long lasting ties with that territory, while strengthening the position of Greenland as an advanced outpost of the Union, based on the common values and history which links the two partners.

- (13) The Union's financial support for the period 2014-2020, should be focused on one, or a maximum of two areas of cooperation, allowing for the partnership, to maximise the impact and further allow for economies of scale, synergy effects, greater effectiveness and visibility for the Union's action.
- (14) The cooperation should ensure that resource flows are accorded on a predictable and regular basis and are flexible and tailored to the situation in Greenland. To this end budget support will be used wherever feasible and appropriate.
- (15) The financial rules applicable to the annual budget of the Union are laid down in a Regulation of the European Parliament and of the Council, which should be referred to hereafter as "the Financial Regulation", such reference being made in all instances to the latest version of that Regulation being in force, and including the corresponding rules adopted by the Commission for implementing the Financial Regulation
- (16) The financial interests of the European Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, penalties. These measures will be carried out in accordance with the applicable agreements concluded with international organisations and third countries.
- (17) The programming documents, financing measures and further specific rules necessary for the implementation of this Decision should be adopted in accordance with Regulation No 182/2011 of 16 February 2011 of the European Parliament and the Council laying down the rules and general principles concerning the mechanisms of control by Member States of the Commission's exercise of implementing powers<sup>6</sup>. Taking into account the nature of those implementing acts, in particular their policy orientation nature or their financial implications, the examination procedure should in principle be used for their adoption, except for technical implementing measures of a small financial scale.

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<sup>6</sup> OJ L 55, 28.02.2011, p. 13 - 18.

HAS ADOPTED THIS DECISION:

Part One:

*GENERAL PROVISIONS ON THE RELATIONS BETWEEN THE  
EUROPEAN UNION AND GREENLAND*

*Article 1*

***Subject matter and scope***

1. The partnership between the European Union, Greenland and Denmark aims to preserve the close and lasting links between the partners, while supporting the sustainable development of Greenland.
2. It acknowledges the geostrategic position of Greenland in the Arctic Region, the issues of exploration and exploitation of natural resources, including raw materials, and ensures enhanced cooperation and policy dialogue on these issues.

*Article 2*

***General principles of the partnership***

1. The partnership between the European Union, Greenland and Denmark shall facilitate consultations and policy dialogue on the objectives and areas of cooperation established through this Decision.
2. The partnership shall define in particular the framework for policy dialogue on issues of common interest for either partner, providing the basis for broad cooperation and dialogue in areas such as:
  - Global issues such as energy, climate change and environment, natural resources, including raw materials, maritime transport, research and innovation.
  - Arctic issues.

3. In implementing this Decision, coherence shall be ensured with other areas of EU external action as well as other relevant EU policies. To this end, measures financed under this Decision shall be programmed on the basis of EU cooperation policies set out in instruments such as agreements, declarations and action plans, and in accordance with the cooperation strategies adopted pursuant to Article 4.
4. Cooperation activities shall be decided upon in close consultation between the European Commission, the Government of Greenland and the Government of Denmark. Such consultations shall be conducted in full compliance with the respective institutional, legal and financial powers of each of the partners. To this end the implementation of this Decision shall be managed by the European Commission and the Government of Greenland in accordance with the roles and responsibilities of each of the partners as established in the financing agreements referred to in Article 8.4.

### *Article 3*

#### ***Objectives and main areas of cooperation***

1. The specific objectives of the partnership are:
  - (a) To support and cooperate with Greenland in addressing its major challenges in particular the sustainable diversification of the economy, the need to increase the skills of its labour force, including scientists, and the need to improve the Greenlandic information systems in the field of Information and Communication Technologies. The achievement of these objectives shall be measured by the percentage of trade balance in GDP, the percentage of the fisheries sector in total exports, and the results of education statistical indicators as well as other indicators deemed suitable.
  - (b) To contribute to the capacity of the Greenlandic administration to formulating and implementing national policies in particular in new areas of mutual interest as identified in the PDSO referred to in Article 4(2). The achievement of this objective shall be measured by indicators, such as the number of administrative staff completing training and the percentage of civil servants that are (long-term) residents in Greenland.



2. The main areas of cooperation include:
  - (a) education and training, tourism and culture;
  - (b) natural resources, including raw materials;
  - (c) energy, climate, environment and biodiversity
  - (d) Arctic issues;
  - (e) the social sector; mobility of workforce; social protection systems; food safety and food security issues;
  - (f) research and innovation in areas such as energy, climate change, disaster resilience, natural resources, including raw materials, and sustainable use of living resources.

## Part Two:

### *PROGRAMMING AND IMPLEMENTATION*

#### *Article 4*

#### ***Programming***

1. Within the framework of the partnership, the Government of Greenland shall assume the responsibility for the formulation and adoption of sector policies in the areas of cooperation as defined in Article 3(2). It shall also provide adequate follow-up.

2. On this basis, the Government of Greenland shall prepare and submit an indicative Programming Document for the Sustainable Development of Greenland (hereinafter referred to as the PDSD). The PDSD will aim at providing a coherent framework for cooperation between the Union and Greenland, consistent with the overall purpose and scope, objectives, principles and policies of the European Union.
3. The preparation and implementation of the PDSD shall apply principles of aid effectiveness: national ownership, partnership, coordination, harmonisation, alignment to national systems, mutual accountability and results orientation.
4. The PDSD shall be approved in accordance with the examination procedure provided for in Article 9 (2). This procedure shall also apply to substantial reviews which have the effect of modifying significantly the strategy or its programming. It shall not apply to non-substantial modifications to the PDSD making technical adjustments, reassigning funds within the indicative allocations per priority area, or increasing or decreasing the size of the initial indicative allocation by less than 20%, provided that these modifications do not affect the priority areas and objectives set out in the PDSD. In such case, adjustments shall be communicated to the European Parliament and the Council within one month.

#### *Article 5*

#### ***Implementation rules***

The European Commission shall adopt the detailed implementation rules for this Decision within three months after this Decision takes effect, in accordance with the procedure referred to in Article 9 (2).

*Article 6*  
***Scope of financing***

Within the framework of the sector policies established by the Government of Greenland, financial support may be given to the following activities:

- (a) Reforms and projects that are in line with the PDS, as referred to in Article 4(2);
- (b) Institutional development, capacity building and integration of environmental and climate change aspects;
- (c) Technical cooperation programmes.

*Article 7*  
***Financial provisions***

The Union's financial assistance shall be provided mainly through budget support.

*Article 8*  
***Protecting the Union's financial interests***

1. The Commission shall take appropriate measures ensuring that, when actions financed under this Decision are implemented, the financial interests of the European Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and, if irregularities are detected, by the recovery of the amounts wrongly paid and, where appropriate, by effective, proportional and deterrent penalties.

2. The Commission and the Court of Auditors shall have the power of audit, on the basis of documents and on-the-spot, over all grant beneficiaries, contractors and subcontractors who have received Union funds.

The European Anti-fraud Office (OLAF) shall be authorised to carry out on-the-spot checks and inspections on economic operators concerned directly or indirectly by such funding in accordance with the procedures laid down in Regulation (Euratom, EC) No 2185/96 with a view to establishing that there has been fraud, corruption or any other illegal activity in connection with a grant agreement or decision or a contract concerning Union funding.

Without prejudice to the previous sub-paragraphs, agreements with third countries and international organisations and grant agreements and decisions and contracts resulting from the implementation of this Decision shall expressly entitle the Commission, the Court of Auditors and OLAF to conduct such audits, on-the-spot checks and inspections, in accordance with the Financial Regulation.

3. Greenland shall conduct regular checks to ensure that the actions to be financed from the European Union budget have been implemented correctly. In addition to its annual reporting on achievements under the sector policies, Greenland shall provide an annual statement assuring legality and regularity. It shall take appropriate measures to prevent irregularities and fraud and if necessary shall bring prosecutions to recover funds wrongly paid.
4. The detailed obligations of the Government of Greenland in respect of the management of European Union funds shall be set out in financing agreements concluded with the Commission for the purpose of implementing this Decision. In particular, the financing agreements shall establish the sector indicators - setting the conditions for payments which must be met, and the verification methods for reporting progress on sector indicators and for ensuring compliance with those conditions.

Part Three:  
*FINAL PROVISIONS*

*Article 9*  
***Committee procedure***

1. The European Commission shall be assisted by the Greenland Committee, hereinafter referred to as 'the Committee'. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
3. Where the opinion of the committee is to be obtained by written procedure, the procedure shall be terminated without result when, within the time limit for delivery of the opinion, the chair of the committee so decides or a simple majority of committee members so requests.

*Article 10*

***Evaluations and reports***

1. By 31 December 2017, the European Commission, the Government of Greenland and the Government of Denmark shall undertake a mid-term review of the partnership and its' impact on Greenland as a whole. The Commission shall associate all relevant stakeholders, including non-State actors and local authorities, in the evaluation phase of the Union assistance provided under this Decision.
2. No later than mid-2018, a report shall be established by the Commission on the achievement of the objectives and the European added value of this Decision, by means of results and impact indicators on the efficiency of the use of resources, in view of a decision on the renewal, modification or suspension of the types of measures financed under this Decision. The report shall additionally address the scope for simplification, the internal and external coherence of the cooperation established by this Decision, the continued relevance of all objectives, as well as the contribution of the measures to the Union priorities of smart, sustainable and inclusive growth. It shall take into account any findings and conclusions on the long-term impact of the former Decision.
3. The report shall be submitted to the European Parliament and the Council including, if appropriate, a legislative proposal introducing the necessary modifications to this Decision.
4. The values on 1 January 2014 of the indicators referred to in Article 3 shall be used as a basis for assessing the extent to which the objectives of this Decision have been achieved.
5. Greenland shall be required by the Commission to provide all the data and information necessary, in line with the international commitments on aid effectiveness, to permit the monitoring and evaluation of the concerned measures.
6. The longer-term impacts and the sustainability of effects of this Decision will be evaluated after its duration in accordance with the rules and procedures applicable at that time.

*Article 11*  
***Financial reference amount***

The indicative amount for the implementation of this Decision for the period from 2014 to 2020 shall be EUR [217,8 million.]<sup>7</sup>

*Article 12*  
***Entry into force***

This Decision shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014 until 31 December 2020.

Done at Brussels,

*For the Council*  
*The President*

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<sup>7</sup> All reference amounts will be entered after the conclusion of negotiations regarding the Multiannual Framework (2014-2020)