**Position Paper: Kingdom of Denmark**

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The expiration of the Cotonou Agreement brings on new challenges for both the EU and the ACP nations. Despite the relative success of the Cotonou Agreement in bringing about political, economic cooperation between the Union and ACP nations, it could be said that it lacked in bringing specific changes to development in the nations that the agreement originally promised. As we near the expiration of the agreement, several issues need to be addressed.

First is the how the new agreement will pertain to the Sustainable Development Goals of the EU. The original Cotonou Agreement had as one of its main goals ‘reducing and ultimately eradicating poverty’ in partnership countries. The funds from European Development Fund(EDF) were used to fund development projects in CPA countries. Originally, the budget was effective in alleviating poverty in many of these countries. However, it seems to have lost some of its leverage, especially in the fast-growing countries because of its reduced financial significance relative to recipients’ budgets.

The second issue comes from the upcoming exit of United Kingdom from the Union. Many of the partner countries from the Cotonou Partnership Agreement are part of the British Commonwealth, and majority of their trade is shared with the UK. This implies that Brexit will cause many of the countries to find it less significant to engage in free trade with the EU. For example, for Belize and St Lucia the departure of the UK will reduce their exports to the EU by around three quarters, and for South Africa, Fiji, Seychelles, Guyana, Jamaica and the Gambia it will reduce their trade with the EU by almost a third. In addition, UK contributes roughly 15% of the total financing for ACP-EU development cooperation activities. This means that the departure of the UK from the Union will cause inevitable decrease in the total amount of funds used for ACP development.

The third issue comes from the significance or the benefit of the CPA itself. The Cotonou agreement was originally set to eradicate poverty, ensuring security and peace, and strengthening the role played by ACP countries in international politics. With the development of many of the ACP nations, the objectives of the new agreement cannot be the same as the original agreement signed almost twenty years ago. There is also the problem that arises because of the paradoxical relations with the Union’s Everything But Arms(EBA) policy, which guarantees non-reciprocal trade preferences to the least developed countries(LDCs). The current CPA only provides reciprocal trade preferences, which means that the ACP countries can enjoy the benefits of tax-free exports only if they reciprocate it for EU-produced goods imported to their own countries. Countries that are members of the Cotonou Agreement but also qualify as LDCs can choose non-reciprocal trade preferences, giving them further benefits compared to other members that do not qualify. The premise of the CPA can be said to be contradictory to the EBA policy, and there is a need to discuss what route of trade the Union is willing to take that does not give preferential treatment to some members of the treaty while neglecting others.

As one of the 6 OECD Development Assistance Committee members to achieve the UN target of 0.7% ODA/GNI, Denmark is highly committed to assistance in the form of grants as the original agreement has carried out. Denmark’s ODA is especially focused in Sub-Saharan Africa, as 24% of its total ODA was contributed to that region. However, because there is a limitation to this form of assistance as previously suggested, there may be more effectiveness in converting the usage of funds in other areas, such as trade and infrastructure building. This solution also applies as a way to escape the challenges brought on by developing member nations. Because the effects of poverty have been alleviated in many member countries, there is a bigger demand for development of infrastructure and economic information-sharing, both of which were not the main foci of the original ACP. In addition, Denmark believes that the future direction of the EU-ACP relations should focus mainly on economic ties, instead of the cultural and political ties that were mostly provided through the British Commonwealth. Without increasing each country’s contribution to the EDF, the funds should be redistributed to ensuring reciprocal free trade for every member that joins the future agreement. Countries that qualify for non-reciprocal free trade can be grouped into another group that focuses more on eradication of poverty and development at its early stages.

**Issue 2**

Another issue before the European Council is the consideration of ODA and general EU development policies within the SDGs. EU has been a leading donor in development cooperation with the spirit of solidarity and pragmatism. Within the EU and the Nordic Cooperation, Denmark is leading in development cooperation. Adopting the *Pearson Commission’s recommendation,* Denmark has been successful in providing 0.7 percent of GNI and is planning to do so in the future. The consecutive OECD DAC peer review reveals the successful implementation of recipient-based aid of Denmark. Denmark is also a signatory state of *Accra Agenda for Action* and *Busan Outcome Document*, which demonstrates its devotion to ODA effectiveness. Despite the situation of Brexit and US-led protectionism, Denmark encourages the EU member states to provide 0.7% of GNI on ODA. Relatedly, Denmark positively views incorporating EDF to the EU budget to promote policy cohesiveness. It will allow for better internal oversight, stronger legitimacy of the EDF and minimize fragmentation and duplication in development funds. The EDF budget then can be allocated to non-ACP LDCs as well as ACP countries in a balanced manner. Denmark does share the concern that geopolitical EU-ACP relations might deteriorate, which must be discussed in the upcoming European Council. Denmark believes diversification of development through non-ODA approaches (i.e. trade, finance and technology assistance) can be discussed. Even though Denmark forms close economic partnerships with some of ACP and middle income countries, we are cautious on dependence on such means as they may only serve the interest of the donor countries and because of the incompatibility with WTO. To monitor concerns of such issues, Denmark calls MS for focus the engagement in developing partner countries’ private and public sectors in advance of trade and finance. It also calls for more countries to participate in the *Enhanced Integrated Framework (EIF)*.

In terms of meeting Sustainable Development Goals, Denmark ranks 2nd in the *SDSN SDG index*. Within the *New European Consensus on Development,* Denmark endorses its ‘Danish’ strategy for development cooperation *“The Right to Better Life”* and *“Strategy: World 2030,* to meet the SDGs. Understanding the connectedness of 17 SDG Goals, Denmark sets the ultimate goals as Eradication of Poverty and Protection of Human Rights. The two main goals will be met through prioritizing *1) Peace, Security and Protection 2) Prevention of illegal migration and readmission 3) Inclusive, Sustainable growth and 4) Gender equality*

1)     *Peace Security and Protection:* The root causes of poverty lies in the structural fragility of states that lack good governance and rule of law. Conflict-ridden states are also prone to human rights violation. Denmark supports 0.26% of GNI to eradication of poverty and actively engages in financial and humanitarian support to fragile states though it opts out of CFSP. In Iraq, Syria, Sahel, Ukraine and Georgia, Denmark devotes in peacebuilding and state-building through Peace and Stabilization fund under *Arab Partnership Programme, Neighbor Programme* and the *New Deal for Engagement*.

2)     *Prevention of illegal migration and readmission*: Denmark believes resolution of refugee crisis is at the core of discussion in the European Union. Denmark focuses more on fighting the root causes of irregular migration than on allowing indiscriminate entry into Denmark or other EU member states. Denmark believes keeping stability in fragile states, job creation and budget allocation through the UN, World Bank, UNHCR and IOM can contribute to solving the issue.

3)     *Sustainable Growth and Climate Action*: Within the EU targets of climate action, Denmark adopts *“Partnering for the Green Global Goals 2030”* and is expected to meet 20% reduction in national greenhouse gas emission by 2020 and aims to be independent of fossil fuels, coal, oil and natural gas by 2050. Denmark urges other EU member states to put their effort Earth via Nationally Determined Contributions (NDC), partnership with private sectors as promised in the *Paris Agreement*. To raise awareness of climate issues, Denmark suggests that education platforms for climate action be made in every EU member states’ compulsory education. Beyond meeting the NDCs, Denmark suggest that a creation of European Climate Goal be made, specifying the road to a greener planet. To counter the current issue of unemployment, Denmark is financially funding 7 innovation centers around the globe to create jobs and adjust to the ICT technology. Denmark is willing to form joint efforts for an innovative European approach to the issue.

4)       *Gender Equality*: Gender equality is linked with eradication of poverty and protecting human rights. Denmark believes the empowerment of women and gender equality in all sectors of the world is needed. Ranking 2nd on the Gender Equality Index, Denmark vigorously strives to realize gender equality through cooperation among government bodies (i.e. Interministerial Network, Gender Mainstreaming Steering Committee and Ministry of Gender Equality) and continues to do so by gender mainstreaming and GAD approaches. Denmark suggests more joint programs by MS be made to exchange goals regarding gender equality.

Denmark looks forward to the upcoming meeting to specify and consolidate the agendas we face.