



COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMUNICATION FROM THE COMMISSION

**A new comprehensive partnership with Greenland in the form of a joint declaration and
a Council Decision based on Article 187 of the EC Treaty**

Proposal for a

COUNCIL DECISION

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

(presented by the Commission)

COMMUNICATION FROM THE COMMISSION

A new comprehensive partnership with Greenland in the form of a joint declaration and a Council Decision based on Article 187 of the EC Treaty

1. EXECUTIVE SUMMARY

- 1.1. This Communication takes stock of the Commission's implementation of its Communication on the mid term review of the 4th fisheries protocol with Greenland (COM(2002)697) and gives effect to the request by the Council of 24 February 2003 to produce concrete proposals for the broadening and strengthening of future relations between the EU and Greenland.
- 1.2. The EU has a continuing interest to treat Greenland as a privileged neighbour and to contribute to Greenland's well being and economic development. The relationship with Greenland is important for the EU
- in view of the sustainable development of the OCTs within their respective regions,
 - for cooperation in managing fish-stocks and the maritime environment and for providing fishing opportunities for Community vessels,
 - for cooperation in the context of the EU's efforts to deal with climate change,
 - to promote the development of alternative energy sources or energy carriers (e.g. hydrogen),
 - for geo-strategic reasons,
 - for joint research and development concerning northern maritime routes and Greenland's exclusive economic zone.
- 1.3. For future cooperation, besides fisheries, Greenland has expressed a priority interest for education and training, mineral resources, energy, tourism, culture and research. Greenland refers to the conclusions of the Council of 24 February 2003¹ in which the Council "*expresses its commitment to base the future relationship of the EU with Greenland after 2006 on a comprehensive partnership for sustainable development which will include a specific fisheries agreement, negotiated according to the general rules and principles for such agreements*".
- 1.4. The Commission proposes to build the future comprehensive partnership with Greenland on a political agreement expressed through a joint declaration, reaffirming

¹ See Minutes of the 2487th session of the Council of the European Union (GENERAL AFFAIRS and EXTERNAL RELATIONS), held in Brussels on 24 February 2003, doc. 6695/03 of 2 July 2003 and Bull. 1/ 2-2003, point 1.3.175

mutual interests and continuation of the fisheries agreement and extending cooperation in other areas. The political agreement is to be accompanied by secondary legislation, a Council decision based on Article 187 of the EC Treaty, which will be the legal basis for this extended cooperation and budgetary support from the EU to Greenland aimed at contributing to the sustainable development of the Greenlandic economy.

1.5. The Commission considers that financial support of maximum €25 million a year for cooperation in other sectors separate from fisheries is within the limits of the proposal on Financial Perspectives (2007 – 2013). The scenario agreed between the Member states in December 2005 is currently subject to the final consensus on the Interinstitutional Agreement on the Financial Perspectives 2007-2013. The Commission refers to the Council's conclusions that future commitments regarding financial support for Greenland should be orientated to their present level, - €42,8 million per year - bearing in mind the ongoing negotiations for the new Fisheries Partnership Agreement, which would cover the difference.

2. Historic background

2.1. Greenland is the World's largest island; the northern most point lies just 740km from the North Pole. Only about 15% of Greenland's land area is free of ice; the rest is covered by the World's second largest ice cap. The population is 56,854 (2004).

2.2. Greenland became part of the Community alongside Denmark in 1973. The internal status of Greenland was changed by the Home Rule Act, which came into force on 1 May 1979. In a consultative referendum in Greenland in February 1982, 52 % of voters were in favour of altering the status of Greenland vis-a-vis the Community. Consequently, Denmark proposed to modify the Treaties. On 1 February 1985, the Treaty of Withdrawal of 13 March 1984, or "Greenland Treaty"², came into force and granted to Greenland the status applicable to the Overseas Countries and Territories (OCT) associated with the Community.

2.3. The Greenland Treaty also emphasises cooperation and development aspects. In its preamble, it refers to "arrangements being introduced which permit close and lasting links between the Community and Greenland to be maintained and mutual interests, notably the development needs of Greenland, to be taken into account". Furthermore, the preamble states that, whilst the OCT status is deemed to provide an appropriate framework for the relations with Greenland, "additional specific provisions are needed to cater for Greenland".

2.4. A Protocol on special arrangements for Greenland attached to the EC Treaty states that Greenland shall enjoy unrestricted and duty free access to the Community market for its fisheries products on condition that the Community is granted satisfactory possibilities for access to the Greenland waters under a fisheries agreement.

2.5. Greenland remains a special case, a territory remote from the Union, with a small population on an enormous island facing the most challenging climatic conditions

² Treaty amending with regard to Greenland the Treaties establishing the European Communities OJ No L29, of 1.2.1985, p.1

and a particular sociological, economic and cultural mix as a legacy of its history and colonial experience.

3. The legal framework - The OCT status

3.1. The OCT status extended to Greenland by the Greenland Treaty is laid down in the current Articles 182 to 188 of the EC Treaty, which also cover other territories linked with France, the Netherlands and the United Kingdom. Those Articles are implemented by means of successive Council Decisions, currently the 'Overseas Association Decision' of 27 November 2001³. This Decision defines the global relationship between the 20 OCTs⁴ and the European Community, with the notable exception for Greenland of the special provisions on fisheries.

3.2. Although Greenland has been covered by the different Council Decisions pertaining to the association of the OCTs, financial assistance from the EDF has not been provided on a territorial basis, as aid to cover Greenland's development needs is currently provided through the successive fisheries protocols.

3.3. The other instruments foreseen by the Overseas Association Decision, regarding development finance cooperation as well as the non-reciprocal trade regime, are available to Greenland

3.4. In September 2006 the OCT-EU annual Forum will be held in Greenland.

4. The legal framework – Fisheries

4.1. The fisheries relations between the Community and Greenland are governed by 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"⁵ (the Fisheries Agreement), the negotiation and conclusion of which were intrinsically linked to Greenland's withdrawal from the Community and the conclusion of the Greenland Treaty.

4.2. The Fisheries Agreement was concluded for an initial period of ten years, after which it may be tacitly extended for additional six-year periods unless terminated by either Party through notice of termination given at least nine months prior to the expiry of each period. It is implemented by successive protocols. The parties have by mutual consent commenced negotiations for a new Fisheries Partnership Agreement in order to comply with the Council Conclusions of February 2003 to replace the existing fisheries agreement by 1 January 2007.

4.3. The Fisheries Agreement draws upon the principles of the Greenland Treaty. Its preamble refers explicitly to both "the spirit of cooperation resulting from the Community's decision to grant the status of overseas territory to Greenland" as well as the aforementioned Protocol on special arrangements for Greenland. Furthermore, the preamble acknowledges "the vital importance to Greenland of fisheries, which

³ Decision 2001/822/EC of 27.11.2001, OJ L314, 30.11.2001, p.1

⁴ Annex II of the EC Treaty lists 21 OCTs, but the Overseas Association Decision does not apply to Bermuda.

⁵ OJ 29 of 1.2.1985, p. 9

constitute an essential economic activity” and emphasises that “for the Community, the maintenance of the fishing activities, in Greenland waters, of vessels flying the flag of a Member State plays an essential part in the proper functioning of the common fisheries policy”.

- 4.4. In this vein, the Fisheries Agreement is designed to provide the Community with both catch quotas in Greenland waters as well as a special priority on access to supplementary catch possibilities in Greenland waters in return for the payment of a financial compensation to Greenland. The Fisheries Agreement also provides that the Community catch quotas may be taken by non-Community vessels to the extent to which this is necessary for the proper functioning of fisheries agreements between the Community and third countries. The latter possibility has allowed the agreements on reciprocal access with Norway, the Faeroe Islands and Iceland to be balanced either in full or in part without adversely affecting existing quota allocations within Community fishing waters.
- 4.5. In line with the object and purpose of both the Greenland Treaty and the “Protocol on special arrangements for Greenland”, the Fisheries Agreement was not confined to fisheries, but it also intended to serve the purposes of cooperation in the development of the structural fisheries policy in Greenland.
- 4.6. More particularly, Greenland continued to receive the same amount of money as it received in financial assistance when it was part of the Community and these funds, currently 42.82 m € /year, have been made available to Greenland only by way of the Fisheries Agreement.
5. The mid term review of the Fourth Protocol to the Fisheries Agreement
 - 5.1. On 24 February 2003, the Council adopted its conclusions on the Communication from the Commission on the mid term review of the fourth fisheries Protocol with Greenland⁶. Successive protocols had aimed at adjusting the financial compensation to reflect nominal changes in catch quotas and to allow for inflation. The current Fourth Protocol covers the period 1 January 2001- 31 December 2006.
 - 5.2. Until the mid-term review, which took place in 2003 based on the Council Conclusions of 24 February 2003, the Fourth Protocol with Greenland lacked any specific provisions on support to specific actions for the fisheries sector, unlike fisheries protocols which had been concluded with other countries. Both the Court of Auditors and the European Parliament had argued for the need for transparency implying a clear identification of the payments corresponding to effective fishing possibilities.
 - 5.3. According to the modified Fourth Protocol, the global financial contribution is broken down in the following way:
 - Financial compensation for the fishing possibilities: 31.76m € /year (74%),
 - Financial compensation for the budgetary support scheme: 11.05 m €/year (26%).

⁶ Communication from the Commission to the Council and the European Parliament: Mid term review of the fourth fisheries Protocol between the EU and Greenland COM(2002) 697 final

- 5.4. The financial compensation from the Community represents approximately 6% of Greenland's Gross National Income (or 3,3% of the GDP).
6. Conclusions of the Council on the long term relations with Greenland
- 6.1. The Council conclusions of 24 February 2003 allowed the negotiations for the mid term review of the fisheries agreement to be undertaken with a clearer perspective of the long term future of relations between the EU and Greenland. The Council:
- agreed that there is a need to broaden and strengthen future relations between the EU and Greenland taking into account the importance of fisheries and the structural development problems in Greenland.
 - expressed its commitment to base the future relationship of the EU with Greenland after 2006 on a comprehensive partnership for sustainable development which will include a specific fisheries agreement, negotiated according to the general rules and principles for such agreements. The Council was of the view that within the next financial framework of the European Union, and bearing in mind the needs of all the OCTs, future financial commitments should be orientated to their present level, while taking into account other prevailing circumstances and a fair balance of mutual interests - notably the development needs of Greenland and the needs of the EC for continued access to fish stocks available in Greenland waters on a sustainable basis - as well as financial contributions from other parties. This was without prejudice to the next financial perspectives of the EU.
 - requested the Commission to implement its communication by producing concrete proposals on the basis of these conclusions at least one year before the expiry of the fourth fisheries protocol.
7. Overall picture of the economic situation in Greenland
- 7.1. The Greenlandic economy is characterised by a very large and predominantly public sector and an underdeveloped private sector. Denmark supports the Greenland budget with an annual transfer of approximately 400 million €, accounting for 56% of the national expenditure budget (or 32% of the total GDP). Exports account for 20% of disposable income, fisheries being the main contributor with 93% in 2004, in a country which is almost totally dependent on imports.
- 7.2. According to the last OECD assessment⁷ from 1999, the Greenland GDP had been flat in real terms for ten years. As a follow-up to this report, the Home Rule Government of Greenland developed a Structural Policy Plan in 2000, which was adopted by the Parliament, comprising three main pillars: a shift in subsidy policy towards a more market-oriented society; promotion of trade and industry; and improvement of education and labour market policy.
- 7.3. Achievements in implementation of macro-economic restructuring between 2002 and 2004 included a housing benefit reform, privatisation of publicly owned companies,

⁷ OECD – Greenland's economy: building a strategy for the future; DOC.DT/TDPC (99)10

simplification of business development legislation, improvement of primary and secondary education, and reduction in subsidies.

7.4. In the short term, the economic difficulties result in public finance fragility, rendering the Home Rule Government of Greenland highly dependent on the block grants issued by the Danish government and on the EU financial compensation paid under the fisheries protocols. From a cultural and political point of view, Greenland enjoys profound historical links with the Kingdom of Denmark and therefore also with the EU.

8. The draft “Kayak Agreement” – Greenland’s proposal for a new global partnership

8.1. By note of 18 February 2005, the Greenland Home Rule Government presented a proposal concerning 4 specific sectors for cooperation between the European Community and Greenland besides the fisheries sector. This note was followed up by a draft agreement on cooperation and partnership on 22 April 2005, the so-called Kayak Agreement.

8.2. Greenland sees the overall purpose of the EU-Greenland cooperation as being;

- to maintain the aggregate flow of approximately 42.82 million € from the EU to Greenland,
- to maintain duty-free access for Greenlandic products to the EU, via the Protocol on special arrangements for Greenland and the OCT association and to obtain unimpeded export access to the EU in terms of food safety by implementing and submitting to the veterinary rules valid in the internal market,
- to strive to involve sectors other than the fisheries sector in a sustainable cooperation programme,
- to make the education and training, mineral resources, energy, tourism, culture and research sectors prioritised sector-political action areas.

8.3. Greenland proposes strategies to be applied to ensure that both Greenland and the EU will benefit from the cooperation, and in this context specifically wishes to endeavour:

- working together on identifying solutions in the prioritised sectors for common potentialities and challenges that will result in sustainable model solutions and;
- ensuring and improving the efficiency of the cooperation in the light of sustainable economic development.

9. The objectives of the EU-Greenland comprehensive partnership

9.1. It is foreseen that the new Fisheries Partnership Agreement between the EU and Greenland will entail a clear identification of the payments corresponding to actual fishing possibilities, as argued for by the Court of Auditors and the European Parliament, as well as compliance with the applicable budgetary rules. This will

effectively reduce the value of the Fisheries Agreement compared to the current level.

- 9.2. The future comprehensive partnership with Greenland will consist of two pillars; the first being the new Fisheries Partnership Agreement, and the second being a specific OCT Decision which governs the cooperation between the EU and Greenland not related to fisheries.
- 9.3. A political statement expressed through a joint declaration will reaffirm mutual interests covering both fisheries and extending cooperation in other areas.
- 9.4. The objectives of the comprehensive partnership between the Community and Greenland are:
 - to provide a framework for a dialogue
 - to achieve common goals by consulting on issues to ensure that the efforts have maximum effect in accordance with the priorities of both partners.
 - to provide a basis for economic, financial, scientific, educational and cultural cooperation founded on the principles of mutual responsibility and mutual support.
 - to contribute to the development of Greenland.
- 9.5. Today the EU has a continuing interest in treating Greenland as a privileged neighbour and to contribute to Greenland's wellbeing and economic development as it has close ties with one Member State and will continue to have a part to play – both in terms of responsibilities and opportunities – in the context of the EU's common fisheries policy, which reaches beyond commercial fishing by promoting sustainable management of fish stocks and protecting the environment.
- 9.6. Greenland is also important for the EU from a geostrategic point of view. The EU and Greenland have an interest in cooperating and developing scientific research on climate change, considering the recently ascertained dramatic evidence on the melting of the Arctic ice cover. The development of alternative energy sources or energy carriers such as hydrogen is a priority interest, shared by the EU and Greenland.
10. The legal basis of a new comprehensive partnership: in the context of the discussions with the Greenland Home Rule Government, the latter underlined the importance of dialogue and partnership. The adoption of a new Greenland OCT decision based on article 187 of the EC Treaty will provide the most suitable instrument. In this context it will be ensured that the OCT has the primary responsibility for formulating development strategies through the preparation, together with the Commission and the Member State to which it is linked, of an OCT programming document.
11. Budgetary implications
 - 11.1. The situation where effect is given to the request by the Council of 24 February 2003 to produce concrete proposals for the broadening and strengthening of future

relations between the EU and Greenland has been anticipated. The Commission took this position into account when developing its proposals for the next Financial Perspectives period in respect of Heading 4. The Commission considers that financial support of maximum €25 million a year for cooperation in other sectors separate from fisheries is within the limits of the proposal on Financial Perspectives (2007 – 2013). The scenario agreed between the Member states in December 2005 is currently subject to the final consensus on the Interinstitutional Agreement on the Financial Perspectives 2007-2013.

11.2. International fisheries agreements are to be handled under the next Financial Perspectives period in a consolidated instrument for fisheries governance. Resources will be set aside under this instrument to meet the European Union's commitments.

12. Conclusions

12.1. The Commission concludes that the best way to shape a comprehensive partnership with Greenland will be a political statement expressed through a joint declaration (annexed to this Communication), reaffirming mutual interest and continuation of the fisheries agreement in the form of a new Fisheries Partnership Agreement and extending cooperation in other areas, to be followed by secondary legislation in the form of a Council decision based on Article 187 of the EC Treaty (annexed to this Communication). The latter would open the way for the adoption of a Programming Document for the Sustainable Development of Greenland, with budgetary support from the EU to Greenland in the period 2007 to 2013.

ANNEX

JOINT DECLARATION BY THE EUROPEAN COMMUNITY ON THE ONE HAND, AND THE HOME RULE GOVERNMENT OF GREENLAND AND THE GOVERNMENT OF DENMARK ON THE OTHER ON PARTNERSHIP BETWEEN THE EUROPEAN COMMUNITY AND GREENLAND

1. PREAMBLE

The European Community on the one hand, and the Home Rule Government of Greenland and the Government of Denmark on the other,

- guided by the close historical, political, economic and cultural connections between Europe and Greenland,
- recalling the close and lasting links between the European Community and Greenland that were established by the Greenland Treaty in 1985 and agreeing that these links should be maintained and confirming that mutual interests, notably the development needs of Greenland, will be taken into account by the European Community in its policies generally and in its relations with Greenland particularly,
- noting that the Council of the European Union agreed on 24 February 2003 that while taking into account the importance of fisheries and structural development programmes in Greenland, there is a need to broaden and strengthen future relations between the EU and Greenland,
- considering that the European Community has a continuing geostrategic interest in treating Greenland, being part of a Member State, as a privileged neighbour and to contribute to Greenland's wellbeing and economic development,
- considering that Greenland is one of the Overseas Countries and Territories associated with the European Community,
- considering that the European Community will take account of Greenland's interests in the context of the Arctic Window of its Northern Dimension policy, mindful of the specific relevance of Greenland's fragile natural environment and challenges confronting its population,
- noting that for the European Community, the maintenance of fishing activities in Greenland waters, of vessels flying the flag of a Member State, plays an essential part in the proper functioning of the Common Fisheries Policy in the North Atlantic,

have decided to further strengthen the relationship and cooperation between the EU and Greenland based on broadly shared interests, to the mutual benefit of their peoples, and to endow their mutual relations with a long-term perspective.

2. COMMON OBJECTIVES

The European Community and Greenland state their intention to strengthen their partnership and cooperation in the following areas:

- Cooperation in sustainably managing fish stocks and the maritime environment as well as providing fishing opportunities for the vessels of the EU Member States. This is, and will remain, an essential pillar of the partnership between the EC and Greenland and will continue to be based on the EC Greenland Fisheries Partnership Agreement and its successor Protocols.
- Cooperation in the field of education and training.
- Cooperation in the context of Greenland's efforts to develop its economy in a sustainable way, in particular in the fields of mineral resources, tourism and culture.
- Cooperation in the context of the EC's efforts to deal with climate change, and to promote sustainable development in the Arctic area.
- Cooperation and joint scientific research as well as practical development of alternative energy sources.
- Joint research and development concerning Northern maritime routes and Greenland's exclusive economic zone.

The European Community, for its part, states that:

- considering its objectives under the Greenland Treaty which entered into force on 1 February 1985, and the close and mutually beneficial relations between Greenland and the European Union over the last 20 years;
- whilst noting the geostrategic importance of Greenland in particular in the context of the Arctic Window in the Northern dimension policy;
- considering the importance of Greenland as a responsible partner for the management and preservation of the environment and natural resources, including fish stocks;

it wishes to develop its cooperation with Greenland over the next seven years on the basis of a two-fold partnership consisting of a Fisheries Partnership Agreement, taking into account the actual fishing possibilities available to the European Community in Greenland's waters and of a comprehensive cooperation in sectors other than fisheries taking into account Greenland's status as an OCT,

it further wishes to ensure the continuation of the commitment of funds from the EU budget for cooperation with Greenland, oriented to the same level as in previous years, on the basis of this two-fold partnership.

3. IMPLEMENTATION OF THE PARTNERSHIP

To achieve their common goals and develop their partnership, the European Community and Greenland will inform and consult each other in the areas covered by this partnership and any other mutually decided areas that arise in the spirit of this declaration.

They consider that:

- concerning the implementation of the part of the comprehensive partnership other than the Fisheries Partnership Agreement, Greenland's association with the European Community as an Overseas Country or Territory represents an appropriate framework to respond to the needs of Greenland, and to care for its specific needs taking into account its ultra peripheral location, its extreme climate and its historical legacy;
- their cooperation should be developed in areas including education, food safety and the development of the resources that have the potential to contribute towards the sustainable development of Greenland's economy and to remedy its structural problems;
- scientific cooperation covering new energy resources as well as climate change should be developed. This cooperation will also involve scientific research concerning Greenland's exclusive economic zone, bearing in mind future developments in maritime transport.

The European Community intends to pursue future cooperation with Greenland in sectors other than fisheries, by a Decision of the Council taken on the basis of Article 187 EC to include funding through a financial support from the budget of maximum Euro [25] million per year within the financial perspectives 2007 – 2013.

Both sides share the conviction that their partnership will greatly benefit from the mutual knowledge and understanding acquired through the full use of all existing consultative fora, and in particular through regular dialogue, and consultations, as appropriate, between officials on both sides.

In this context Greenland intends to report at the end of each year on progress towards fulfilling the above-mentioned objectives. Before the end of June 2010 the European Community and Greenland will undertake a comprehensive mid term review of their partnership.

For the Home Rule Government of Greenland

For the European Community

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For the Government of Denmark

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

1.1. Grounds for and objectives of the proposal

On 24 February 2003, the Council adopted its conclusions on the Communication from the Commission on the mid term review of the fourth fisheries Protocol with Greenland⁸. These conclusions also allowed the negotiations for the mid term review of the fisheries agreement to be undertaken with a clearer perspective of the long term future of relations between the EU and Greenland. In relation to the long term relations between the EU and Greenland in particular, the Council:

- agreed that there is a need to broaden and strengthen future relations between the EU and Greenland taking into account the importance of fisheries and the structural development problems in Greenland.
- expressed its commitment to base the future relationship of the EU with Greenland after 2006 on a comprehensive partnership for sustainable development which will include a specific fisheries agreement, negotiated according to the general rules and principles for such agreements. The Council was of the view that within the next financial framework of the European Union, and bearing in mind the needs of all the OCTs, future financial commitments should be orientated to their present level, while taking into account other prevailing circumstances and a fair balance of mutual interests - notably the development needs of Greenland and the needs of the EC for continued access to fish stocks available in Greenland waters on a sustainable basis - as well as financial contributions from other parties. This was without prejudice to the next financial perspectives of the EU.

This proposal, together with a joint declaration by the European Community and the Home Rule Government of Greenland and the Government of Denmark, sets out the basis for the future relationship of the EU with Greenland in the period 2007 to 2013.

1.2. General context

Greenland became part of the Community alongside Denmark in 1973. The internal status of Greenland was changed by the Home Rule Act, which came into force on 1 May 1979. In a consultative referendum in Greenland in February 1982, 52 % of voters were in favour of withdrawal from the Community. Consequently, Denmark proposed to modify the Treaties. On 1 February 1985, the Treaty of withdrawal of 13 March 1984, or "Greenland Treaty"⁹, came into force and granted to Greenland the status applicable to the Overseas Countries and Territories (OCT) associated with the Community.

The Greenland Treaty also emphasises co-operation and development aspects. In its preamble, it refers to "arrangements being introduced which permit close and lasting links between the Community and Greenland to be maintained and mutual interests, notably the development needs of Greenland, to be taken into account". Furthermore, the preamble states that, whilst

⁸ Communication from the Commission to the Council and the European Parliament. Mid term review of the fourth fisheries Protocol between the EU and Greenland. COM(2002) 697 final

⁹ Treaty amending, with regard to Greenland, the Treaties establishing the European Communities, OJ No. L29 of 1.2.1985, p. 1

the OCT status is deemed to provide an appropriate framework for the relations with Greenland, “additional specific provisions are needed to cater for Greenland”.

A Protocol on special arrangements for Greenland attached to the EC Treaty states that Greenland shall enjoy unrestricted and duty free access to the Community market for its fisheries products on condition that the Community is granted satisfactory possibilities for access to the Greenland waters under a fisheries agreement.

The Fisheries Agreement was concluded for an initial period of ten years, after which it may be tacitly extended for additional six-year periods unless terminated by either Party through notice of termination given at least nine months prior to the expiry of each period. It is implemented by successive protocols. The parties have by mutual consent commenced negotiations for a new Fisheries Partnership Agreement in line with the Council Conclusions of February 2003 to replace the existing fisheries agreement by 1 January 2007.

Greenland remains a special case, a territory remote from the Union, with a small population on an enormous island facing the most challenging climatic conditions and a particular sociological, economic and cultural mix as a legacy of its history and colonial experience.

1.3. Existing provisions in the area of the proposal

Council Decision of 27 November 2001 on the association of the overseas countries and territories with the European Community ('Overseas Association Decision')¹⁰. This Decision defines the global relationship between the 20 OCTs¹¹ and the European Community, with the notable exception for Greenland of the special provisions on fisheries.

2. CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT

2.1. Consultation of interested parties

A Task Force was set up under the Secretariat-General from 1 May 2005 until 31 March 2006 in order to prepare the future framework of the EU-Greenland relationship. This Task Force has been in charge of the re-activation of the Inter-service Group which was set up in 2001, with a view to making proposals for a new Framework Agreement with Greenland, as well as to making a proposal regarding the future management of relations with Greenland.

The Task Force has held four inter-service meetings on 10 June 2005, 13 September 2005, 24 November 2005 and 30 January 2006 with the purpose of exchanging views on the Kayak Draft Agreement and what the Commission should aim for in the future cooperation with Greenland.

The Task Force has furthermore held a number of informal technical meetings with the Greenlandic authorities as well as formal talks with members of the Greenlandic Government on 7 December 2005 in Bruxelles and 18 January 2006 in Nuuk, Greenland.

¹⁰ Decision 2001/822/EC of 27.11.2001, OJ L 314, 30.11.2001, p.1

¹¹ Annex II of the EC Treaty lists 21 OCTs, but the Overseas Association Decision does not apply to Bermuda.

2.2. Collection and use of expertise

There was no need for external expertise.

2.3. Impact assessment

It is foreseen that the new Fisheries Partnership Agreement between the EU and Greenland will entail a clear identification of the payments corresponding to effective fishing possibilities, as argued for by the Court of Auditors and the European Parliament as well as compliance with the usual budgetary rules on development co-operation. This will effectively reduce the value of the Fisheries Agreement compared to the current level.

The objectives of the partnership between the Community and Greenland are:

- to provide a framework for a dialogue
- to achieve common goals by consulting on issues of common interest to ensure that the cooperation efforts have maximum effect in accordance with the priorities of both partners.
- to provide a basis for economic, financial, scientific, educational and cultural cooperation founded on the principles of mutual responsibility and mutual support.
- to contribute to the development of Greenland

Today the EU has a continuing interest to treat Greenland as a privileged neighbour and to contribute to Greenland's wellbeing and economic development as it has close ties with one member state and will continue to have a part to play – both in terms of responsibilities and opportunities – in the context of the EU's fisheries policy, which reaches beyond commercial fishing by promoting sustainable management of fish stocks and protecting the environment.

Greenland is also important for the EU from a geostrategic point of view. The EU and Greenland have an interest in cooperating and developing scientific research on climate change, considering the recently ascertained dramatic evidence on the melting of the Arctic ice cover. The development of alternative energy sources or energy carriers such as hydrogen is a priority interest, shared by the EU and Greenland.

3. LEGAL ELEMENTS OF THE PROPOSAL

3.1. Summary of the proposed action

The objective of the present proposal is to provide the legal basis to allow for and to lay down the conditions under which the Community can establish a comprehensive partnership with Greenland.

3.2. Legal basis

Article 187 of the EC Treaty.

4. BUDGETARY IMPLICATIONS

The situation where effect is given to the request by the Council of 24 February 2003 to produce concrete proposals for the broadening and strengthening of future relations between the EU and Greenland has been anticipated. The Commission took this position into account when developing its proposals for the next Financial Perspectives period in respect of Heading 4. The Commission considers that financial support of maximum €25 million a year for cooperation in other sectors separate from fisheries is within the limit of the proposal on Financial Perspectives (2007 – 2013). The scenario agreed between the Member states in December 2005 is currently subject to the final consensus on the Interinstitutional Agreement on the Financial Perspectives 2007-2013.

International fisheries agreements are to be handled under the next Financial Perspectives period in a consolidated instrument for fisheries governance. Resources will be set aside under this instrument to meet the Union's obligations once the new Fisheries Partnership Agreement is in force.

5. ADDITIONAL INFORMATION

The proposal includes a review clause.

Proposal for a

COUNCIL DECISION

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

(Text with EEA relevance)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 187 thereof,

Having regard to the proposal from the Commission¹²,

Whereas:

- (1) The Treaty amending, with regard to Greenland, the Treaties establishing the European Communities¹³ (“The Greenland Treaty”), which entered into force on 1 February 1985, sets out that the Treaty establishing the European Community shall no longer apply to Greenland, but that Greenland, being a part of a Member State, henceforth as one of the overseas countries and territories (OCTs), shall be associated to the European Community.
- (2) The Greenland Treaty in its preamble acknowledges that arrangements are introduced which permit close and lasting links between the Community 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 establishing the European Community provide an appropriate framework for these relations.
- (3) In accordance with Article 182 of the Treaty establishing the European Community 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 Community as a whole. Pursuant to Article 188, Articles 182 to 187 apply to Greenland, subject to the specific provisions set out in the Protocol on special arrangements for Greenland annexed to the Treaty.
- (4) The provisions for the application of the principles set out in Articles 182 to 186 of the Treaty are set out in Council Decision 2001/822/EC of 27 November 2001 on the association of the overseas countries and territories with the European Community

¹² OJ C , , p. .

¹³ OJ L 29, 1.2.1985, p. 1

(‘Overseas Association Decision’)¹⁴, which continues to apply to Greenland under the conditions laid down in that Decision.

- (5) The Council of the European Union in its conclusions of 24 February 2003 on the Midterm Review of the Fourth Fisheries protocol between the European Community, the Government of Denmark and the Home Rule Government of Greenland, agreed that there is a need to broaden and strengthen future relations between the EU and Greenland taking into account the importance of fisheries and the structural development problems in Greenland. The Council further expressed its commitment to base the future relationship of the EU with Greenland after 2006 on a comprehensive partnership for sustainable development which will include a specific fisheries agreement, negotiated according to the general rules and principles for such agreements.
- (6) The Council of the European Union in its conclusions of 24 February 2003 was of the view that within the next financial framework of the European Union, and bearing in mind the needs of all the OCTs, future financial commitments towards Greenland should be orientated to their present level, while taking into account other prevailing circumstances and a fair balance of mutual interests - notably the development needs of Greenland and the needs of the EC for continued access to fish stocks available in Greenland waters on a sustainable basis - as well as financial contributions from other parties.
- (7) 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, signed in Brussels on 13 March 1984, which recalls the spirit of cooperation resulting from the Community’s decision to grant the status of overseas territory to Greenland, will be replaced by a new Fisheries Partnership Agreement on 1 January 2007.
- (8) The Joint Declaration by the European Community, on the one hand, and the Home Rule Government of Greenland and the Government of Denmark, on the other, on partnership between the European Community and Greenland, signed in Brussels on [DD MM 2006], recalls the close historical, political, economic and cultural connections between the Community and Greenland and emphasizes the need to strengthen further their partnership and cooperation in the areas covered by this decision.
- (9) The measures necessary for the implementation of this Decision should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission¹⁵

¹⁴ OJ L314, 30.11.2001, p. 1

¹⁵ OJ L184, 17.7.1999, p. 23.

HAS DECIDED AS FOLLOWS:

PART ONE

**GENERAL PROVISIONS ON THE RELATIONS BETWEEN THE COMMUNITY
AND GREENLAND**

Article 1

Partnership

1. Without prejudice to Council Decision 2001/822/EC, the partnership between the Community and Greenland aims in particular at broadening and strengthening relations between the Community and Greenland and contributing to the sustainable development of Greenland.

2. The objectives of the partnership are:

- (b) to provide a framework for dialogue
- (c) to achieve common goals by consulting on issues of common interest to ensure that the cooperation efforts have maximum effect in accordance with the priorities of both partners.
- (d) to provide a basis for economic, financial, scientific, educational and cultural cooperation founded on the principles of mutual responsibility and mutual support.
- (e) to contribute to the development of Greenland

Article 2

Dialogue

The Community, Greenland and Denmark shall consult each other on the principles, detailed procedures and results of the partnership established through this Decision.

Article 3

Management

The implementation of this Decision shall be conducted by the Commission and the Home Rule Government of Greenland in accordance with the roles and responsibilities of each of the partners as established in the resulting Financing Agreements.

PART TWO

COOPERATION FOR THE SUSTAINABLE DEVELOPMENT OF GREENLAND

Article 4

Areas of cooperation

Cooperation shall support sector policies and strategies that facilitate access to productive activities and resources, in particular:

- (a) education and training;
- (b) mineral resources;
- (c) energy;
- (d) tourism and culture;
- (e) research;
- (f) food safety.

Article 5

Principles

1. Cooperation shall be based on partnership and shall be implemented in accordance with the cooperation strategies adopted pursuant to Article 6. It shall ensure that resource flows are accorded on a predictable and regular basis and shall be flexible and tailored to the situation in Greenland.

2. Following a partnership approach, cooperation activities shall be decided in close consultation between the Commission, the Home Rule Government of Greenland and the Government of Denmark. Such partnership shall be conducted in full compliance with the respective institutional, legal and financial powers of each of the partners.

Article 6

Programming

1. Within the framework of the partnership, the Home Rule Government of Greenland shall assume responsibility for the formulation of sectoral policies, including strategies and their implementation. To ensure the sustainability of the sectoral policies and strategies, Strategic Environmental Assessments will be carried out as appropriate.

2. Within the context of this Decision, the Home Rule Government of Greenland and the Commission shall prepare and adopt an indicative Programming Document for the Sustainable Development of Greenland (hereinafter referred to as the PDSD), in line with the sectoral policies referred to in paragraph 1.

3. The Home Rule Government of Greenland shall be responsible for:

- (a) adopting sectoral policies;

- (b) monitoring and evaluating the effects and results of the sectoral policies;
- (c) ensuring the proper, prompt and efficient execution of the strategies under the sectoral policies;
- (d) reporting back to the Commission on an annual basis on achievements under the sectoral policies.

4. The Commission shall be responsible for taking the annual financing decision on the overall allocation corresponding to the PDS, in accordance with the procedure referred to in Article 10.

Article 7

Scope of financing

Within the framework of the sectoral policies established by the Home Rule Government of Greenland, financial support may be given to the following activities, which shall fall within the scope of financing:

- (a) reforms and projects that are in coherence with the sectoral policies;
- (b) institutional development, capacity building and integration of environmental aspects;
- (c) technical cooperation programmes.

Article 8

Eligibility for financing

The Home Rule Government of Greenland shall be eligible for financial support provided under this Decision.

Article 9

Implementing measures

The measures necessary for the implementation of this part of the Decision shall be adopted in accordance with the management procedure referred to in Article 10(2) within 3 months after the taking of effect of this Decision.

Article 10

Committee procedure

1. The Commission shall be assisted by [the...] committee [hereinafter referred to as ‘the Committee’][

2. Where reference is made to this paragraph, Articles 4 and 7 of Decision 1999/468/EC shall apply.

3. The period laid down in Article 4 (3) of Decision 1999/468/EC shall be [three] months.

4. The Committee shall adopt its Rules of Procedure.

Article 11

Financial assistance

1. The Community financial assistance for the purposes of this part of the Decision shall cover the period from 1 January 2007 to 31 December 2013.

2. The Community financial assistance shall be granted by means of budgetary support.

3. The implementation of the Community financial assistance will take place using centralised direct management as defined in Article 53 of Commission Regulation (EC, Euratom) No 1605/2002 of 23 December 2002¹⁶.

Article 12

Controls

1. This Decision shall be implemented in accordance with Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities¹⁷. In particular, Greenland is expected to put in place an adequate control system. Greenland shall conduct regular checks to ensure that the actions to be financed from the Community 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.

2. The detailed obligations of the Home Rule Government of Greenland in respect of the management of Community funds shall be set out in financing agreements concluded with the Commission for the purpose of implementing this Decision. In particular, the Financing Agreements will establish the sector indicators – aimed at, 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

¹⁶ OJ L 357, 31.12.2002, p. 1

¹⁷ OJ L 248, 16.09.2002, p. 1

Article 13

Review

Before the end of June 2010, the Community, the Home Rule Government of Greenland and the Government of Denmark shall undertake a mid-term review of the partnership. Following this review the Commission shall, if deemed necessary, propose an amendment to this Decision.

Article 14

Taking of effect

This Decision shall take effect on 1 January 2007. It shall be applicable until 31 December 2013.

Article 15

Publication

This Decision shall be published in the *Official Journal of the European Union*.

This Decision is addressed to the Member States.

Done at Brussels,

For the Council
The President

LEGISLATIVE FINANCIAL STATEMENT

Policy area(s): 21 – “Development and relations with ACP states”

Activit(y/ies): 21 07 – “Other cooperation actions and Ad-hoc programmes”

TITLE OF ACTION: COUNCIL DECISION ON THE RELATIONS BETWEEN THE EUROPEAN COMMUNITY ON THE ONE HAND, AND GREENLAND AND THE KINGDOM OF DENMARK ON THE OTHER

1. BUDGET LINE(S) + HEADING(S)

Heading 4: “EU in the world”

Policy area: 21 – “Development and relations with ACP states”

Budget Chapter: 21 07 – “Other cooperation actions and Ad-hoc programmes”

Budget article: 21 07 01 – “Cooperation with Greenland”

2. OVERALL FIGURES

2.1. Total allocation for action (Part B): 25 € million for commitment

2.2. Period of application:

2007 - 2013

2.3. Overall multiannual estimate of expenditure:

- (a) Schedule of commitment appropriations/payment appropriations (financial intervention)
(see point 6.1.1)

€ million (to three decimal places)

	Year [n]	[n+1]	[n+2]	[n+3]	[n+4]	[n+5]	[n+5 and subs. Years]	Total
Commitments	25	25	25	25	25	25	25	175
Payments	25	25	25	25	25	25	25	175

- (b) Technical and administrative assistance and support expenditure (see point 6.1.2)

Commitments	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
-------------	------	------	------	------	------	------	------	------

Payments	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
----------	------	------	------	------	------	------	------	------

Subtotal a+b								
Commitments	25	25	25	25	25	25	25	175
Payments	25	25	25	25	25	25	25	175

(c) Overall financial impact of human resources and other administrative expenditure
(see points 7.2 and 7.3)

Commitments/ payments	ongoing							
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TOTAL a+b+c								
Commitments	25	25	25	25	25	25	25	175
Payments	25	25	25	25	25	25	25	175

2.4. Compatibility with financial programming and financial perspective

Proposal is compatible with proposed Financial Perspectives 2007-2013.

2.5. Financial impact on revenue:

Proposal has no financial impact on revenue.

(€ million to one decimal place)

Budget line	Revenue	Prior to action [Year n-1]	Situation following action							
			[Year n]	[n+1]	[n+2]	[n+3]	[n+4]	[n+5]		
	a) Revenue in absolute terms									
	b) Change in revenue	Δ								

3. BUDGET CHARACTERISTICS

Type of expenditure	New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective	
Non-comp	Diff/	YES	NO	NO	No 4

4. LEGAL BASIS

Article 187 of the EC Treaty

5. DESCRIPTION AND GROUNDS

5.1. Need for Community intervention

5.1.1. Objectives pursued

Greenland is an OCT and has been covered by the Council's successive Overseas Association Decisions. However, it has never benefited from a territorial indicative allocation from the EDF, because of the financial transfers to Greenland that take place on the basis of the Fisheries Agreement between the Community and Greenland and Denmark. Through the Fisheries Agreement, Greenland receives € 42.8 million per year, until the end of 2006, of which € 31.8 million represent the value of fishing possibilities granted to the Community and € 11 million structural aid for fisheries. However, the actual fishing possibilities for the Community do no longer justify a financial compensation of such an amount. Therefore, a clear separation should be established between the financial compensations to Greenland that correspond to the actual fishing possibilities for the Community in Greenlandic waters, on the one hand, and aid to Greenland, on the other hand.

The Council on 24 February 2003 expressed its commitment to base the future relationship of the EU with Greenland after 2006 on a comprehensive partnership for sustainable development, including a specific fisheries agreement, negotiated according to the general rules and principles for such agreements, but also cooperation in other areas. The Council was of the view that within the next financial framework of the European Union, and bearing in mind the needs of all the OCTs, future financial commitments should be orientated to their present level, without prejudice to the next Financial Perspectives.

It is foreseen that the new Fisheries Partnership Agreement between the EU and Greenland will entail a clear identification of the payments corresponding to effective fishing possibilities, as argued for by the Court of Auditors and the European Parliament as well as compliance with the usual budgetary rules on development co-operation. This will effectively reduce the value of the Fisheries Agreement compared to the current level.

The objectives of the partnership between the Community and Greenland are:

- to provide a framework for a dialogue
- to achieve common goals by consulting on issues of common interest to ensure that the cooperation efforts have maximum effect in accordance with the priorities of both partners.
- to provide a basis for economic, financial, scientific, educational and cultural cooperation founded on the principles of mutual responsibility and mutual support.
- to contribute to the development of Greenland

Today the EU has a continuing interest to treat Greenland as a privileged neighbour and to contribute to Greenland's wellbeing and economic development as it has close ties with one member state and will continue to have a part to play – both in terms of responsibilities and opportunities – in the context of the EU's fisheries policy, which reaches beyond commercial fishing by promoting sustainable management of fish stocks and protecting the environment.

Greenland is also important for the EU from a geostrategic point of view. The EU and Greenland have an interest in cooperating and developing scientific research on climate change, considering the recently ascertained dramatic evidence on the melting of the Arctic ice cover. The development of alternative energy sources or energy carriers such as hydrogen is a priority interest, shared by the EU and Greenland.

5.1.2. Measures taken in connection with ex ante evaluation

(a) *explaining how and when the ex ante evaluation was conducted (author, timing and where the report(s) is/are available) or how the corresponding information was gathered*

The ex-ante evaluation was done within the Commission services (Task-Force set up in the Secretariat General from 1 May 2005 to 15 March 2006) with inputs from the ex-post evaluation of the Fourth Fisheries Protocol conducted by an outside consultant (MegaPesca 2005) regarding in particular data of the overall picture of the economic situation.

(b) *describing briefly the findings and lessons learnt from the ex ante evaluation.*

The Greenlandic economy is characterised by a very large and predominantly public sector and an underdeveloped private sector.

Greenland remains a special case, a territory remote from the Union, with a small population on an enormous island facing the most challenging climatic conditions and a particular sociological, economic and cultural mix as a legacy of its history and colonial experience.

The future comprehensive partnership with Greenland will consist of two pillars; the first being the new Fisheries Partnership Agreement, and the second being a specific OCT Decision which governs the cooperation between the EU and Greenland not related to fisheries.

It is foreseen that the new Fisheries Partnership Agreement between the EU and Greenland will entail a clear identification of the payments corresponding to actual fishing possibilities, as argued for by the Court of Auditors and the European Parliament, as well as compliance with the applicable budgetary rules. This will effectively reduce the value of the Fisheries Agreement compared to the current level.

5.1.3. Measures taken following ex post evaluation

New intervention: no existing ex-post evaluation.

5.2. Action envisaged and budget intervention arrangements

The proposal provides for the development cooperation part of the comprehensive partnership for the sustainable development of Greenland, in line with the above-mentioned Council conclusions of 24 February 2003. Greenland submitted suggestions to the Commission regarding the cooperation under that partnership in domains that are not related to fisheries (draft “Kayak Agreement”). On the basis of these suggestions, the Commission acknowledges that the areas for such cooperation should be education and training, mineral resources, energy, tourism and culture, and research. For this purpose, up to € 25 million per year has been earmarked under Heading 4 of the Financial Perspectives 2007-2013. These funds should be granted to Greenland as sectoral budget support, which implies that they shall

become part of the general Greenlandic budget (for the entire territory and population). In these circumstances, the Commission does not verify the concrete use of the funds (as it does not imply the setting up of EC-funded projects). Instead, the Commission verifies a number of indicators related to the sectoral policies and strategies that Greenland will identify in the Programming Document for the Sustainable Development of Greenland. The PDS is (a multi-annual programming document that will be adopted by the Commission after the entry into force of the proposed Decision.), The purpose of assessing the sectoral indicators is to verify that effective progress is made by Greenland towards sustainable development, through achievements in the focal sectors in question.

Following the assessment by the Commission of the macro-economic situation and the management of public finances in Greenland, a fixed tranche would be disbursed first (for the first time in 2007). Subsequently (for the following years), variable tranches would be disbursed after verification by the Commission and Greenland of the sectoral indicators. The variable tranches will reflect the degree to which the objectives set by these indicators have been attained.

5.3. Methods of implementation

Centralised direct management by the Commission according to Article 53 of Commission Regulation (EC, Euratom) No 1605 /2002 of 23 December 2002. Authorising Officer is Director General of DG AIDCO.

6. FINANCIAL IMPACT

6.1. Total financial impact on Part B - (over the entire programming period)

p.m.

(The method of calculating the total amounts set out in the table below must be explained by the breakdown in Table 6.2)

6.1.1. Financial intervention

Commitments (in € million to three decimal places)

Breakdown	[Year n]	[n+1]	[n+2]	[n+3]	[n+4]	[n+5 and subs. Years]	Total
Action 1							
Action 2							
etc.							
TOTAL							

6.1.2. *Technical and administrative assistance, support expenditure and IT expenditure (commitment appropriations)*

	[Year n]	[n+1]	[n+2]	[n+3]	[n+4]	[n+5 and subs. years]	Total
1) Technical and administrative assistance	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
a) Technical assistance offices	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
b) Other technical and administrative assistance: - intra muros: - extra muros: <i>of which for construction and maintenance of computerised management systems</i>	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
Subtotal 1	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
2) Support expenditure	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
a) Studies	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
b) Meetings of experts	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
c) Information and publications	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
Subtotal 2	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
TOTAL	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.

6.2. Calculation of costs by measure envisaged in Part B (over the entire programming period)

Commitments (in € million to three decimal places)

Breakdown	Type of outputs (projects, files)	Number of outputs (total for years 1...n)	Average unit cost	Total cost (total for years 1...n)
	1	2	3	4=(2X3)

<u>Action 1</u> - Measure 1 - Measure 2	p.m.	p.m.	p.m.	p.m.
<u>Action 2</u> - Measure 1 - Measure 2 - Measure 3 etc.	p.m.	p.m.	p.m.	p.m.
TOTAL COST	p.m.	p.m.	p.m.	p.m.

If necessary explain the method of calculation

7. IMPACT ON STAFF AND ADMINISTRATIVE EXPENDITURE

7.1. Impact on human resources

Ongoing

Types of post		Staff to be assigned to management of the action using existing and/or additional resources		Total	Description of tasks deriving from the action
		Number of permanent posts	Number of temporary posts		
Officials or temporary staff	A	0.25 full time equivalent			<i>Covered by existing AIDCO resources</i>
	B				
	C				
Other human resources					
Total		0.25 full time equivalent			

7.2. Overall financial impact of human resources

Type of human resources	Amount (€)	Method of calculation *
Officials		
Temporary staff		
Other human resources (specify budget line)		
Total		

The amounts are total expenditure for twelve months.

7.3. Other administrative expenditure deriving from the action

Budget line (number and heading)	Amount €	Method of calculation

Overall allocation (Title A7) A0701 – Missions A07030 – Meetings A07031 – Compulsory committees ¹ A07032 – Non-compulsory committees ¹ A07040 – Conferences A0705 – Studies and consultations Other expenditure (specify)		<i>1% per year for administrative expenditure for AIDCO.</i>
Information systems (A-5001/A-4300)		
Other expenditure - Part A (specify)		
Total		250.000 €

The amounts are total expenditure for twelve months.

¹ Specify the type of committee and the group to which it belongs.

I.	Annual total (7.2 + 7.3)	€
II.	Duration of action	years
III.	Total cost of action (I x II)	€

8. FOLLOW-UP AND EVALUATION

8.1. Follow-up arrangements

For the monitoring of the implementation of the Programming Document for the future Sustainable Development of Greenland (see point 8.2), annual reporting by Greenland on the implementation of the programming will be essential. Detailed rules in this respect will be laid down in the implementing measures to be adopted by the Commission. These rules will be similar to the ones applicable to the OCTs that benefit from a territorial allocation from the EDF and will imply that a report on implementation will have to be drawn up annually by Greenland, which will be finalised following a dialogue between the Commission and Greenland, in association with Denmark. This report will moreover be a pre-condition for the disbursement of funds, as it will have to provide the basic data that will be assessed to verify whether the objectives of the indicators related to sectoral budget support have been achieved (cf. the current cooperation with New Caledonia).

8.2. Arrangements and schedule for the planned evaluation

The proposed Decision contains a review clause for an assessment of the effectiveness of the Greenland-EC partnership, no later than 30 June 2010. In addition, the implementing measures to be adopted by the Commission should contain detailed provisions on monitoring, review, evaluation and audit, similar to the ones currently applicable to the OCTs that receive a territorial allocation from the

EDF. These provisions should allow, inter alia, a mid-term review and an end-term review of the Programming Document for the Sustainable Development of Greenland, with a view to adapt the multi-annual programming to the development of the needs and performance of Greenland.

9. ANTI-FRAUD MEASURES

In accordance with Article 12 of the proposal, Greenland is expected to put in place an adequate control system to ensure that the actions to be financed from the Community budget will be correctly implemented. In addition, Greenland will take appropriate measures to prevent irregularities and fraud and will bring prosecutions to recover funds unduly paid.

The financing agreements concluded between the Commission and the Home Rule Government of Greenland will provide for detailed rules concerning in particular:

- the management of Community funds;
- the prevention of fraud and other irregularities linked to the Community assistance to be taken by Greenland;
- the controls undertaken by the Commission, including the European Anti-Fraud Office (OLAF), and the Court of Auditors, where appropriate. These controls will include the right to perform on-the-spot checks and inspections.